

Meeting Minutes | Board of Directors

Wednesday, October 21, 2015 | 1 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Approved November 18, 2015

Board Members Present: Chairman Art Bjontegard, Mr. Frank Fusco, Mr. Steve Heisler, Vice Chairman Joe “Rocky” Pearce, Mr. Audie Penn, Mr. John Sowards, and Mr. David Tigges

Board Members Present via Telephone: Ms. Stacy Kubu, Mr. Steve Matthews, and Mr. Steve Osborne

Board Members Absent: Sheriff Leon Lott

Others Present for All or a Portion of the Meeting: Peggy Boykin, Sarah Corbett, Doug Hislop, Ariail Kirk, Heather Muller, Tammy Nichols, Jacalin Shealy, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Brooks Goodman from Blue Cross Blue Shield of South Carolina; Wayne Pruitt from the State Retirees Association of South Carolina; Carlton Washington from the South Carolina State Employees Association; Joseph Newton and Danny White from Gabriel Roeder Smith & Company; Courtney Keith from the South Carolina Office of the State Treasurer; and Thompson Kinney from Milliken Law Firm.

I. Call to Order

Chairman Art Bjontegard called the PEBA Board of Director’s (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Adoption of Proposed Agenda

Mr. Frank Fusco made a motion, which was seconded by Mr. Steve Heisler, and approved unanimously, to adopt the proposed Board meeting agenda.

III. Approval of Meeting Minutes- September 16, 2015

Mr. Heisler made a motion, which was seconded by Mr. Audie Penn, and approved unanimously, to adopt the September 16, 2015, meeting minutes as presented.

IV. Committee Reports

A. Health Care Policy Committee

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the morning, and nominated Mr. Heisler to serve as the Committee’s Vice-Chairman. Mr. Pearce stated that the Committee received an extensive report on Disease Management; a Digital Wellness Platform presentation; and an update on Hospital Quality Initiatives.

B. Retirement Policy Committee

Mr. John Sowards advised that the Retirement Policy Committee was canceled earlier in the month and is scheduled to meet at 1:30 p.m. today.

C. Finance, Administration, Audit and Compliance (FAAC) Committee

Mr. Steve Matthews stated that the FAAC Committee did not meet in October, and the next meeting is scheduled for Tuesday, November 3, 2015.

V. Old Business

A. Director's Report

Ms. Peggy Boykin, PEBA's Executive Director, provided the Director's Report, and stated that following the recent flooding, PEBA verified that all employees were safe. Ms. Boykin reported that some employees had damages related to the flood, and more information will be forthcoming on how to best assist those affected.

Ms. Boykin advised that the Governor's Office budget hearing will be held at 11:00 a.m. on Thursday, October 29, 2015. Ms. Boykin stated that the majority of the budget hearing will be focused on the funding requirements of the State Health Plan.

Ms. Boykin stated that PEBA will be participating in a Class and Compensation Study on Wednesday, October 28, 2015.

Ms. Boykin reported that she and Ms. Sarah Corbett, PEBA's Chief Operating Officer, visited The California State Teachers' Retirement System (CalSTRS), which is structured very similar to our system, although significantly larger with \$120 billion in assets and 1000 employees.

Ms. Boykin stated that due to the ramifications of the recent flooding, the final report from the Legislative Audit Council has been delayed, but should be provided by the end of October. Ms. Boykin reminded the Board that once the final report is given, the Board will have an opportunity to provide a response that will be incorporated into the final report.

Ms. Boykin confirmed that the new Pharmacy Benefit Manager (PBM) contract with Express Scripts Inc. (ESI) will begin January 1, 2016.

Ms. Boykin reviewed several procurement contracts that will be expiring within the next two years.

Ms. Boykin added that the State Fiscal Accountability Authority (SFAA) meeting will be Tuesday, October 27, 2015. Ms. Boykin stated that the South Carolina Retirement System Investment Commission (RSIC) has been asked to provide an update on investment returns, and PEBA has been directed to attend the SFAA meeting as well.

B. Roundtable Discussion

At the conclusion of the Director's Report, Chairman Bjontegard provided an opportunity for a roundtable discussion.

Mr. Heisler stated that he attended the National Association of Governmental Defined Contribution Administrators (NAGDCA) conference September 27-30, 2015, in Indianapolis, Indiana. Mr. Heisler highly recommended the NAGDCA conference for members of the Retirement Policy Committee and senior PEBA staff.

VI. Adjournment

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Heisler, and approved unanimously, the Board meeting adjourned at 1:20 p.m.