

Meeting Minutes | Finance, Administration, Audit and Compliance (FAAC) Committee

Wednesday, February 17, 2016 | 3:15 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved March 16, 2016

Board Members Present: Chairman Steve Matthews, and Mr. Steve Osborne

Board Members Present Via Telephone: Ms. Stacy Kubu

Others Present for All or a Portion of the Meeting: Melissa Alexander, Peggy Boykin, Susan Brantley, Sarah Corbett, Jennifer Dolder, Paul Graham, George Hazin, Doug Hislop, Ariel Kirk, Tiffany Latimer, Heather Muller, Tammy Nichols, John Page, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA).

I. Call to Order

Chairman Steve Matthews called the PEBA Finance, Administration, Audit and Compliance (FAAC) Committee meeting to order at 3:16 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. Steve Osborne made a motion, which was seconded by Ms. Stacy Kubu, and passed unanimously, to adopt the proposed meeting agenda.

III. Approval of Meeting Minutes- December 2, 2015

Mr. Osborne made a motion, which was seconded by Ms. Kubu, and passed unanimously, to approve the minutes from the December 2, 2015, Committee meeting.

IV. 2016 Bylaw Revisions

Mr. Stephen Van Camp, General Counsel, reviewed several modifications to the PEBA Board of Directors Bylaws, which were amended to minimize the potential for vacancies on committees and in officer positions when the current Board member terms expire. Mr. Van Camp advised that language has been included to extend the terms of officers and committee members until successors are elected or appointed, unless that person is no longer a member of the Board. Mr. Van Camp stated that a section was added to the Bylaws that states at any meeting of the Board at which the Chairman nor Vice-Chairman is in attendance, the meeting will be called to order by the Executive Director who will chair the meeting until a quorum elects a Chairman pro tempore as the first order of business. The sections of the Bylaws amended included Sections 5A; 7B; and 7E. The addition to the Bylaws is referenced in section 7F.

Mr. Osborne made a motion, which was seconded by Ms. Kubu, and passed unanimously, to approve the proposed modifications to the PEBA Board of Directors Bylaws, and recommend the modifications to the full Board for approval.

V. Review of Strategic Plan

Ms. Sarah Corbett, Chief Operating Officer, advised that the Board's Strategic Plan will be reviewed in April at the Board retreat, and asked the Committee if there were any strategic changes to the FAAC Committee charter that should be considered before the Board retreat. The Committee agreed that there were not any changes that needed to be made to the FAAC Committee Charter at this time.

VI. Retirement Readiness

Ms. Jennifer Dolder, Employer Services Director, introduced herself to the Committee, and provided a presentation related to helping PEBA's members prepare for retirement. Ms. Dolder explained that one of PEBA's goals is to increase retirement awareness by providing general education and resources on planning, saving, and investing. Ms. Dolder emphasized the importance of generational targeting and supporting members at any stage in their career, from early and mid-career employees to those who are retirement eligible. Ms. Dolder also highlighted the importance of engaging both members and employers in retirement preparation.

VII. Old Business/Director's Report

Chairman Matthews reminded the Committee that the Board adopted an Ethics and Conflict of Interest Policy in 2014, and stated that the Board's Policy is in compliance with the Code of Conduct Policy that was recently developed for the Governor's Cabinet Agencies. Chairman Matthews announced that Ms. Melissa Alexander, legal counsel for PEBA, is also PEBA's internal Ethics Officer, and can advise employees if they have questions in regards to ethics reporting. Ms. Alexander pointed out that all employees will be required to complete an online Code of Conduct course.

Ms. Peggy Boykin, Executive Director, stated that the House Ways and Means Full Committee will begin budget hearings the week of February 22, 2016. Ms. Boykin stated that the Governor's version of PEBA's budget includes an additional \$96 million in recurring funds as a line item appropriation to the pension fund that will provide funding for the one half percent contribution increase that will be required to absorb the investment losses from fiscal year 2015. Ms. Boykin advised that the Governor's version of the budget also includes \$26.2 million in funding for the State Health Plan, and would require a premium increase for employers and employees. Ms. Boykin added that if the Governor's version of the budget is adopted, employees would pay an additional 92 cents per month for the State Health Plan effective January 1, 2017.

VIII. Executive Session to Receive Legal Advice Concerning Services to be Provided by Mandiant and Statewide Term Contract Number 4400010630 Pursuant to S.C. Code of Laws § 30-4-70 (a)(2).

At 4:00 p.m., Mr. Osborne made a motion, which was seconded by Ms. Kubu, and passed unanimously, to recede into executive session to receive legal advice concerning services to be provided by Mandiant and Statewide Term Contract Number 4400010630.

The Committee reconvened in open session at 4:09 p.m. Chairman Matthews announced that no action was taken by the Committee while in executive session.

IX. Adjournment

There being no further business, and upon motion by Mr. Osborne, which was seconded by Ms. Kubu, and passed unanimously, the Committee meeting adjourned at 4:10 p.m.