

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

Thursday, August 17, 2017 | 11:30 a.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes approved September 21, 2017

Board Members Present: Mr. Steve Heisler, Chairman Steve Matthews, and Mr. Alex Shissias

Board Members Present Via Telephone: Mr. Frank Fusco

Others Present for All or a Portion of the Meeting: Peggy Boykin, Amber Carter, Sarah Corbett, Doug Hislop, Heather Muller, Darry Oliver, 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 11:34 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- June 14, 2017

Mr. Frank Fusco made a motion, which was seconded by Mr. Alex Shissias, and passed unanimously, to approve the minutes from the June 14, 2017, Committee meeting.

III. 2018-2019 Agency Budget Request

Ms. Peggy Boykin, Executive Director, presented the annual agency budget report to the Committee, and provided a brief history of PEBA's approved budget authorizations. Ms. Boykin reminded the Committee that PEBA's operating budget is funded by the insurance and retirement Trust Funds, not from General Funds, and explained that PEBA's General Fund appropriations are pass through appropriations only, and are not used for PEBA's operating expenses. The General Fund total includes \$118 million of pass through funds paid to PEBA to cover one half of the two percent employer contribution increase.

Ms. Boykin added that there has not been an increase in basic approved fund authorization since fiscal year 2012, except for an additional \$700,000 that was added in fiscal year 2015, for the fiduciary audit, and when administrative items were transferred to PEBA in 2016, after the Department of Administration was created. Ms. Boykin reported that an additional budget authorization of \$10 million of reoccurring funds for PEBA's IT modernization project, peba:connect, was approved in fiscal year 2018, and remains in the fiscal year 2019 request. Ms. Boykin pointed out that PEBA also received authorization for an additional 10 FTEs for the duration of the project. Ms. Boykin added that the project will be delayed because the client services vendor contract award was protested. A Chief Procurement Officer hearing is scheduled

for August 18, 2017, and a Procurement Review Panel hearing is scheduled for August 31, 2017. The total budget amount requested for FY 2019 is \$167,767,422.

Mr. Shissias made a motion, which was seconded by Mr. Fusco, and passed unanimously, to approve the fiscal year 2019 PEBA agency budget as requested, and submit to the full Board for approval.

IV. Old Business/Director's Report

Ms. Boykin stated that she would provide the Director's Report at the full Board meeting. Chairman Matthews stated that the Committee will review their current charter at the September 21, 2017, meeting.

V. Adjournment

There being no further business, and upon a motion from Mr. Shissias, which was seconded by Chairman Matthews, and approved unanimously, the Committee meeting adjourned at 11:49 a.m.