

**South Carolina Retirement System Investment Commission
Planning Committee Meeting Minutes**

April 01, 2014

**South Carolina Retirement System Investment Commission
1201 Main Street, 15th Floor
Columbia, SC 29201
Meeting Location: Presentation Center**

Committee Members Present:

Dr. Rebecca Gunnlaugsson, Chairperson
Dr. Ronald Wilder
Mr. Reynolds Williams

Others present for all of a portion of the meeting on Tuesday, April 01, 2014:

Andrew Chernick, Sarah Corbett, Dori Ditty, Robert Feinstein, Hershel Harper, Monica Houston, James Manning, David Phillips, Greg Ryberg, Brittany Storey, and Danny Varat from the South Carolina Retirement System Investment Commission (“RSIC”); Melinda Al-Hasan from the State Treasurer’s Office; Wayne Pruitt and Donald Tudor from The State Retirees Association of South Carolina.

- I. **Call to Order:** Mr. Reynolds Williams called the meeting of the RSIC Planning Committee (“Committee”) to order at 10:10 a.m. There were no objections to the proposed agenda.

- II. **Election of Chair:** Dr. Ron Wilder nominated Dr. Rebecca Gunnlaugsson as Chairperson for the Committee and was elected unanimously.

- III. **Adoption of Committee Charter:** Mr. Williams asked if the changes in red were the changes since the Charter was last seen. Ms. Dori Ditty, Legal and Policy Counsel, explained that the changes were posted on the portal and were based on comments from staff during internal meetings. Ms. Sarah Corbett, Director of Operations and Operational Due Diligence, explained that including prioritization within the Committee Charter is important and had been added. Mr. Williams asked about the Committee suggesting a strategic plan to the Commission and the addition of statement of investment objectives. Ms. Corbett then recommended that the development of investment objectives be one of the first items to be addressed by the strategic plan. Mr. Williams moved to adopt the Committee Charter. It was seconded by Dr. Wilder and was unanimously approved.

- IV. **Timeline Summary:** Ms. Ditty explained that the timeline was to give the Committee an idea of how the Funston Advisory Services (“Funston”) audit was conducted and the deadline for receipt of its report, so that the Committee could speak publically about the report.

- V. Discussion of Committee's Responsibilities:** Chairperson Gunnlaugsson proceeded to ask if the discussion of the Committee's responsibilities should tie in with the Committee Charter. Ms. Corbett responded that the responsibilities should be consistent with the charter and timelines of the Committee's expectations. Chairperson Gunnlaugsson explained that Funston's findings should be classified as, urgent or not urgent and easy or complex, and based on classifications, the Committee should begin to work on the easy and urgent findings. Mr. Williams agreed.

Dr. Wilder asked if the Funston report would become available to the public before May 1st. Mr. Andrew Chernick, Director of Internal Audit and Compliance, pointed out that there is an April 30th deadline, however the report could be released before the deadline date. Dr. Wilder then stated that the Committee would like to make recommendations at the May 1st meeting. Mr. Chernick stated it was important to note that the initial Funston draft report did not contain a prioritization list, but the final report would contain the thoughts of Funston on priorities.

Mr. David Phillips, Deputy Chief Investment Officer, explained to the Committee how the bigger goal was the long-term strategic plan for the organization. Mr. Phillips explained how the Funston report would help as well as the fundamental foundational component of the strategic plan, which includes investment beliefs philosophy (mission). Mr. Phillips stated that it would be helpful if that was complete in May so that the plan can be focused on during the June retreat.

Mr. Williams stated that he would like to end his chairmanship by refocusing on investing and investment philosophy rather than various and complex administrative matters. Mr. Williams suggested that the Committee have a report of plans and progress and it be an agenda item for the next Commission meeting.

- VI. Discussion of Strategic Planning Process:** Mr. Williams asked for Ms. Corbett to tell the Committee which strategic items the administrator would help with from the key items that were ranked by Commissioners. Ms. Corbett went through a list provided to the commission to detail items in which the administrator procurement would be helpful.

Mr. Williams stated that he was looking at big picture for what information the Commissioners would like to see over time. Ms. Corbett suggested that getting input from Commissioners should be implemented in the strategic plan.

Dr. Wilder stated that the previous strategic plan lays out the mission and the plan progress, but does not address the growth in number of state employees. Mr. Phillips encouraged the Committee to think of a timeline for final recommendations. Mr. Williams stated that he believed that they should present a draft of the strategic plan either before or during the retreat. Chairperson Gunnlaugsson stated that depending on how detailed the strategic plan will be has a determination of when the plan is presented.

- VII. Committee Assignments:** Chairperson Gunnlaugsson stated she had trouble talking about Committee Assignments without getting into specifics from the Funston report. Ms. Corbett said that

staff could work to prioritize the findings. Mr. Harper stated that the development of the philosophy would be added as well.

VIII. Executive Session to discuss personnel matters and receive legal advice and briefings, pursuant to S.C. Code Ann. §§30-4-70(a)(1)-(2) : Chairperson Gunnlaugsson requested a motion to recede into executive session to receive advice from legal counsel and discuss other items.. Mr. Williams made the motion, which was seconded by Dr. Wilder, and passed unanimously. Chairperson Gunnlaugsson announced the Committee would meet in executive session and the Committee receded into executive session at 11:05 a.m.

IX. Adjournment: The Committee reconvened in open session at 1:36 p.m. Given no further business on items discussed and no votes taken, the meeting adjourned at 1:36 p.m.

[Staff Note: In compliance with S.C. Code Ann. §30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted at the entrance, in the lobbies and near the 15th Floor Conference Room at 1201 Main Street, Columbia, SC, at 8:30 a.m. on March 28, 2014.]