

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
GOVERNANCE MEETING MINUTES OF OCTOBER 23, 2019

Tom Shaw, Chair, called the meeting of the Governance Committee to order at 9:30 a.m.

Members Present

Tom Shaw
Dale Stratton
George Saxon
Art Agra
Jim Burke

Members Absent

Others Present

Joanna Adams, Pension Office
Jamie Mayan, Pension Office
Ann Marie Johnson, Deputy Attorney General

1. OPENING COMMENTS

T. Shaw welcomed everyone to the meeting.

2. APPROVAL OF THE MINUTES

MOTION made by D. Stratton and seconded by A. Agra to approve the Public Minutes of September 25, 2019.

MOTION ADOPTED UNANIMOUSLY

MOTION made by D. Stratton and seconded by G. Saxon to approve the Executive Minutes of September 25, 2019.

MOTION ADOPTED UNANIMOUSLY

3. GOVERNANCE BEST PRACTICES UPDATE

Open Items List

J. Adams reported on the open items list. No change. Three items are highlighted and assigned to the Internal Auditor.

- #46- Consider having the Risk Manager develop a work plan which outlines the planned direction and priorities of the DPERS risk management program over the next two-year period.
- #25- Consider having the Board direct the Executive Secretary/Pension Administrator to develop a succession plan for direct reports and positions that have been identified as critical to the administration of DPERS.
- #60- Consider using the internal audit function recommended in Section III, to confirm compliance with the Reporting Schedule.

T. Shaw requested an update by Internal Audit on risk management at the next Governance Committee meeting.

Vacant Positions Update

J. Adams reviewed the current vacant positions. A Sr. HR Technician position is in the process of being reclassified to a higher level position. A request to fill for the HR Specialist I positions has been submitted. Casual/Seasonal Sr. HR Technician interviews were completed and the request to hire has been submitted. Additionally, Interviews have been scheduled for the Pension Administrator position.

Board Self-Assessment List

The Governance Committee prioritized the self-assessment list by assigning a priority from low to high. The Governance Committee will recommend to the board as a high priority:

- As DPERS is a fiduciary board, the Legislature should increase the budgetary authority of DPERS to determine the number of positions required, the compensation required to attract and retain qualified personnel and the resources needed to provide the appropriate infrastructure to fulfill its fiduciary duties.
- Conduct annual goal-setting and provide performance evaluation feedback to the Pension Administrator
- Develop a succession plan for the Pension Administrator, including identifying how to handle an unexpected absence or departure as well as normal long-term development needs.
- The Board and committees should have increased exposure to more junior DPERS staff to gain a better understanding of bench strength.
- The Pension Board should update its asset/liability study policy to specify the appropriate cadence for when it should be updated, e.g., 3-5 years, 4 years, etc.).

- The Board should develop its risk policy, including enterprise risk, and identify how it wishes to oversee risk throughout the organization and appropriate committee responsibility.
- The Board should determine if a separate Risk Manager role is needed or if those responsibilities can/should be incorporated into the role of Internal Audit or another position.

4. COMMITTEE UPDATES

Nothing to report.

MOTION made by A. Agra and seconded by J. Burke to enter into Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

The Governance Committee then moved into Executive Session to discuss pending personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION made by D. Stratton and seconded by A. Agra to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

5. DEPUTY ATTORNEY GENERAL UPDATE

Nothing to report.

6. NEW BUSINESS

The next Governance Committee meeting will be scheduled for November 20th at 9:30 a.m., at 3 Mill Road, Suite 205, Wilmington, DE 19806.

7. ADJOURNMENT

At 11:49 a.m. there being no further business, **MOTION** was made by A. Agra and seconded by J. Burke to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

David C. Craik
Pension Administrator

Tom Shaw, Chair
Governance Committee