

James B. Testerman, Chairman
Delaware State Education Association

Lawrence Talley, 1st Vice Chairman
Delaware State Troopers' Association

Charlotte T. Lister, 2nd Vice Chairman
At-Large

Delaware Retired School Personnel Association
Delaware Association of School Administrators
Delaware School Food Service Association
Delaware National Guard
University of Delaware Salaried Staff Association
Delaware Fraternal Order of Police
(13) International Association of Firefighters
Local 1590 City of Wilmington Firefighters

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
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MINUTES OF THE STATE PENSION ADVISORY COUNCIL – 4/11/06

1. The meeting was called to order at approximately 1:30 p.m. in the Board Room on the 2nd floor of the McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE.

2. Members present:

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| Larry Talley | DSTA |
| Charlotte Lister | At Large |
| Joe Vrundy | DRSPA |
| Louise Cloutier | UDSSA |
| Edward Seibert | DASA |
| Jim Testerman | DSEA |

3. Members absent:

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|---------------------|------------------|
| Joseph Malloy | IAF |
| Geraldine Gillespie | DSFSA |
| Brian Douty | FOP, State Lodge |
| Nancy Patterson | DNG |

4. Approval of the minutes of 1/10/06 – Larry Talley moved to approve the minutes of 1/10/06. The motion was seconded by Charlotte Lister and passed.

5. Announcements and Correspondence:

- a. Dr. Edward Siebert was introduced as the newly appointed representative of DASA replacing Dr. Richard Moretti. Dr. Siebert was welcomed to the Council.
- b. Chairman Testerman informed the Council that approved minutes from our meetings have to be placed on the State Website within 5 days of being approved.

c. Chairman's report from the January and March Pension Board meetings.

- Attention was directed to a requirement for the Pension Board to invest tobacco settlement funds and the possibility that this might interfere with the Boards' desire to become IRS Qualified.
- A discussion by the Board on a Compensated Investment Committee due to the Committee, in effect, fulfilling duties of an Investment Officer.
- The Board has selected Northern Trust as the Custodial Bank for the State Pension Funds.
- The Board will select an Actuary at the May meeting.

6. Legislative Strategy – Chairman Testerman is to send a letter to members of the Advisory Council regarding lobbying for a good contribution to the fund to pre-fund medical benefits and a pension increase due to high inflation this year. A copy of the Legislator's addresses and phone numbers is to accompany the letter. It was noted that the Governor's Budget does not contain enough money for a pension increase this year.

7. Meeting of the State Employees Pension Benefits Review Committee – The Chairman informed members of the Council that this Committee is composed of members of the Legislature and has Pension Board representation, Pension Office representation and Advisory Council representation. Many pension benefits have flowed from the influence of this Committee over a period of time. Larry Talley, who represents the Council on this Committee, is trying to get the Committee to meet.

8. The meeting adjourned at approximately 2:40 p.m.

Respectfully submitted,

Jim Testerman, Chairman