

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**

MCARDLE BUILDING  
860 SILVER LAKE BLVD., STE 1  
DOVER, DE 19904

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FAX # (302) 739-6129

MINUTES OF THE STATE PENSION ADVISORY COUNCIL – January 12, 2010

1. The meeting was called to order at 1:30 P. M. in the board-room on the 2<sup>nd</sup> floor of the McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904.

2. Members present:

Nancy Patterson	DNG
Edward Seibert	DASA
Charlotte Lister	At Large
Wayne Emsley	DRSPA
Mary Pat Urbanik	UDSSA
Brian Douty	FOP, State Lodge
Larry Talley	DSTA
Janice Vander Decker	DSFSA
Jim Testerman	DSEA

3. Members absent:

Joseph Malloy	IAF
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4. Others present:

John Kenyon	AFSCME
David Craik	State Pension Administrator

5. Additions to the agenda – There were no additions to the agenda.

6. Approval of the November 10, 2009 minutes – Charlotte Lister moved to approve the minutes of November 10, 2009; the motion was seconded by Edward Seibert and passed.

7. The chairman's Report covered agenda items 4, 5 and 6. The Chairman reported rumors of extension of pay cuts and layoffs in the 2011 budget. The Governor confirmed this with the DSEA leadership in a meeting that the Governor requested. The Governor is also looking at decreasing pension benefits for new hires.

Members of the Coalition of State Employee Retiree Organizations are attending all of the SEBC meetings. At the last meeting a shortfall of \$48.7 million was shown. Proposals to fill the gap included increasing medical benefit fees, increasing co-pays and plan changes, which were not specified. The OPEB Fund (the fund to pre-fund retiree medical benefits) will get no increase this year or next year. The fund contains about \$80 million dollars at present.

The Coalition of State Employees for a Better Delaware will try to place additional members on the State Employees Benefits Committee (SEBC).

The Committee required by SB300 reported that the only way to reduce the cost of OPEB was to increase costs or reduce benefits for retirees. This fund is projected to cost over \$5 billion and currently the fund contains around \$80 million dollars.

The Pension Trust Fund at the end of November has earned 13.9% for the FY and 24.0% for the 12 months. The Trust Fund now contains \$6.47 billion. The Pension System had a clean audit. Five positions in the pension office have been eliminated, there is a posting for three positions and 12 positions are vacant.

We have a senate and house seat up for election to Congress. In Delaware, we have all 41 house seats and 10 senate seats up for election. Various political match-ups were discussed and a December 5<sup>th</sup> News Journal Poll was discussed.

The Coalition of State Employees for a Better Delaware will be very active in the coming Legislative Year. There is a reported \$300 million shortfall for the 2011 budget.

8. Legislative goals for 2010 - Brian Douty moved to approve the 2010 Legislative Goals as changed, seconded by Charlotte Lister, the motion passed. The Goals are:

Primary Goals

- Continuation of medical benefits at the current level and cost for active and retired state employees.
- Resume annual post retirement increases.
- Provide adequate annual funding for the Post Retirement Medical Benefit Fund (OPEB).
- Eliminate the early retirement penalty.

Secondary Goals

- Implement a 2.0 pension multiplier as the only multiplier in pension benefit calculation.
- Increase the pensioner death benefit from \$7,000.00 to \$8,000.00.
- Encourage the State Legislature to look at some sort of Veteran's pension credit for those employed after 1976.

9. Adjournment – The agenda being complete, the meeting was declared adjourned at 2:42 P. M.

Respectfully submitted,

James B. Testerman, Chairman

MEMORANDUM

To: Members of the State Pension Advisory Council

From: Jim Testerman, Chairman

Re: Meeting scheduled for **April 13, 2010**, to be held in the McArdle Building, 800 Silver Lake Blvd., Suite 1, Dover, DE 19904 at **1:30 P. M.**

AGENDA

1. Call to order
2. Additions to the agenda.
3. Approval of the January 12, 2010 minutes.
4. Announcements and correspondence.
5. From Pension Board meetings.
6. Chairman's Report.
7. Legislation if any of importance has been introduced.
8. Additions to the agenda or new business.
9. Adjournment.