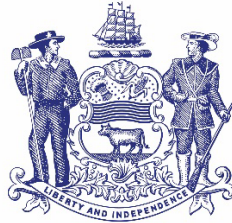


Joseph Malloy, Chairman
Local 1590 City of Wilmington Firefighters

Fred Calhoun, 1st Vice Chairman
Delaware Fraternal Order of Police

Janice Vander Decker, 2nd Vice Chairman
Delaware School Nutrition Service Association

International Assoc. of Local 1590 City of Wilmington Firefighters
Delaware Retired School Personnel Association
Delaware Association of School Administrators
Delaware School Nutrition Service Association
Delaware State Education Association
Delaware Fraternal Order of Police
Delaware State Troopers Association
Two at-Large Members



STATE OF DELAWARE
BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
MCARDLE BUILDING
860 SILVER LAKE BLVD., SUITE #1
DOVER, DE 19904-2402

When Calling Long Distance
Toll Free Number 1-800-722-7300
E-mail: pensionoffice@delaware.gov

Telephone (302) 739-4208
FAX # 302) 739-6129
www.delawarepensions.com

PENSION ADVISORY COUNCIL
MEETING MINUTES FROM MAY 10, 2022

1. CALL TO ORDER:

The meeting of the Pension Advisory Council was called to order by Joseph Malloy, Chair, at 1:34 p.m., via videoconferencing.

Members present:

Joseph Malloy	WFD IAFF 1590
Janice Vander Decker	DSNA
Kevin Carson	DASA
Karen Crouse	DSEA
David Taylor	DRSPA
Jim Testerman	At Large

Members absent:

Fred Calhoun	FOP
Charlotte Lister	At large
Mark Ryde	DSTA

Others present:

Joanna Adams	Pension Administrator
Vicki Schultes	Executive Assistant to Pension Administrator

2. OPENING COMMENTS:

Mr. Malloy welcomed everyone to the meeting.

3. ADDITIONS TO THE AGENDA:

No additions were made to the agenda.

4. APPROVAL OF THE APRIL 12, 2022 MINUTES:

Ms. Adams mentioned that page 3 of the meeting materials needs to be corrected to show Dr. Carson representing DASA, not DSEA.

J. Malloy requested the approval of the minutes the from April 12, 2022 meeting, with changes as noted. Motion made by K. Carson and seconded by K. Crouse. Motion adopted unanimously.

5CHAIRMAN'S REPORT:

There was no new business to report. Mr. Malloy has made many inquiries and requests for meetings with legislators, which have gone unanswered. His ongoing efforts will continue.

5. OLD BUSINESS:

No questions or comments were presented regarding old business.

6. NEW BUSINESS:

J. Testerman stated he hopes we are not trying to reduce benefits to OPEB more rapidly. That is not the right way to go. Ms. Adams stated that she doesn't believe that is happening. K. Crouse shared J. Testerman's concerns, stating she is anxious about the Medicare Advantage Plan. She wants to make sure the retirees' best interests are being considered moving forward. Ms. Adams said that everything we are seeing at this point does not negatively impact retirees at all. The cost is reduced, but with more services being made available. While Ms. Adams cannot say for certain that there is nothing negative thus far, she has not seen anything that would specifically result in a negative outcome.

K. Carson stated that the DRSPA sent outreach that encourages members to make contact with their legislators regarding the post-retirement increase. He was encouraged that people appear to be willing to reach out to their senators and representatives.

D. Taylor stated that DRSPA confirmed correspondence was sent out requesting pensioners to reach out in person, by phone, or email, then get back to the Executive Director once the contact was made. This was done last year, and it was effective. They have 1,200 members; about 800 people were solicited to make comments and contact their legislators. They don't yet have the information regarding how many people have followed through. K. Crouse confirmed DSEA - Retired meetings are being set up over the next several weeks.

7. PENSION ADMINISTRATOR'S REPORT:

Ms. Adams shared that last month, Ken Simpler was confirmed by the Senate to serve on the Board of Pension Trustees effective July 1, 2022. Ken is replacing Tom Shaw who served through the end of January. Many of you may remember that Ken was the previous State Treasurer for Delaware. He has always respected the Board of Pension Trustees and often sought guidance on governance. He is honored to be chosen to serve on the Board of Pension Trustees.

Tom Shaw was also the Chair of the Governance Committee; he has been replaced by Pam Tikellis (formerly from Investments but has a background in governance).

The discussion regarding the PRI is ongoing, but it is still too soon to know the outcome.

The preparations to transition retirees to the Medicare Advantage Plan are moving very fast. We would prefer to do this over a 12 to 18-month period, but we have to do this in less than a year. The first step is to ensure members are educated and well-informed as to what this product is and how it will impact them. We have partnered with the Statewide Benefits Office for this transition. D.H.R. *administers* the benefits; they fall under 29 *Del.C.* Ch. 52, not Ch. 55. We want to avoid the mishaps that occurred during the transition to CVS' (pharmacy benefit manager) Caremark. We are informing Medicare-eligible pensioners about this Plan. The first mailing will have generic yet informative content because more specific information will be included in future communications. Once we start heading into open enrollment for Medicare, that's when other healthcare companies send a lot of mailings and solicitations to the pensioners. We are trying to intentionally get ahead of their timing. We have our members' best interests at heart and are looking to make the transition as easy as possible.

J. Malloy asked about the new Medicare coverage: what common questions does Ms. Adams have answers to that can offset fears people may have? Ms. Adams said that we are developing FAQs that will hopefully address the common questions people have. Some of this is the result of the challenging transition to CVS/Caremark. We are doing everything in our power to make sure we are doing what we can to communicate to our members.

K. Crouse stated that they have their DSEA Retired meeting tomorrow and asked what she could share at that meeting. Ms. Adams stated our immediate focus right now is navigating open enrollment. We have purposely designed and timed our communications to go out between June 1 and mid-October, ahead of solicitations by other health care companies. Updates will also be available on our website.

We are also dealing with technology enhancements and upgrades. Our imaging system, OnBase, has been upgraded, and we are also looking from a statewide perspective of moving to the Cloud. Our current system has been in place since the late-1990s but it will reach its end of life by 2030. Replacing the system will be a massive undertaking.

D.H.R. recently conducted a review of the Human Resource position classification. Office of Pensions is traditionally challenged with a staff retainment issue. Roughly 40 positions – 2/3 of Pensions Office staff – are Human Resource positions. This review upgraded salaries for all but one level within the class series, resulting in a minimum salary increase of 5% for reclassified staff. We are pleased that our career ladder now has an additional (fourth) rung, which will go a long way in helping us retain employees. We did not initiate this, but we are certainly the benefactors of it. D.H.R. will be doing additional class series reviews for FY23; one of which is for fiscal positions. We hope this will also result in more good news for the office.

J. Testerman asked when we will resume in-person meetings. Ms. Adams stated that we have no building restrictions here at the McArdle Building. People always have the option of attending meetings in person in the Craik Room.

HB 308: Sponsored by Speaker Schwartzkopf and signed April 7, 2022. This bill removes the provision that requires a reduction in disability benefits if the officer or firefighter exceeds their annual earnings limits.

8. ADJOURNMENT:

Being no further business, the motion to adjourn was made by D. Taylor and seconded by K. Carson at 2:02 p.m. The motion was adopted unanimously.

The next meeting is scheduled for June 14, 2022, via videoconferencing. We are hoping to resume in-person meetings in November 2022.

Respectfully submitted,

Joseph P. Malloy
Pension Advisory Council Chairman