

**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
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**BOARD OF PENSION TRUSTEES**  
**MEETING MINUTES OF FEBRUARY 28, 2020**

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 9:01 a.m. in the Delaware Conference Room.

Trustees Present

Suzanne Grant  
Mike Jackson  
Art Agra  
Harold Stafford  
Nancy Shevock  
Rick Geisenberger

Trustees Absent

Tom Shaw

Others Present

Joanna Adams, Pension Office  
Terri Timmons, Pension Office  
Jamie Mayan, Pension Office  
Ann Marie Johnson, Deputy Attorney General  
Khairat Makanjuola, Pension Office  
Jeff Johnson, Pension Office  
Stephenie Tatman, Pension Office  
Rob Gooderham, Windmark  
Robin Hartnett-Sterner, Pension Office  
Charlotte Lister, Pension Advisory Council  
Jim Testerman, Pension Advisory Council

Amy Cole, Pension Office  
Kristal Diaz, Pension Office  
Christy Ulmer, Pension Office

**1. OPENING COMMENTS**

S. Grant welcomed everyone to the meeting.

## **2. APPROVAL OF THE MINUTES**

The Trustees reviewed the Public Minutes of the January 31, 2020 meeting.

**MOTION** made by N. Shevock and seconded by H. Stafford to approve the Public Minutes of the January 31, 2020 Board of Pension Trustees' meeting.

**MOTION ADOPTED UNANIMOUSLY**

The Trustees reviewed the Executive Minutes of the January 31, 2020 meeting.

**MOTION** made by N. Shevock and seconded by A. Agra to approve the Executive Minutes of the January 31, 2020 Board of Pension Trustees' meeting.

**MOTION ADOPTED UNANIMOUSLY**

## **3. PENSION AUDIT REPORT**

S. Tatman reported that the Audit Committee had met last Friday and approved the Internal Audit Plan. The investment audit was completed, and Ms. Tatman will present the findings to the Investment Committee on March 17th. Ms. Tatman is currently working on the Cyber Security audit.

Ms. Tatman compiled prior audit comments and followed up to see what actions have been taken.

## **4. GOVERNANCE COMMITTEE**

J. Adams reported that the February meeting had been canceled. Currently, we do not have an actual date for a future meeting.

## **5. PENSION ADVISORY COUNCIL REPORT**

Mr. Testerman is waiting for information concerning the Retirement Benefits Study (RSBC) Committee. R. Geisenberger stated that the RSBC is researching issues and areas of concern and noted there will be a report issued to the Delaware Economic and Financial Advisory Committee (DEFAC).

## **6. PENSION ADMINISTRATOR REPORT**

### Employee Recognition

K. Diaz presented the Board with a PowerPoint presentation of the Benefits Section she manages. Topics included the following:

- Section Responsibilities
- Successes for 2019
- Goals for 2020
- Current Initiatives
- Major Challenges

Christy Ulmer was awarded the William Ray Johnson Award for 2020.

### Positions

J. Adams announced that the Deputy Pension Administrator has been selected and hired. Jodie Wedel will begin with the Pension Office on March 16<sup>th</sup>. Ms. Adams stated that a copy of Ms. Wedel's resume was included in the Board binders. Ms. Wedel has an extensive background and experience within the State of Delaware, as she is currently the Deputy Director of Financial Reporting and Internal Control.

Ms. Adams reported that we have hired an in-house candidate for the H.R. Specialist I vacancy. The vacant position for the Strategic Information Systems Project Leader has posted and we expect to be interviewing candidates very soon.

The Deputy Attorney General's position has been filled and we are waiting on an effective date.

### Monthly Activities

Ms. Adams directed the Board to the Winter Retiree Newsletter in their binders. The newsletter includes a tribute to David Craik, form Pension Administrator, who retired January 1, 2020. Ms. Adams stated she would like to expand the number of newsletters each year that we produce and send out.

The Pension Office will be holding the following classes for the month of March:

- Monthly Payroll – 3/5
- Pen App SEPP – 3/11 & 3/12
- SEPP Pre-Retirement Workshop – 3/19
- Retirement Group Counseling Sessions – 3/4, 3/19, 3/31

County and Municipal Pension Plan

J. Adams reported that the Roxana Volunteer Fire Company wishes to enter a contract with the State Board of Pension Trustees to allow the Fire Company to participate in the County and Municipal General Employees' Pension Plan with an effective date of March 1, 2020

After a brief discussion was held the following motion was set forth.

**MOTION** made by A. Agra and seconded by H. Stafford to allow the Roxana Volunteer Fire Company to join the County and Municipal General Employees' Pension Plan, effective March 1, 2020.

**MOTION ADOPTED UNANIMOUSLY**

Reporting Schedule

J. Adams reported that Audit Committee meeting date is May 8<sup>th</sup>.

**7. DEPUTY ATTORNEY GENERAL REPORT**

Nothing to report.

**8. INVESTMENT COMMITTEE REPORT**

R. Gooderham stated that following strong returns in 2019, global equity markets continued to trend higher through mid-January, boosted by optimism of a US-China "phase one" trade deal. However, as concerns about the coronavirus outbreak centered in China escalated, sentiment shifted, and global stocks finished the month modestly lower. US equities, as measured by the Russell 3000 index, set new all-time highs in mid-January, but finished the period down 0.1%. International equities fared worse as the MSCI EAFE index declined 2.1% and the MSCI Emerging Markets index fell 4.7%. In fixed income markets, demand for the relative safety of government bonds increased and yields moved lower (prices higher), while credit spreads widened. For the month, the broad Bloomberg Barclays Universal index was up 1.8%, and the riskier Bloomberg Barclays High Yield index was flat.

DPERS Fund assets are estimated to be \$11,001.8 million at January 31, 2020, representing a net decrease of \$29.7 million during the month. Estimated returns through January 31, 2020 are as follows:

<b><u>Fund</u></b>	<b><u>Jan-20</u></b>	<b><u>Fiscal Year To Date</u></b>	<b><u>12-Month</u></b>
<b>Total Fund</b>	<b>0.0%</b>	<b>5.5%</b>	<b>10.0%</b>
<b>S &amp; P 500 Index</b>	<b>0.0%</b>	<b>10.9%</b>	<b>21.7%</b>
<b>Delaware Benchmark**</b>	<b>0.1%</b>	<b>6.5%</b>	<b>13.8%</b>

\*Benchmark mix of 60% S&P500 Index, 35% Barclays Government and Credit Bond Index, 5% T-bills.

\*\*Benchmark mix of 38% Russell 3000 Index, 20% MSCI ACWI exUS, 38.5% Barclays Universal Bond Index, 1.5% Barclays TIPS Index, 2% T-bills

Mr. Gooderham stated that at the February 18<sup>th</sup> Investment Committee meeting the following items were reviewed and discussed:

- A presentation from IDG on their China Venture Capital Fund VI
- A presentation on Private Investments including recommendations for new commitments to:
  - IDG
  - Flagship
- Fourth Quarter 2019 Investment Review

Mr. Gooderham reported that under the Investment Committee's authority the following commitments were approved:

- A commitment of up to \$30 million to IDG China Venture Capital Fund VI, subject to legal review of the documents
- A commitment of up to \$50 million to Flagship Pioneering – Origination Fund VII, subject to legal review of the documents

The next meeting of the Investment Committee is scheduled for Tuesday, March 17, 2020.

**MOTION** made by A. Agra and seconded by H. Stafford to enter Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

The Board 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 ADOPTED UNANIMOUSLY**

**MOTION** made by N. Shevock and seconded by A. Agra to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

9. **PENDING ITEMS**

There were no pending items.

10. **NEW BUSINESS**

There was no new business.

11. **ADJOURNMENT**

At 11:08 a.m., there being no further business, **MOTION** was made by H. Stafford and seconded by A. Agra to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

Joanna M. Adams  
Pension Administrator

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Suzanne Grant, Chair  
Board of Pension Trustees