



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
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

BOARD OF PENSION TRUSTEES
MEETING MINUTES OF JANUARY 29, 2021

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 9:01 a.m. via-video and tele-conferencing.

Trustees Present

Suzanne Grant
Art Agra
Harold Stafford
Tom Shaw
Nancy Shevock
Rick Geisenberger
Cerron Cade

Trustees Absent

Others Present

Joanna Adams, Pension Administrator
Terri Timmons, Pension Office
Jodie Wedel, Deputy Pension Administrator
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General
Mary Wood, Pension Office
Cindy Starr, Pension Office
Robin Hartnett-Sterner, Pension Office
Khairat Makanjuola, Pension Office
Josh Hitchens, Pension Office
Stephenie Tatman, Pension Office
Joe Malloy, Pension Advisory Council

Soloman Adote, DTI
Pauline Kutcyka, Fundmap
Rob Gooderham, Windmark
Seth Yablonivitz, Windmark
Drew Dinger, Windmark
Garry Musto, Windmark

1. OPENING COMMENTS

S. Grant welcomed everyone to the meeting. Ms. Grant introduced our new Trustee, Cerron Cade, Director of OMB to the Board meeting. She stated that the Board is very excited for him to join us, and if there is anything the Board can do to help with the transition to please reach out to us. Also, the team at Windmark will be very helpful and virtually meeting with him soon. Ms. Grant asked Mr. Cade to introduce himself.

2. APPROVAL OF THE MINUTES

The Trustees reviewed the Public Minutes of the December 17, 2020 meeting.

MOTION made by N. Shevock and seconded by T. Shaw to approve the Public Minutes of the December 17, 2020 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

The Trustees reviewed the Executive Minutes of the December 17, 2020 meeting.

MOTION made by N. Shevock and seconded by T. Shaw to approve the Executive Minutes of the December 17, 2020 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

3. GOVERNANCE COMMITTEE UPDATE

T. Shaw stated the next meeting is tentatively scheduled for February 19th.

4. AUDIT COMMITTEE UPDATE

H. Stafford stated the next meeting is scheduled for February 19th.

5. PENSION ADVISORY COUNCIL UPDATE

J. Malloy reported that the Council had met in January where goals were set for Legislative session. He stated that the goals are to keep all levels of insurance for retirees, grant a Post Retirement Increase (PRI), and reestablish the PRI Fund.

6. PENSION ADMINISTRATOR UPDATE

Cyber Security

J. Adams introduced Soloman Adote, who is the Chief Security Officer for the Department of Technology and Information (DTI). Mr. Adote presented an overview of the State of Cyber Security and talked about the following:

- Cyber Security Awareness Month
- SolarWinds Cyber Attack
- Top 3 Threats
- Largest Government Breaches
- Business Email Compromise
- Cyber Hygiene
- Identity Proofing

Discussion was held on certain aspects of the presentation.

C. Cade thanked Mr. Adote especially due to the circumstances over the past year with COVID.

Ms. Grant thank Mr. Adote for his presentation and commitment to the security of all State Government.

At this point Mr. Adote left the meeting.

Employee Recognition

Ms. Adams reported that in February the Pension Administrator's, aka Wm. "Ray J." Johnson Award will be announced. This employee is voted on by their peers, which makes it that much more special.

Ms. Adams also stated that there were two submissions for the Governor's Team Excellence Award, highlighting two sections within the office.

Positions

- Fiscal Management Analyst has posted and closes this week
- H.R. Specialist V has been filled by an internal promotion. This will of course create a new vacancy
- H.R. Specialist I – six positions were posted yesterday, of which five of these positions are Limited Term to work on the backlog of Vested Applications

Office Activities

Ms. Adams stated that the Retiree Newsletter Winter edition was included in the Board packets.

The 1099's and W-2's have been mailed. There are issues with the United States Postal Service. As a result, we are holding off on producing re-prints. She stated that Retirees cannot, at this time, log into the system to retrieve their 1099's. Comprehensive Annual Statements will be mailed in the coming weeks, and the Retiree Annual Statements will be mailed out next week.

February Activities Schedule shows that we will be having upcoming trainings. S. Grant asked if there had been any issues. Ms. Adams stated we have not had any issues with the end users not being able to log into the virtual trainings/workshops.

Quarterly Activities

Ms. Adams reported on the quarterly activities for the 2nd quarter:

- Healthcare Additions were lower
- Healthcare Changes were slightly lower
- Phone Calls (average per month) increased
- Total Phone Calls increased
- Burial Benefits increased
- Imaged Items increased
- New statistic - Pre-Retirement Video, is the number of visitors watching this video

Disability Report

J. Adams reported that we had 4 new disability cases for the last quarter.

Reporting Schedule

Ms. Adams noted the upcoming meeting dates. She and A. Johnson will be working on updating some of these policy dates.

Ms. Adams reported that the February Appeal Hearing had been canceled but in March we do have a Hearing scheduled. We also have openings that need to be filled by Trustees and need volunteers for the months no one is scheduled. Ms. Johnson stated that C. Starr will be reaching out to those Trustees who have not signed up or where there are openings.

7. DEPUTY ATTORNEY GENERAL UPDATE

Ms. Johnson reported that the NAPPA Council usually holds two sessions a year. The February session will be held virtually. Ms. Johnson will give a report to the Board at its' February meeting.

8. INVESTMENT COMMITTEE UPDATE

Mr. Gooderham reported that global equity ended a tumultuous year with strong gains in December. Stocks moved higher in the month as markets looked past rising coronavirus cases and focused on the rollout of vaccines, as well as the passage of a new coronavirus relief bill by the US Congress. US equities, as measured by the Russell 3000 index, posted a 4.5% gain for the month, and hit new all-time highs. Within the US market, small cap outperformed large cap and growth slightly outperformed value. International equities also posted strong returns as the MSCI EAFE index was up 4.6% and the MSCI Emerging Markets index gained 7.4%. In fixed income markets, yields moved modestly higher and credit spreads continued to narrow. For the month, the broad Bloomberg Barclays Universal index was up 0.3% and the more credit-sensitive Bloomberg Barclays High Yield index gained 1.9%.

Mr. Gooderham reported that DPERS Fund assets are estimated to be \$12,604.5 million at December 31, 2020, representing a net increase of \$294.0 million during the month. Estimated returns through December 31, 2020 are as follows:

<u>Fund</u>	<u>Dec-20</u>	<u>Fiscal Year To Date</u>	<u>12-Month</u>
Total Fund	2.5%	19.9%	20.6%
S & P 500 Index	3.8%	22.2%	18.4%
Delaware Benchmark**	3.3%	15.8%	14.5%

*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 reported that the January 12th meeting had been cancelled and that the Investment Committee had met once since the December Board meeting, on January 26th. At that meeting, Mr. Gooderham reported that the Investment Committee reviewed and discussed:

- Northern Trust Update
- A presentation on What We Believe / Market Outlook
- A review of Uninvested Asset Classes
- An overview of Capital Market Assumptions
- The Private Investment Quarterly Review
- A presentation on Sustainable Investing

Mr. Gooderham reported that the Investment Committee had approved under its authority:

- Amendments to the Limited Partnership Agreements for Marcus Capital Partners Fund III, L.P. and Summit Partners Private Equity Fund VII-A, L.P.
- A commitment of up to \$15 million in Vision Ridge Sustainable Asset Fund III, L.P., subject to legal review of the documents.

The next meeting of the Investment Committee is scheduled for Tuesday, February 16, 2021.

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

MOTION ADOPTED UNANIMOUSLY

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

MOTION made by T. Shaw and seconded by H. Stafford to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by A. Agra and seconded by T. Shaw to approve the updates for both the Securities Litigation Policy and the Cyber Security Policy.

MOTION ADOPTED UNANIMOUSLY

MOTION made by H. Stafford and seconded by N. Shevock to approve the Resolution to permit the Milton Fire Company to enter into a contract to allow the Fire Company to participate in the State of Delaware County and Municipal General Pension Plan.

MOTION ADOPTED UNANIMOUSLY

10. **NEW BUSINESS**

There was no new business.

11. **ADJOURNMENT**

At 12:12 p.m., there being no further business, **MOTION** was made by N. Shevock and seconded by T. Shaw to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Joanna M. Adams
Joanna M. Adams (Mar 3, 2021 10:25 EST)

Joanna M. Adams
Pension Administrator

Suzanne B. Grant
Suzanne B. Grant (Mar 4, 2021 06:11 EST)

Suzanne Grant, Chair
Board of Pension Trustees