



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
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BOARD OF PENSION TRUSTEES
PUBLIC MEETING MINUTES OF DECEMBER 15, 2023

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

Trustees Present

Suzanne Grant, Chair
Art Agra
Cerron Cade
Rick Geisenberger
Nancy Shevock
Ken Simplr
Harold Stafford

Trustees Absent

Others Present

Joanna Adams, Pension Administrator
Stephenie Tatman, Deputy Pension Administrator
Ryan Connell, Deputy Attorney General
Jessica Abbas, Pension Office
Amy Cole, Pension Office
Kristal Diaz, Pension Office
Robin Hartnett-Sterner, Pension Office
Khairat Makanjuola, Pension Office
Kari Overington, Pension Office
Cindy Starr, Pension Office
Mary Wood, Pension Office

David Taylor, Pension Advisory Council
Rob Gooderham, Windmark Investment Partners
Garry Musto, Windmark Investment Partners
Dan Barner, Windmark Investment Partners
Julia Delack, Windmark Investment Partners
Pat Paoli, Windmark Investment Partners
Seth Yablonovitz, Windmark Investment Partners
Scott Berg, T. Rowe Price Associates, Inc.
Jennifer Martin, T. Rowe Price Associates, Inc.
Brad Meeker, T. Rowe Price Associates, Inc.
Kevin Balaod, journalist, *with.Intelligence*

1. OPENING COMMENTS

S. Grant welcomed everyone to the meeting virtually.

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF THE MINUTES OF THE BOARD OF PENSION TRUSTEES MEETING OF NOVEMBER 17 AND NOVEMBER 21, 2023

The Public Minutes of the November 17, and November 21, 2023, meetings, were reviewed.

MOTION was made by K. Simpler and seconded by H. Stafford to approve the Public Minutes of the November 17 and November 21, 2023, Board of Pension Trustees meetings.

MOTION ADOPTED UNANIMOUSLY

The Executive Minutes of the November 17, and November 21, 2023, meetings, were reviewed in Executive Session.

MOTION was made by K. Simpler and seconded by N. Shevock to approve the Executive Minutes of the November 17, 2023, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

MOTION was made by N. Shevock and seconded by A. Agra to approve the Executive Minutes of the November 21, 2023, Board of Pension Trustees meeting, with technical changes.

MOTION ADOPTED UNANIMOUSLY

4. AUDIT COMMITTEE REPORT

J. Adams reported that the Committee has not met since their November 8, 2023, meeting.

The next Audit Committee meeting is scheduled for February 9, 2024.

5. GOVERNANCE COMMITTEE REPORT

J. Adams reported that the Committee has not met since their November 9, 2023, meeting.

The next Governance Committee meeting is scheduled for February 22, 2024.

6. PENSION ADVISORY COUNCIL REPORT

D. Taylor reported that an edited copy of the Pension Advisory Council's (PAC) bylaws was sent out to PAC members this week for review. The edited bylaws will be discussed in the PAC's next meeting and outcome will be shared.

The next Pension Advisory Council meeting is scheduled for January 9, 2024.

MOTION was made by R. Geisenberger and seconded by K. Simpler 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

MOTION was made at 10:02 a.m. by R. Geisenberger and seconded by C. Cade to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

7. STATE PENSION ADMINISTRATOR'S REPORT

EMPLOYEE RECOGNITION

J. Adams recognized R. Harnett-Sterner, highlighting key accomplishments from over fifteen years of service, and lauding her dedication to the State of Delaware and Office of Pensions. R. Harnett-Sterner is retiring, effective January 1, 2024.

S. Grant thanked R. Harnett-Sterner for her service and dedication, on behalf of the board.

J. Adams reported an overview of the year's successes:

- Implemented the Retirement Centralization pilot which transitioned the retirement onboarding process away from the agency HR representative to direct access with the subject matter experts within the Office of Pensions. Currently, the Retirement Centralization team is serving 5 agencies (DHSS, Finance, DTI, Department of State and Fire Marshal's Office).
- DPERS received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 27th consecutive year and the Public Pension Coordinating Council Award for the 20th consecutive year. Successfully completed the FY23 Financial Audit and Annual Comprehensive Financial Report issued with no unmodified opinions even when presented with various challenges that could have had a negative impact.
- Implemented the Retirement Centralization pilot which transitioned the retirement onboarding process away from the agency HR representative to direct access with the subject matter experts within the Office of Pensions. Currently, the Retirement Centralization team is serving 5 agencies (DHSS, Finance, DTI, Department of State and Fire Marshal's Office).
- Implemented a Contact Center to better serve members and reduce time spent answering calls by employees who are processing.
- Published the first Active Employee Newsletter since 2014.
- Partnered with Statewide Benefits Office to create a Retiree Healthcare Newsletter.

- Created a comprehensive training and succession planning matrix for Member Services (approximately 54 employees).
- Revamped all pension calculators available on <https://delawarepensions.com>.
- Automated the Medicare entitlement letters for 2nd and 3rd notices.
- Completed the Summary Plan Description for the Judicial Pension Plan.
- Presented retirement workshops to more than 1,300 employees.
- Applied and received grant funding from DHR/Blue Collar Training Program to provide education and career development opportunities to state employees.
- Migrated our PeopleSoft application from a UNIX server to Linux server.
- Upgraded PeopleTools from 8.58 to 8.59.
- Upgraded the General Ledger system and OnBase Imaging system.
- Moved the following servers to DTI Hosted Server Environment:
 - General Ledger
 - Intranet web server
 - Testing Extranet and Internet web servers
 - Track-It
 - OnBase
- ERP Modernization Project kick-off!
 - Dedicated a team of resources.
 - Documented all business requirements.
 - Completed 45 user stories.
 - Identified 10 key performance indicators.
 - Created ideal workflows that represent how we envision process flows.
 - Drafted the initial RFP for a new Pension Administration System.
- Installed additional cameras and video conferencing in all conference rooms in the McArdle building.
- Published a Mobile App for active members and retirees.

POSITIONS UPDATE

J. Adams reported the office held a leadership retreat this month with a focus on team building activities and short-term goals for 2024.

J. Adams reported the ERP Modernization Project RFP is set to be published January/February 2024.

J. Adams reported the Cash and Debt Manager II position was filled. There were two Human Resource Analyst I positions, one of which is a limited term position, vacated by employees who sought promotional opportunities at other State agencies; the office is in the process of filling those positions now. The Administrative Specialist II position continues to await approval for reclassification. Two additional Human Resource Analyst positions were provided to the Office of Pensions through the fiscal year 2024 budget; they replace the limited term positions currently assigned to the vested pension application project. The office is currently in the process of filling these positions.

8. DEPUTY ATTORNEY GENERAL REPORT

R. Connell reported edits were made to the Board Education Policy and requested reapproval of the policy as now drafted.

MOTION was made by K. Simpler and seconded by A. Agra to approve the Board Education Policy with edits as presented.

MOTION ADOPTED UNANIMOUSLY

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

MOTION ADOPTED UNANIMOUSLY

MOTION was made at 11:26 a.m. by A. Agra and seconded by N. Shevock to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

9. INVESTMENT COMMITTEE REPORT

R. Gooderham reported that global equity markets rallied in November as investors reacted favorably to signs of easing inflation and expectations that central banks have reached the peak of their tightening cycle. Market expectations also increased that the Federal Reserve will cut interest rates next year, which helped to lower bond yields and boost stock prices. US equities, as measured by the broad Russell 3000 index, gained 9.3% during the month. Within US equities, the Technology sector provided the highest return, while the Energy sector was the sole sector to record a loss. International markets also experienced robust gains as the MSCI EAFE index rallied 9.3% and the MSCI Emerging Markets index was up 8.0%. Fixed income market performance benefitted from both lower interest rates and tighter credit spreads. For the month, the Bloomberg Universal bond index and the Bloomberg High Yield index each gained 4.5%.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$13,217.1 million at November 30, 2023, representing a net increase of \$508.5 million during the month. Estimated returns through November 30th, 2023, are as follows:

	Month Ended 11-30-23	Fiscal YTD 11-30-23	Calendar YTD 11-30-23	1 Year Ended 11-30-23
Total Fund	4.3	-0.5	4.4	2.5
DPERS Policy Benchmark**	7.7	1.7	12.1	8.8
S&P 500 Index	9.1	3.3	20.8	13.8

** Benchmark mix: 46% Russell 3000 Index, 24% MSCI ACWI ex US IMI (Net), 27.0% BB Universal Bond Index, 3% T-bills

R. Gooderham reported that, at its December 12th meeting, the Committee reviewed and discussed:

- A presentation from Carlyle Partners
- A recommendation on the NT Ladder Account
- Other Business
 - Private Investment Items

R. Gooderham reported that, at the recent meeting, the Committee had approved under its authority:

- An amendment to the Limited Partnership Agreement for Trident Capital Fund VII, subject to legal review.
- The transfer of \$59 million from the NT Laddered Fixed Income strategy into the Cash Account, as holdings mature.
- The rescindment of the September approved action to invest \$40 mm in BlackRock S&P 500 index from T. Rowe Price Distribution account proceeds.

The next Investment Committee meeting is scheduled for Tuesday, January 16, 2024.

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

MOTION ADOPTED UNANIMOUSLY

MOTION was made at 11:59 a.m. by A. Agra and seconded by N. Shevock to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

10. ADJOURNMENT

At 12 p.m., there being no further business.

MOTION was made by A. Agra and seconded by N. Shevock to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Suzanne B. Grant
Suzanne B. Grant (Jan 30, 2024 09:29 EST)
Suzanne B. Grant, Chair
Board of Pension Trustees

Respectfully submitted,

Joanna M. Adams

Joanna M. Adams
Pension Administrator