



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
**OFFICE OF PENSIONS**  
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**BOARD OF PENSION TRUSTEES**  
**PUBLIC MEETING MINUTES OF APRIL 28, 2023**

The meeting of the Board of Pension Trustees was called to order by S. Grant, Chair, at 9:04 a.m., via videoconferencing.

**Trustees Present**

Suzanne Grant  
Art Agra  
Ken Simplor  
Rick Geisenberger  
Nancy Shevock  
Harold Stafford

**Trustees Absent**

Cerron Cade

**Others Present**

Joanna Adams, Pension Administrator  
Stephenie Tatman, Deputy Pension Administrator  
Ryan Connell, Deputy Attorney General  
Mary Wood, Pension Office  
Vicki Schultes, Pension Office  
Cindy Starr, Pension Office  
Kristal Diaz, Pension Office  
Kari Overington, Pension Office  
Amy Cole, Pension Office

Josh Hitchens, Pension Office  
Khairat Mankanjuola, Pension Office  
Rob Gooderham, Windmark Investment Partners  
Garry Musto, Windmark Investment Partners  
Bert Scoglietti, Deputy Controller General  
David Taylor, Pension Advisory Council  
Kevin C. Balaod, journalist, *with.Intelligence*  
Alton Wallace, LP Allocator

**1. OPENING COMMENTS**

S. Grant welcomed everyone to the meeting and opened the floor for public comment before proceeding with the meeting agenda.

**2. PUBLIC COMMENTS**

No public comments were presented.

**3. APPROVAL OF THE MINUTES OF THE BOARD OF PENSION TRUSTEES MEETING OF MARCH 31, 2023**

The Public Minutes of the March 31, 2023 meeting were reviewed.

**MOTION** was made by H. Stafford and seconded by A. Agra to approve the Public Minutes of the March 31, 2023 Board of Pension Trustees meeting as submitted.

**MOTION ADOPTED UNANIMOUSLY**

The Executive Minutes of the March 31, 2023 meeting were reviewed in Executive Session.

**MOTION** was made by N. Shevock and seconded by A. Agra to approve the Executive Minutes of the March 31, 2023 Board of Pension Trustees meeting as submitted.

**MOTION ADOPTED UNANIMOUSLY**

#### **4. AUDIT COMMITTEE REPORT**

The next Audit Committee meeting is scheduled for May 12, 2023.

#### **5. GOVERNANCE COMMITTEE REPORT**

The next Governance Committee meeting is scheduled for May 18, 2023.

#### **6. PENSION ADVISORY COUNCIL REPORT**

D. Taylor provided an overview of what was discussed at the meeting held on April 11th. The Pension Advisory Council (PAC) is focused on three goals for the upcoming legislative session. The first is to have no change in retiree healthcare. Next is to support Senate Bill 42 which is the proposed increase of the death benefit from \$7,000 to \$10,000. Finally, the PAC is requesting a one-time payment of \$1,000 to offset the cost of everyday items. The PAC also supports House Bill 63, which allows pensioners to earn up to \$50,000 before incurring a \$1.00 deduction to their state pension for every \$2.00 earned over that amount.

In addition, D. Taylor discussed the escheat litigation that the State lost.

The next Pension Advisory Council meeting is scheduled for May 9, 2023.

#### **7. STATE PENSION ADMINISTRATOR'S REPORT**

##### EMPLOYEE RECOGNITION

J. Adams reported that Public Service Employee Appreciation Week is approaching. The Office of Management and Budget (OMB) will be hosting an employee recognition event on May 11th, where annual certificate of service awards will be recognized. The following Office of Pensions staff are acknowledged for their service:

- Ryan Collins (Investments and Accounting) - 5 years
- Duana Sauls (Benefits) - 5 years
- Kari Overington (Pension Calculation) - 5 years
- Meagan Iwaskiewicz (Benefits) - 10 years
- Dan Pope (Information Services) - 10 years
- Stephenie Tatman - 15 years
- Heather Roberts (Enterprise Resource Planning (ERP) team) - 15 years
- Barbara Austin (Benefits) - 25 years
- Vicki Schultes (Support Services) - 25 years

The Office of Pensions celebrates a collective 115 years' worth of service and expertise in the Office of Pensions.

S. Grant congratulated the employees who are receiving recognition; on behalf of the Board and constituents, the Board extends its appreciation to the entire office for their excellent work.

COMMUNICATIONS:

J. Adams presented the Active Employee Newsletter that was distributed to State employees via email in March. J. Adams recognized the Communications Committee, which creates our Active and Retiree Newsletters. This is the first Active Employee Newsletter the Office of Pensions has produced since 2014.

J. Adams shared that the Office of Pensions has developed a mobile app for retirees who are more tech savvy. The team is working with a vendor to release a "bare bones" app to implement push notifications, as mailings are not cost effective. A suggestion was made to consider a one-time mailing (to approximately 30,000 members) funded by the SEBC.

POSITIONS UPDATE

J. Adams reported that two positions that were vacant in March have been filled including the HR Supervisor (LT - vested team), which was an in-house promotion. Eight positions have been posted and are in the process of being filled. The office expects to release Requests to Hire documentation to the Department of Human Resources (DHR) next week for these vacant positions. The candidates interviewed were very impressive considering the recruitment challenge faced by other State organizations.

LEGISLATION

HOUSE BILL 63: This bill allows pensioners to earn \$50,000 (instead of \$40,000) before incurring a \$1.00 deduction to their state pension for every \$2.00 earned over that amount. There has been no action since the March Board meeting.

HOUSE BILL 64: Presently a new spouse of a survivor pensioner is not eligible for health care. This bill authorizes coverage for the spouse of a survivor who qualified to receive a deceased pensioner's retirement benefits prior to May 15, 2012. This bill was tabled in the House Administration Committee on March 15th, 2023. There has been no action since the March Board meeting.

OFFICE ACTIVITIES:

S. Tatman reported on the office activities, stating, "What gets measured gets managed". Phone call volume for the last quarter was significantly higher than the last quarter of the previous year due to year-end mailings like tax documents and annual statements. Kudos were extended to Mary Wood for her leadership of the Contact Center; our team of Human Resource (HR) Analysts have been on the front lines answering more than 18,000 phone calls. Prior to the implementation of the Contact Center, incoming calls were transferred to the Analysts to update member information. Now that the Contact Center is in place, less than half of the calls are being transferred. Our year-end processes also carry over to justify the increase in incoming/outgoing mail as well as imaged items.

Attendance for the Pre-retirement Workshops has also increased. In general, our outreach to members has grown and members, in turn, are engaging more with Office of Pensions staff.

J. Adams reported that Open Enrollment is almost upon us; packets were mailed to members on April 17th.

The Actuarial RFP is winding down, with the selection of the vendor expected to take place within the next few weeks.

**8. DEPUTY ATTORNEY GENERAL REPORT**

R. Connell presented an overview of a securities litigation action.

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

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** was made by A. Agra and seconded by H. Stafford to move forward with joining the securities litigation case discussed in executive session. N. Shevock abstained from voting.

**MOTION CARRIED**

## 9. INVESTMENT COMMITTEE REPORT

R. Gooderham reported that equity and fixed income moved higher in the month. R. Gooderham stated the month saw a dramatic shift as bond yields were rising on continued inflation fears until Silicon Valley Bank collapsed, becoming the second largest bank failure in US history. While the failure raised concerns of possible contagion, US regulators reacted swiftly to help ease fears. US equities, as measured by the Russell 3000 index, gained 2.7% during the month. The stress in the banking system and concerns over tightening lending standards weighed notably on returns for the Financials sector and small cap stocks. In contrast, mega cap technology-oriented companies provided strong gains, helped by enthusiasm for artificial intelligence and their perceived safety in an uncertain environment. International markets also experienced gains as the MSCI EAFE index advanced 2.5% and the MSCI Emerging Markets index was up 3.0%. The uncertainty in the banking system, along with some signs inflation was easing, led fixed income markets to expect a less aggressive path of monetary policy, as bond yields moved lower (prices higher), resulting in a 2.3% return for the Bloomberg Universal bond index, while the more credit-sensitive Bloomberg High Yield index was up 1.1%.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$13,168.5 million at March 31, 2023, representing a net increase of \$122.4 million during the month. Estimated returns through March 31, 2023, are as follows:

	Month Ended 03-31-23	Qtr Ended 03-31-23	Fiscal YTD 03-31-23	1 Year Ended 03-31-23
<b>Total Fund</b>	<b>1.2</b>	<b>3.0</b>	<b>1.5</b>	<b>-8.8</b>
DPERS Policy Benchmark**	2.4	5.7	7.3	-6.2
S&P 500 Index	3.7	7.5	10.0	-7.7

\*\* 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 the Committee met on April 16<sup>th</sup>. At that meeting, R. Gooderham advised that, in addition to the approved items below, the Committee reviewed and discussed:

- A presentation from Marcus Partners
- Asset Allocation

**Approved under the Committee's authority:**

R. Gooderham also advised that the following items were approved at the April 16<sup>th</sup> meeting under the Committee's authority:

- The transfer of \$40 million from the NT Laddered Fixed Income strategy to the Cash Account.
- The liquidation of the BlackRock S&P 600 index fund (approximately \$296 million) and investment of the proceeds in the BlackRock S&P 500 index fund.

The next Investment Committee meeting is scheduled for May 16, 2023.

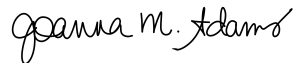
**10. ADJOURNMENT**

At 10:45 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

Suzanne B. Grant

Suzanne B. Grant (May 19, 2023 18:59 EDT)

Suzanne B. Grant, Chair  
Board of Pension Trustees