



**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](mailto:pensionoffice@delaware.gov)**

**Telephone (302) 739-4208**  
**FAX # (302) 739-6129**  
**[www.delawarepensions.com](http://www.delawarepensions.com)**

**BOARD OF PENSION TRUSTEES**  
**PUBLIC MEETING MINUTES OF MAY 19, 2023**

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

**Trustees Present**

Suzanne Grant  
Art Agra  
Ken Simplr  
Rick Geisenberger  
Nancy Shevock  
Cerron Cade

**Trustees Absent**

Harold Stafford

**Others Present**

Joanna Adams, Pension Administrator  
Stephenie Tatman, Deputy Pension Administrator  
Ryan Connell, Deputy Attorney General  
Bill O'Brien, Deputy Attorney General  
Vicki Schultes, Pension Office  
Cindy Starr, Pension Office  
Kristal Diaz, Pension Office  
Kari Overington, Pension Office  
Amy Cole, Pension Office  
Eddie Sparpaglione, Pension Office

Josh Hitchens, Pension Office  
Khairat Mankanjuola, Pension Office  
Rob Gooderham, Windmark Investment Partners  
Garry Musto, Windmark Investment Partners  
Drew Dinger, Windmark Investment Partners  
David Taylor, Pension Advisory Council  
Kevin C. Balaod, journalist, *with Intelligence*  
Irwin Schwartz, BLA Schwartz, PC  
William Adams, Dividex Management LLC

**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 APRIL 28, 2023**

The Public Minutes of the April 28, 2023 meeting were reviewed.

**MOTION** was made by N. Shevock and seconded by R. Geisenberger to approve the Public Minutes of the April 28, 2023 Board of Pension Trustees meeting with technical changes as noted.

**MOTION ADOPTED UNANIMOUSLY**

The Executive Minutes of the April 28, 2023 meeting were reviewed in Executive Session.

**MOTION** was made by A. Agra and seconded by K. Simpler to approve the Executive Minutes of the April 28, 2023 Board of Pension Trustees meeting as submitted.

**MOTION ADOPTED UNANIMOUSLY**

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

K. Makanjuola reported that the Audit Committee accepted BDO's conclusion of the GASB 68 and 75 audits during the Audit Committee meeting of May 12, 2023.

The next Audit Committee meeting is scheduled for July 14, 2023.

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

J. Adams reported that the Governance Committee met on May 18, 2023. The meeting included an overview discussion of the vacant positions and the Board of Trustees' directive to have the Governance Committee review the DPERS policies moving forward. Two policies are scheduled to be reviewed in the coming months.

The next Governance Committee meeting is scheduled for August 17, 2023.

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

D. Taylor reported that declining Pension Advisory Council (Council) membership was discussed during the May 9, 2023 Council meeting. W. O'Brien is researching the procedures for reinstating members who have not attended for a year or more. Pursuant to 29 *Del.C.* §8308A, thirteen organizations can be represented within Council membership, with two additional members at large. Presently, there are approximately six entities, primarily representing education, within Council membership.

Discussion during the meeting also included J. Testerman's contribution to the Council and pensions since 1976. J. Testerman is retiring from the Delaware State Education Association - Retired (DSEA-R) Board. The Delaware Retired School Personnel Association (DRSPA) is also inducting J. Testerman as an honorary member in recognition of his service. J. Testerman was a founding member of the Council. In addition, J. Testerman was directly involved in multiple positive outcomes for the Council during his many years of dedicated service.

D. Taylor concluded with a report on legislation. Senate Bill 42 increases the burial benefit from \$7,000 to \$10,000. This has transitioned to Senate Substitute 1, and now Senate Substitute 2 for Senate Bill 42, which was introduced and adopted in lieu of Senate Bill 42 on May 2, 2023.

The next Council meeting is scheduled for June 13, 2023.

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

### EMPLOYEE RECOGNITION

J. Adams recognized several sections within the Office:

- K. Diaz, Manager of Benefits, was recognized alongside her team for their hard work during Open Enrollment.
- V. Schultes, Manager of Support Services, was recognized alongside her team for imaging and scanning the high volume of incoming health applications and pension documents during Open Enrollment.
- The Contact Center staff was recognized for their work in reducing the number of calls transferred to Human Resource Analysts by 70%.

J. Adams recognized V. Schultes and S. Tatman for their hard work preparing for and attending the Pension Advisory Council, Audit Committee, Governance Committee, Investment Committee, and Board of Pension Trustees meetings in recent weeks.

### COMMUNICATIONS:

J. Adams introduced E. Sparpaglione, Strategic Systems Project Lead for the Office of Pensions (Office). E. Sparpaglione provided a brief demonstration of the DPERS mobile app. The primary objective for the app is to enhance communicating with DPERS' members.

E. Sparpaglione provided a screen share presentation of the mobile app. Upon opening the app, users can access FAQ's, a message from the Pension Administrator, and a retirement countdown feature to calculate the time remaining until the user's retirement. The app also provides active member plan information and offers a quick way to get important information out to our members. The Office can send important messages or updates on topics such as open enrollment. Upcoming events include payment dates and pre-retirement workshop information. Notifications are an opt-in feature that will pop up similar to a text message. This app is available in the Apple App Store and the Google Play store, and will work on tablets, smartphones, and other typical devices. This app contains no data, no created account, and no login, which was done specifically to avoid personally identifiable information (PII) exposure, security and other related risks. E. Sparpaglione confirmed that notifications can be personalized to active employees vs. retirees, so users can select the information that is relevant to them. S. Grant and J. Adams congratulated E. Sparpaglione on this great tool and recognized the development team.

### POSITIONS UPDATE

J. Adams reported that both candidates for the HRIS Lead vacancies have accepted their respective positions. Five new employees are starting on May 22, 2023; three of them will be working on the backlogged vested pension application project.

The Human Resource Analyst III position that was vacated due to internal promotion remains on hold temporarily. The Administrative Specialist II and Cash and Debt Manager positions have also been submitted to the Department of Human Resources (DHR) for reclassification.

J. Adams acknowledged the Office is concerned about the ongoing vacancy of the Cash and Debt Manager position during the financial reporting season. Working with K. Makanjuola to compile the financial report on the position would be advantageous, but this would impact her availability to the Internal Audit Director role. As the Cash and Debt Manager position is close to being reclassified, the hope is that the position will be posted and filled soon, so that K. Makanjuola can work alongside the hired candidate. There is going to be a certain degree of limitation of K. Makanjuola's ability to completely fulfill her independent obligations as Internal Audit Director. When internal audit projects reach KPMG's areas of expertise, K. Makanjuola will rely on KPMG to provide oversight of these objectives.

### LEGISLATION

SENATE BILL 42:

This Act increases the burial benefit from \$7,000 to \$10,000. This has transitioned to Senate Substitute 1, and now Senate Substitute 2 for Senate Bill 42. This Act increases the unfunded liability by \$40 million.

COUNTY/MUNICIPAL NEW ENTITY RESOLUTION:

J. Adams reported that the Blades Volunteer Fire Company, Inc. submitted a resolution requesting to participate in the County and Municipal Police/Firefighter Pension Plan on or after July 1, 2023. The entity intends to transfer some members from the County and Municipal General Pension Plan to the County and Municipal Police/Firefighter Pension Plan, which is appropriate.

**MOTION** made by K. Simpler and seconded by A. Agra to approve the Blades Volunteer Fire Company, Inc. joining the County and Municipal Police/Firefighter Pension Plan, effective July 1, 2023.

**MOTION ADOPTED UNANIMOUSLY**

**8. DEPUTY ATTORNEY GENERAL REPORT**

R. Connell had nothing to report in Public Session.

**MOTION** made by A. Agra 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**

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.

**9. INVESTMENT COMMITTEE REPORT**

R. Gooderham reported that global equities provided modest gains in April. While recessionary fears continued to loom, markets moved higher on better-than-expected corporate earnings reports, some signs of moderating inflation, and expectations that the Federal Reserve may soon pause interest rate hikes. Concerns over the health of the banking system remained, though moderated from the volatility experienced in March. US equities, as measured by the Russell 3000 index, gained 1.1% during the month. Within US equities, mega cap, technology-oriented stocks continued to drive market gains. International markets were mixed as the MSCI EAFE index advanced 2.8%, while the MSCI Emerging Markets index declined by 1.1%. In fixed income markets, yields moved modestly lower and credit spreads narrowed, resulting in a 0.6% return for the Bloomberg Universal bond index and a 1.0% return for the Bloomberg High Yield index.

R. Gooderham reported that DPERs Fund assets at Northern Trust were estimated to be \$13,187.7 million at April 30, 2023, representing a net increase of \$17.4 million during the month. Estimated returns through April 30, 2023, are as follows:

	Month Ended 04-30-23	Calendar YTD 04-30-23	Fiscal YTD 04-30-23	1 Year Ended 04-30-23
<b>Total Fund</b>	<b>0.5</b>	<b>3.5</b>	<b>2.0</b>	<b>-4.1</b>
DPERS Policy Benchmark**	1.1	6.8	8.4	1.6
S&P 500 Index	1.6	9.2	11.7	2.7

\*\* 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 May 16, 2023. At that meeting, he advised that, in addition to the approved items below, the Committee reviewed and discussed:

- A presentation from Wellington Management
- The Annual Flow Chart Review
- The Semi-Annual Private Investment Review
- A presentation on AI & Machine Learning
- The First Quarter 2023 Investment Review

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

R. Gooderham also advised that the following items were approved at the May 16, 2023 meeting under the Committee's authority:

- An \$80 million transfer to the NT Laddered Fixed Income strategy, funded from the Cash Account.
- An amendment to the Limited Partnership Agreement for Carlyle Partners VI, L.P., subject to legal review.

The next Investment Committee meeting is scheduled for June 13, 2023.

**MOTION** made at 11:19 by A. Agra and seconded by K. Simpler to return to Public Session.

**MOTION ADOPTED UNANIMOUSLY**

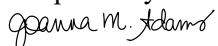
**10. ADJOURNMENT**

At 11:22 a.m., there being no further business:

**MOTION** was made by R. Geisenberger 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 (Jul 10, 2023 09:32 EDT)

Suzanne B. Grant, Chair  
Board of Pension Trustees