



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
**OFFICE OF PENSIONS**  
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**BOARD OF PENSION TRUSTEES**  
**PUBLIC MEETING MINUTES OF JULY 28, 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  
Harold Stafford  
Rick Geisenberger  
Nancy Shevock  
Cerron Cade

**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  
Kari Overington, Pension Office  
Mary Wood, Pension Office

Josh Hitchens, Pension Office  
Khairat Makanjuola, Pension Office  
Rob Gooderham, Windmark Investment Partners  
Garry Musto, Windmark Investment Partners  
Drew Dinger, Windmark Investment Partners  
David Taylor, Pension Advisory Council  
Kevin Balaod, journalist, *with.Intelligence*

**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 JUNE 30, 2023**

The Public Minutes of the June 30, 2023, meeting were reviewed, with technical changes suggested.

**MOTION** was made by N. Shevock and seconded by A. Agra to approve the Public Minutes of the June 30, 2023, Board of Pension Trustees meeting with technical changes.

**MOTION ADOPTED UNANIMOUSLY**

The Executive Minutes of the June 30, 2023, meeting were reviewed in Executive Session.

**MOTION** was made by H. Stafford and seconded by A. Agra to approve the Executive Minutes of the June 30, 2023, Board of Pension Trustees meeting as submitted.

**MOTION ADOPTED UNANIMOUSLY**

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

H. Stafford reported that the Audit Committee met on July 14, 2023. All previous members and two new members of BDO will continue with their external audit services.

H. Stafford also shared that BDO (USA, LLP) changed from a partnership structure to a professional services corporation on July 1, 2023. There should not be any impact on the Delaware Public Employees' Retirement System (DPERS) aside from BDO's signature link on their organizational documents and materials reflecting their new name: BDO USA, PA.

In addition, the Audit Committee voted to accept and approve the Internal Audit Report and Fiscal Year 2024 Internal Audit Plan as presented during the July 14, 2023, Audit Committee meeting.

The next Audit Committee meeting is scheduled for November 8, 2023.

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

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

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

D. Taylor reported a copy of the Pension Advisory Council's (PAC's) bylaws was located; these will be revised between now and the next meeting in November.

##### LEGISLATIVE UPDATE:

D. Taylor reported that the PAC's primary goal of getting legislation drafted to amend their enabling statute (29 Delaware Code §8308A) to enable easier reinstatement of lapsed PAC memberships. This is a goal for the second leg of the 152nd General Assembly. Discussion followed regarding if the bylaws can be revised without legislative action.

The next Pension Advisory Council meeting is scheduled for November 8, 2023.

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

##### EMPLOYEE RECOGNITION

J. Adams congratulated the Investments and Accounting team for receiving the Employee of the Quarter nomination sent to the Office of Management and Budget. The team has stepped up in daily financial administration due to the vacancy of the Cash and Debt Manager position. D. White was also recognized for his role in the Retirement Centralization Pilot Program. D. White used to be an end-user with his previous organization and has spearheaded this initiative. Lastly, S. Caldwell recently achieved 30 years of State

service, while overcoming multiple challenges both professionally and personally. S. Caldwell's perseverance is truly extraordinary, and her coworkers are pleased to share in the celebration of this accomplishment.

#### POSITIONS UPDATE

J. Adams shared that the Cash and Debt Manager and State Human Resource Supervisor positions have been posted. Interviews for the Cash and Debt Manager position will be conducted in August. The Human Resource Analyst I position has been filled. The Request to Fill for the Limited-Term State Human Resource Analyst I position, which was vacated due to internal promotion, has been sent to the Department of Human Resources (DHR) for posting. The only position on hold is the Administrative Specialist II position, which is awaiting action from DHR regarding reclassification.

J. Adams provided an overview of the Fiscal Year 2024 budget and requested the Board's approval of the budget as presented. The presentation included Fiscal Years 2022, 2023, and 2024 budgets and actual expenditures for Fiscal Years 2022 and 2023, respectively. The budget itself doesn't change significantly from year to year except for the personnel line, which has grown considerably. Now, the actual personnel budget is in line with our personnel expenses, in addition to the dual-encumbered positions supporting the Retirement Centralization Pilot and Vested Pension Backlog projects. The contractual line increased due to the lease escalators of our building. The supply budget has remained constant. The capital budget has remained constant; however, Fiscal Year 2023 had a larger expenditure due to the purchase of office chairs for the building.

During Fiscal Years 2022 and 2023, 5 new positions were allocated to the Office through the State Operating Budget. DHR performed a maintenance review over Fiscal Year 2023, adding a level in the career ladder, adding a fourth rung. In addition, salaries were increased which in turn added additional salary costs. Of more than 70 positions in the Office, approximately 50 are human resource positions, so this had a positive impact on staff salaries.

The Board appreciates the support C. Cade has provided to DPERS/the Office for adding positions and staff growth.

**MOTION** made by H. Stafford and seconded by A. Agra to approve the Fiscal Year 2024 budget for the Office of Pensions as presented.

**MOTION ADOPTED UNANIMOUSLY**

#### LEGISLATION

##### SENATE BILL 175:

This Act requires that every year, at least 1% of the total of all General Fund operating budget appropriations for the prior fiscal year is appropriated to the Other Post-Employment Benefits (OPEB) Fund. This Act will help pre-fund OPEB and was signed into law on July 17, 2023.

##### QUARTERLY OFFICE ACTIVITIES:

S. Tatman reported that the Pension Calculation (PenCalc) section has been diligent in tracking statistics. Office staff processed 381 new pension applications, 382 pension estimates, and provided 844 individual counseling sessions during the 4th quarter of FY23. In addition, walk-in averages per day are returning to pre-Covid numbers. Incoming mail decreased for FY23, but the number of imaged items increased significantly, indicating Office staff is receiving more documents electronically via email. Lastly, we have new statistics to track the number of subscribers to the DPERS app; with 136 as of today.

COUNTY/MUNICIPAL NEW ENTITY RESOLUTIONS:

J. Adams reported that the Carlisle Fire Company submitted a resolution requesting to participate in the County and Municipal Police/Firefighter Pension Plan on or after July 1, 2023.

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

**MOTION ADOPTED UNANIMOUSLY**

J. Adams reported that the Greenwood Volunteer Fire Company submitted a resolution requesting to participate in the County and Municipal Police/Firefighter Pension Plan on or after August 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.

**MOTION** made by N. Shevock and seconded by H. Stafford to approve the Greenwood Volunteer Fire Company joining the County and Municipal Police/Firefighter Pension Plan, effective August 1, 2023.

**MOTION ADOPTED UNANIMOUSLY**

**8. DEPUTY ATTORNEY GENERAL REPORT**

There was nothing to report in Public Session.

**9. INVESTMENT COMMITTEE REPORT**

R. Gooderham reported that global equity markets provided robust gains in June. Markets reacted favorably to a US debt ceiling agreement, some moderation in inflation and better-than-expected economic data. While the Federal Reserve maintained its policy rate in June following hikes at 10 consecutive policy meetings, projections indicated additional hikes at future meetings. US equities, as measured by the Russell 3000 index, rallied 6.8% during the month. In contrast to the narrow market gains experienced in recent periods, gains were broader in the month, as growth, value, large and small cap stocks all registered solid returns. International equities lagged US equities as the MSCI All-Country World ex-U.S. stock index advanced by 4.5%. In fixed income markets, yields moved higher (prices lower) while credit spreads tightened, resulting in a 0.2% decline for the Bloomberg Universal bond index, while the more credit-sensitive Bloomberg High Yield index moved higher by 1.7%.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$13,292.6 million at June 30, 2023, representing a net increase of \$319.5 million during the month. Estimated returns through June 30, 2023, are as follows:

	Month Ended 06-30-23	Qtr Ended 06-30-23	Calendar YTD 06-30-23	Fiscal Year 06-30-23
<b>Total Fund</b>	<b>2.6</b>	<b>1.7</b>	<b>4.8</b>	<b>3.3</b>
DPERS Policy Benchmark**	4.2	4.3	10.2	11.9
S&P 500 Index	6.6	8.7	16.9	19.6

\*\* 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 July 18<sup>th</sup> meeting, the Committee reviewed and discussed:

- Legislative appropriations - OPEB and Volunteer Firefighter
- Board Follow-ups
- A presentation T. Rowe Price on their Global Growth Equity strategy
- A presentation on What We Believe: Economic Cycle & Inflation
- The quarterly Private Investment Review
- DPERS Diversity, Equity & Inclusion Review
- An update on securities lending for the BlackRock Index Funds
- Other Business
  - NT Laddered Account
  - Peppertree X

R. Gooderham also advised that at the July 18<sup>th</sup> meeting the Committee approved, under its authority, a consent request for Angelo Gordon Super Fund, L.P., subject to legal review.

The next Investment Committee meeting is scheduled for August 15, 2023.

**MOTION** made by H. Stafford and seconded by N. Shevock 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 at 12:23 p.m. by A. Agra and seconded by N. Shevock to return to Public Session.

**MOTION ADOPTED UNANIMOUSLY**

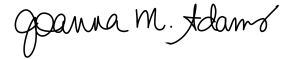
## 10. ADJOURNMENT

At 12:23 p.m., there being no further business:

**MOTION** was made by N. Shevock 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 (Nov 30, 2023 15:49 EST)

Suzanne B. Grant, Chair  
Board of Pension Trustees