



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
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BOARD OF PENSION TRUSTEES
PUBLIC MEETING MINUTES OF FEBRUARY 23, 2024

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant at 9:02 a.m., via videoconferencing.

Trustees Present

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

Others Present

Joanna Adams, Pension Administrator
Stephenie Tatman, Deputy Pension Administrator
Kristal Diaz, Pension Office
Josh Hitchens, Pension Office
Khairat Makanjuola, Pension Office
Melanie Moore, Pension Office
Cindy Starr, Pension Office
Mary Wood, Pension Office
Amy Cole, Pension Office

Kari Overington, Pension Office
Derek White, Pension Office
David Taylor, Pension Advisory Council
Rob Gooderham, Windmark Investment Partners
Garry Musto, Windmark Investment Partners
Drew Dinger, Windmark Investment Partners
Bert Scoglietti, Controller General's Office
Quinn Johnson, Former State Representative
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 JANUARY 26, 2024

The Public Minutes of the January 26, 2024, meeting was reviewed.

MOTION was made by H. Stafford and seconded by K. Simpler to approve the Public Minutes of the January 26, 2024, Board of Pension Trustees meeting with corrections.

MOTION ADOPTED BY MAJORITY with S. Grant abstaining.

The Executive Minutes of the January 26, 2024, meeting was reviewed in Executive Session.

MOTION was made by A. Agra and seconded by H. Stafford to approve the Executive Minutes of the January 26, 2024, Board of Pension Trustees meeting.

MOTION ADOPTED BY MAJORITY with S. Grant abstaining.

4. AUDIT COMMITTEE REPORT

H. Stafford shared that the Audit Committee met on February 9, 2024. During this meeting, BDO presented their plan for the Governmental Accounting Standards Board (GASB) 68 and 75 audits of employer pension and OPEB liability allocations for the FY23 fiscal year. The audit is expected to conclude in May and BDO will present their findings at the May Audit Committee meeting.

The next Audit Committee meeting is scheduled for May 10, 2024.

5. GOVERNANCE COMMITTEE REPORT

J. Adams reported that the Governance Committee met on February 22, 2024. There was nothing to report for public session.

The next Governance Committee meeting is scheduled for May 16, 2024.

6. PENSION ADVISORY COUNCIL REPORT

D. Taylor provided a brief overview of the legislative status of retiree healthcare.

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

7. STATE PENSION ADMINISTRATOR'S REPORT

EMPLOYEE RECOGNITION

J. Adams announced Derek White was selected as the 2024 Wm. "Ray J." Johnson Award recipient, which is chosen by his peers for outstanding work ethic, a positive attitude, and achieving success on the job. Derek has a supportive and growth driven work ethic, offers superior customer service which is shown in the positive feedback from other staff members, agencies, and the public received on a weekly basis, and he plays a critical role in the success of the new Retirement Centralization process.

The Pension Office had 37 registered donors for last week's Blood Bank mobile blood drive, which helped 93 people live their life more comfortably. J. Adams thanked Kristal Diaz for her efforts in organizing the event.

POSITIONS UPDATE

J. Adams shared that we have recently filled one of our vacant HR Analyst positions. We are also in the process of filling two HR analyst positions that were reclassified from an administrative support role to serve in the Pension Office contact center. There is also a vacancy for the Executive Assistant and Information Systems Manager positions. Finally, best wishes were shared with K. Makanjuola on her acceptance of a promotional opportunity with another state agency.

LEGISLATIVE UPDATE

J. Adams shared that there's been no movement on legislation due to the JFC hearings which were held during the month of February.

The retiree healthcare recommendations of the Retiree Healthcare Benefits Advisory Subcommittee (RHBAS) were presented to the House Health and Human Development and Senate Health and Social Services Joint Committee. R. Geisenberger thanked J. Adams for her continued work to support the committee.

ERP MODERNIZATION PROJECT

J. Adams shared that the Request for Proposal for the new Pension Administration System is in legal review, which is the final review before it is published.

COUNTY/MUNICIPAL NEW ENTITY RESOLUTION

S. Tatman reported that the Town of Frederica submitted a resolution requesting to participate in the County and Municipal Police/Firefighter Pension Plan on or after September 1, 2023.

MOTION was made by A. Agra and seconded by N. Shevock to approve the Town of Frederica joining the County and Municipal General Pension Plan, effective September 1, 2023.

In addition, the City of Dover submitted a letter to retract their January 1, 2024, resolution, which was approved at the November 17, 2023, Board of Pension Trustees meeting. A revised resolution with an effective date of July 1, 2024, will be forthcoming. J. Adams confirmed that no additional work, aside from the Board's motion on the resolution, has been completed yet for the City of Dover.

MOTION was made by R. Geisenberger and seconded by A. Agra to accept the City of Dover's retraction letter and retract the motion from the November 17, 2023, Board meeting which approved the City of Dover joining the County and Municipal General Pension Plan, effective January 1, 2024.

8. DEPUTY ATTORNEY GENERAL REPORT

No report for public session.

9. INVESTMENT COMMITTEE REPORT

Mr. Gooderham reported that, following strong returns in 2023, global equity markets were mixed in January. US equity markets outperformed, supported by better-than-expected economic data readings and strong corporate earnings. The resilient economic data led the market to moderate expectations for the timing and pace of Federal Reserve interest rate cuts in 2024, causing interest rates to trend higher. US equities, as measured by the Russell 3000 index, gained 1.1% during the month. Within US equities, growth outperformed value stocks and small cap stocks declined. International equities were mixed as the MSCI EAFE index provided a 0.6% gain, while the MSCI Emerging Markets index fell by 4.6%. In fixed income markets, a move higher in yields weighed on returns, resulting in a 0.2% decline for the Bloomberg Universal bond index and a flat return for the Bloomberg High Yield index.

Mr. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$13,712.9 million at January 31, 2024, representing a net increase of \$25.0 million during the month. Estimated returns through January 31st, 2024, are as follows:

	Month Ended 01-31-24	Fiscal YTD 01-31-24	1 Year Ended 01-31-24
Total Fund	0.5	3.7	5.3
DPERS Policy Benchmark**	0.2	6.7	11.0
S&P 500 Index	1.7	9.9	20.8

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

Mr. Gooderham reported that, at its February 13th meeting, the Committee reviewed and discussed:

- The Quarterly Private Investment Review.
- Asset Allocation recommendations
 - Equity and Fixed Income Allocation Recommendations
 - Insight High Yield Recommendation
 - NT Ladder Account Recommendation
- Other Business
 - Private Investment Items

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

- A portfolio distribution election request for Riverstone Global Energy & Power Fund V, L.P., subject to legal review.
- The following portfolio shifts:
 - Withdraw \$300 million from Kiltarn Global Equity
 - Withdraw \$150 million from Wellington Dividend Growth
 - Withdraw \$150 million from Focused Investors
 - Withdraw \$100 million from TRP Floating Rate
 - Withdraw \$50 million from BlackRock US Debt Index
 - Withdraw \$50 million from DoubleLine Total Return
 - Invest \$350 million in BlackRock S&P 500 Index
 - Invest \$150 million in Baillie Gifford Long Term Global Growth
 - Invest \$100 million in TRP Global Growth
 - Invest \$100 million in Orbis International
 - Invest \$100 million in Insight High Yield (NEW)

- The shifting of all maturing security proceeds in the NT Ladder account into the Cash Account as they become available.

The next meeting of the Committee is scheduled for Tuesday, March 19, 2024.

MOTION was made by N. Shevock and seconded by S. Grant 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 11:47 a.m. by A. Agra and seconded by N. Shevock to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

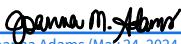
10. ADJOURNMENT

At 11:49 p.m., there being no further business.

MOTION was made by N. Shevock and seconded by H. Stafford to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


Joanna Adams (May 24, 2024 13:33 EDT)

Joanna M. Adams
Pension Administrator


Suzanne Grant (May 30, 2024 11:13 EDT)

Suzanne B. Grant, Chair
Board of Pension Trustees