



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
**OFFICE OF PENSIONS**  
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**BOARD OF PENSION TRUSTEES**  
**PUBLIC MEETING MINUTES OF JUNE 17, 2024**

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

**Trustees Present**

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

**Trustees Absent**

**Others Present**

Joanna Adams, Pension Administrator  
Stephenie Tatman, Deputy Pension Administrator  
Tammy LeCates, Pension Office  
Arian Daniels, Pension Office  
Josh Hitchens, Pension Office  
Melanie Moore, Pension Office  
Amy Cole, Pension Office  
Kari Overington, Pension Office  
Mary Wood, Pension Office  
Patricia Davis, Attorney General's Office

David Taylor, Pension Advisory Council  
Rob Gooderham, Windmark Investment Partners  
Garry Musto, Windmark Investment Partners  
Cyril Espanol, journalist, with *Intelligence*  
Chris Doll, CEM Benchmarking  
Yvette Van Velsen, CEM Benchmarking  
William Adams, BLA Schwartz

**1. OPENING COMMENTS**

S. Grant welcomed everyone to the meeting.

**2. PUBLIC COMMENT**

No public comment.

**3. APPROVAL OF THE MINUTES OF THE BOARD OF PENSION TRUSTEES MEETING OF  
MAY 22, 2024**

The Public Minutes of the May 22, 2024, meeting was reviewed.

**MOTION** was made by A. Agra and seconded by N. Shevock to approve the Public Minutes of the May 22, 2024, Board of Pension Trustees meeting.

**MOTION ADOPTED UNANIMOUSLY.**

The Executive Minutes of the May 22, 2024, meeting was reviewed in Executive Session.

**MOTION** was made by N. Shevock and seconded by A. Agra to approve the Executive Minutes of the May 22, 2024, Board of Pension Trustees meeting.

**MOTION ADOPTED UNANIMOUSLY**

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

A. Daniels distributed the DPERS Pension Benefit FY23 Internal Audit Report completed by her predecessor and KPMG, then approved by the Audit Committee on May 10, 2024 showing a satisfactory rating. The next Audit Committee meeting is scheduled for July 12, 2024.

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

The next Governance Committee meeting is scheduled for August 15, 2024.

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

D. Taylor shared the Pension Advisory Council (“PAC”) has been discussing and monitoring the status of the following:

- **House Bills 281 and 282** regarding retiree healthcare;
- **House Bill 289** regarding an increase of the burial benefit;
- **House Bill 330** regarding a statutory commitment to the OPEB fund;
- **House Bill 375** regarding payment of premium or subscription charges by pensioners; and
- **House Bill 376 and 377** regarding group health insurance program.

The PAC continues to work toward legislation that would establish a procedure to reinstate inactive council members.

The PAC recognized James “Jim” Testerman on his retirement on June 11, 2024. Jim was not only a founding member, but member of the PAC for over 48 years. Jim was also formally recognized by the House and Senate. Janice Vander Decker also announced her retirement from the PAC on June 30, 2024. Marie Leppo will be representing the Delaware School Nutrition Service Association beginning July 1, 2024.

The next Pension Advisory Council meeting is scheduled for November 12, 2024.

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

##### CEM PENSION ADMINISTRATION BENCHMARKING PRESENTATION

S. Tatman introduced C. Doll, Director of Client Coverage for CEM Benchmarking and thanked staff at the Office of Pensions (“OPen”) for providing the data requested and required for this project. C. Doll

presented an overview of the 2023 CEM Pension Administration Report, an annual criterion performed for DPERS for over two decades. Key takeaways of the presentation included:

CUSTOM PEER GROUP:

The custom peer group for DPERS consisted of 11 entities.

Custom Peer Group for Delaware PERS				
#	System	Number of members (in 000s)		
		Active Members	Annuitants	Total <sup>1</sup>
1	Kansas PERS	152	113	265
2	PSRS PEERS of Missouri	130	107	237
3	NYC TRS	126	91	216
4	Nevada PERS	112	82	194
5	TRS Louisiana	95	85	180
6	Utah RS	98	76	174
7	LACERA	97	75	172
8	Idaho PERS	74	53	128
9	Minnesota State RS	58	54	112
10	<b>Delaware PERS</b>	<b>46</b>	<b>34</b>	<b>79</b>
11	South Dakota RS	43	33	76
	Median	97	76	174
	Average	94	73	167

1. Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than active members or annuitants.

COST:

- Before adjusting for economies of scale, the total pension administration cost of \$76 per active member and annuitant was \$62 below the peer average of \$138.
- Between 2016 and 2023, the total pension administration cost per active member and annuitant decreased by 1.1% per annum. The average cost of DPERS’ peers with 8 consecutive years of data increased by 3.6% per annum during the same period.

SERVICE:

- DPERS service score increased from 40 to 49 between 2016 and 2023 and by 7 points over the last year. The total service score (49) was below the peer median of 78. The main reason for the increase was offering annuitants secure access to their information from DPERS’ system.

CHANGES THAT HAD A POSITIVE IMPACT:

- Website – The single activity that had the biggest impact on the service score increase this year was offering annuitants access to a secure area of the website.
- Contact Center: Another area showing great improvement:

- Low percentage of undesired Call Outcomes – low percentage
  - First contact is with an experienced member representative
  - No menu layers for members to navigate upon calling OPen
- 1-on-1 counseling: Reach more members face to face. Counseled 8.9% of members this year compared to 0.3% in 2016.
  - Customer experience: All members are now surveyed for general feedback.

S. Tatman reported that the new Pension Administration System will address the areas outlined and provide real time data for pensioners. The Board had a robust discussion regarding the Pension Office's leadership over the last few years and praised them for their commitment to providing and maintaining the highest level of customer service.

#### EMPLOYEE RECOGNITION

J. Adams read a proposed resolution from the Board for J. Testerman.

**MOTION** was made by N. Shevock and seconded by A. Agra to approve the Proposed Resolution for James Testerman from the Board of Pension Trustee.

#### **MOTION ADOPTED UNANIMOUSLY**

Mariah Krass was recognized for her leadership role in the RFP process for the ERP Modernization Project. S. Tatman and the Communications Committee were recognized for their roles in the most recent Active Employee Newsletter. The following employees were recognized for reaching milestones in service:

JR Passon - 10 years  
Derek White - 10 years  
Amy Cole - 30 years  
Joanna Adams – 30 years

#### POSITIONS UPDATE

J. Adams reported interviews are scheduled next week for two HR Analyst I positions. Five limited term HR Analyst I positions will be posted shortly. The Administrative Specialist II position is being reclassified. The Information Systems Manager is temporarily on hold.

#### LEGISLATIVE UPDATE

In addition to the items presented in the Pension Advisory Council report, House Bill 436 allows paid firefighters or EMTs to join and participate into the Police & Firefighter Pension Plan. This bill remains in the House Judiciary Committee.

#### ERP MODERNIZATION UPDATE

The RFP for the ERP Modernization Project has been published and we expect to receive questions from vendors and responses over the next three months.

**8. DEPUTY ATTORNEY GENERAL REPORT**

Nothing to report for public session.

**9. INVESTMENT COMMITTEE REPORT**

R. Gooderham reported that global equity and fixed income markets produced positive returns in May. Equities were supported by better-than-expected corporate earnings and signs of moderation in US inflation and economic data, raising the prospect that the Federal Reserve may cut interest rates this year. US equities, as measured by the Russell 3000 index, gained 4.7% and hit a new all-time high. Within the US equity market, growth style stocks and the technology and utilities sectors provided the highest returns. In international markets, the MSCI EAFE index advanced 3.9%, while the MSCI Emerging Markets index recorded a more modest 0.6% gain. In fixed income markets, yields moved lower (prices higher), resulting in a 1.7% gain for the Bloomberg Universal bond index and a 1.1% return for the Bloomberg High Yield index.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$14,269.4 million on May 31, 2024, representing a net increase of \$329.0 million during the month. Estimated gross returns through May 31<sup>st</sup>, 2024, are as follows:

	Month Ended 05-31-24	Calendar YTD 05-31-24	Fiscal YTD 05-31-24	1 Year Ended 05-31-24
<b>Total Fund</b>	<b>2.5</b>	<b>5.7</b>	<b>9.0</b>	<b>11.9</b>
DPERS Policy Benchmark**	3.3	5.7	12.5	17.2
S&P 500 Index	5.0	11.3	20.2	28.2

\*\* 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 was due to meet the next day and planned to review and discuss:

- Summit XII Recommendation
- Annual Benchmark Review
- Annual Review of Long Term Expected Return for GASB and Actuarial purposes
- Annual Review of Manager Fees
- Securities Litigation Policy

The next meeting of the Committee is scheduled for Tuesday, July 16, 2024.

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

**MOTION ADOPTED UNANIMOUSLY**

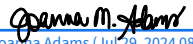
**10. ADJOURNMENT**


At 11:27 a.m., there being no further business.

**MOTION** was made by A. Agra and seconded by K. Simpler to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

  
Joanna Adams (Jul 29, 2024 08:34 EDT)  
Joanna M. Adams  
Pension Administrator

  
Suzanne B. Grant (Jul 31, 2024 14:45 EDT)  
Suzanne B. Grant, Chair  
Board of Pension Trustees