



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
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BOARD OF PENSION TRUSTEES
PUBLIC MEETING MINUTES OF JANUARY 26, 2024

The meeting of the Board of Pension Trustees was called to order by Nancy Shevock, Acting Chair, at 9:02 a.m., via videoconferencing.

Trustees Present

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

Trustees Absent

Suzanne Grant

Others Present

Joanna Adams, Pension Administrator
Stephenie Tatman, Deputy Pension Administrator
Ryan Connell, Deputy Attorney General
Kristal Diaz, Pension Office
Josh Hitchens, Pension Office
Khairat Makanjuola, Pension Office
Melanie Moore, Pension Office
Cindy Starr, Pension Office
Mary Wood, Pension Office

David Taylor, Pension Advisory Council
Rob Gooderham, Windmark Investment Partners
Garry Musto, Windmark Investment Partners
Dan Barner, Windmark Investment Partners
Bert Scoglietti, Controller General's Office
Cyril Espanol, journalist, *with.Intelligence*

1. OPENING COMMENTS

N. Shevock welcomed everyone to the meeting virtually.

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF THE MINUTES OF THE BOARD OF PENSION TRUSTEES MEETINGS OF DECEMBER 15, 2023, AND JANUARY 05, 2024

The Public Minutes of the December 15, 2023, meeting was reviewed.

MOTION was made by H. Stafford and seconded by A. Agra to approve the Public Minutes of the December 15, 2023, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

The Executive Minutes of the December 15, 2023, meeting was reviewed in Executive Session.

MOTION was made by N. Shevock and seconded by A. Agra to approve the Executive Minutes of the December 15, 2023, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

The Public Minutes of the January 05, 2024, meeting was reviewed.

MOTION was made by H. Stafford and seconded by A. Agra to approve the Public Minutes of the January 05, 2024, Board of Pension Trustees meeting. K. Simpler abstained.

MOTION ADOPTED BY MAJORITY

The Executive Minutes of the January 05, 2024, meeting was reviewed in Executive Session.

MOTION was made by R. Geisenberger and seconded by A. Agra to approve the Executive Minutes of the January 05, 2024, Board of Pension Trustees meeting. K. Simpler abstained.

MOTION ADOPTED BY MAJORITY

4. AUDIT COMMITTEE REPORT

J. Adams reported that the Committee has not met since their November 8, 2023, meeting.

A resolution and resume was presented to the Board of Pension Trustees to approve the addition of Gigi Maniyatte to the Audit Committee to replace Kathy White, who has been a member since 2016.

MOTION was made by H. Stafford and seconded by R. Geisenberger to approve G. Maniyatte to serve on the Audit Committee effective after the February 2024 Audit Committee meeting.

MOTION ADOPTED UNANIMOUSLY

The next Audit Committee meeting is scheduled for February 9, 2024.

5. GOVERNANCE COMMITTEE REPORT

J. Adams reported that the Committee has not met since their November 9, 2023, meeting.

The next Governance Committee meeting is scheduled for February 22, 2024.

6. PENSION ADVISORY COUNCIL REPORT

D. Taylor reported that the Pension Advisory Council is advocating for the following:

- House Bill 289, an increase to the Burial Benefit from \$7,000 to \$8,000.
- Allocate 2.33% of the State of Delaware's budget to the PRI fund.
- No increases in healthcare costs.

A brief overview of House Bills 281 and 282 was also provided by D. Taylor. The next Pension Advisory Council meeting is scheduled for April 9, 2024.

7. STATE PENSION ADMINISTRATOR'S REPORT

EMPLOYEE RECOGNITION

J. Adams welcomed Melanie Moore to the Pension Office. M. Moore's resume was distributed to the board. We are excited to have her as a part of the team, filling the Cash and Debt Manager role previously vacated by K. Makanjuola.

J.R. Passon was nominated as employee of the quarter for his role in the recent OnBase upgrade as well as juggling day-to-day responsibilities while the Supervisor of the section was out of the office for medical reasons.

J. Adams also acknowledged ERP and Payroll for their dedication to a checkwrite issue the day before, which required them to work late into the evening and early morning.

POSITIONS UPDATE

Three State Human Resource Analyst positions were filled with internal positions and one additional State Human Resource Analyst position was filled with a former pension office employee. Two State Human Resource Analyst positions were posted to serve in our Contact Center. These positions were reclassified from our Support Services section. Finally, the Information Systems Manager position is temporarily on hold while the Enterprise Resource Planning (ERP) and Information Technology organizational structure is re-evaluated.

LEGISLATIVE UPDATE

J. Adams summarized House Bill 266, which add wages earned as a result of required additional work hours to the definition of "compensation." This Bill has the most significant impact to the municipalities who participate in the County & Municipal Police and Fire Plan because it would cause the employer pension contribution rate to increase.

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 its published.

8. DEPUTY ATTORNEY GENERAL REPORT

R. Connell explained that he will be attending the winter National Association of Public Pension Attorneys (NAPPA) conference and also plans to sit on a panel as a securities litigation expert.

9. INVESTMENT COMMITTEE REPORT

R. Gooderham reported that global equity markets capped a strong year with gains in December. Markets reacted favorably to signs of retreating inflation and expectations that central banks will cut interest rates sooner than previously expected. US equities, as measured by the Russell 3000 index, gained 5.3% during the month. Within US equities, areas of the market that had underperformed for much of the year provided some of the highest returns, such as small cap and real estate. In international markets, the MSCI EAFE index advanced 5.3%, while the MSCI Emerging Markets index was up 3.9%. Fixed income markets also delivered positive performance given the pivot in Federal Reserve expectations and decline in interest rates. For the month, the Bloomberg Universal bond index gained 3.8% and the Bloomberg High Yield index was up 3.7%.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$13,687.9 million at December 31, 2023, representing a net increase of \$465.9 million during the month. Estimated returns through December 31st, 2023, are as follows:

	Month Ended 12-31-23	Qtr Ended 12-31-23	Fiscal YTD 12-31-23	1 Year Ended 12-31-23
Total Fund	3.6	6.1	3.1	8.2
DPERS Policy Benchmark**	4.7	9.8	6.5	17.4
S&P 500 Index	4.5	11.7	8.0	26.3

** 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 January 16th meeting, the Committee reviewed and discussed:

- The Quarterly Private Investment Review.
- A presentation from GQG Partners on their Global Equity and US Equity strategies.
- What We Believe presentation.
- An Asset Allocation recommendation.
- Other Business
 - Summit Partners Private Equity Fund VII Extension

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

- An amendment to the Limited Partnership Agreement for Summit Partners Private Equity Fund VII-A, subject to legal review.
- The investment of \$150 million in the BlackRock S&P 500 Index funded from the Cash Account.
- The investment of \$150 million in the BlackRock US Debt Lending Index funded from the Cash Account.
- The transfer of \$40 million from maturing investments in the NT Laddered Fixed Income strategy into the Cash Account.

The next Investment Committee meeting is scheduled for Tuesday, February 13, 2024.

MOTION was made by K. Simpler 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

MOTION was made at 10:31 a.m. by C. Cade and seconded by H. Stafford to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

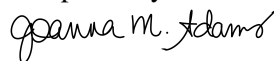
10. ADJOURNMENT

At 10:33 p.m., there being no further business.

MOTION was made by K. Simpler and seconded by C. Cade to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,



Joanna M. Adams
Pension Administrator

Nancy J. Shevock
Nancy J. Shevock (Mar 13, 2024 19:27 EDT)

Nancy Shevock, Acting Chair
Board of Pension Trustees