



**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 OCTOBER 25, 2024**

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant at 9:00 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  
Cindy Starr, Pension Office  
Josh Hitchens, Pension Office  
Melanie Moore, Pension Office  
Kristal Diaz, Pension Office  
Kari Overington, Pension Office  
Drecina Fraser, Office of Management and Budget  
Andrea Godfrey, Office of Management and Budget  
Patricia Davis, Attorney General's Office  
Jason Staib, Attorney General's Office

Bert Scoglietti, Controller General's Office  
David Taylor, Pension Advisory Council  
Rob Gooderham, Windmark Investment Partners  
Garry Musto, Windmark Investment Partners  
Drew Dinger, Windmark Investment Partners  
Fiona Liston, Cheiron  
Elizabeth Wiley, Cheiron  
Jana Bowers, Cheiron  
Beth Mercer, Cheiron  
Cyril Espanol, journalist, with *Intelligence*  
Bob Clarkin, Pensioner  
Steve LePage, Pensioner

**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 SEPTEMBER 27, 2024**

The Public Minutes of the September 27, 2024, meeting were reviewed.

**MOTION** was made by R. Geisenberger and seconded by N. Shevock to approve the Public Minutes of the September 27, 2024, Board of Pension Trustees meeting.

**MOTION ADOPTED UNANIMOUSLY.**

The Executive Minutes of the September 27, 2024, meeting were reviewed in Executive Session.

**MOTION** was made by R. Geisenberger and seconded by N. Shevock to approve the Executive Minutes of the September 27, 2024, Board of Pension Trustees meeting.

**MOTION ADOPTED UNANIMOUSLY**

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

The next Audit Committee meeting is scheduled for November 8, 2024.

### **5. PENSION ADVISORY COUNCIL REPORT**

D. Taylor shared the Governor signed the retiree healthcare legislation reported by the Pension Advisory Council at the July 26, 2024 Board of Pension Trustees meeting, except one bill that the Governor did not act upon within 10 days that also became law.

House Bill 375 – a new tier to the amount of health care premiums paid by eligible pensioners who were first employed on or after January 1, 2025, excluding mandatory retirements.

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

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

#### FISCAL YEAR 24 ACTUARIAL VALUATION

J. Adams welcomed Fiona Liston, Elizabeth Wiley, Jana Bowers, and Beth Mercer representing Cheiron, Inc., who presented the Fiscal Year 2024 Actuarial Valuation to the Board of Pension Trustees. The following topics were discussed:

- Historical review/risk metrics – State Employees' Plan
- Changes since the 2023 valuation
- Principal 6/30/2024 valuation results
  - State Employees' Plan details
  - Contribution results for all Plans
- Stress testing
- GASB 67/68

The following employer contribution rates for Fiscal Year 26 were presented to the Board by Cheiron, Inc.:

- |                    |        |
|--------------------|--------|
| • State Employees' | 12.38% |
| • State Judicial   | 13.87% |

- New State Police 28.17%
- County/Municipal General 5.48%
- County/Municipal Police/Fire 15.20%
- Volunteer Fire \$424.35 per member
- Diamond State Port \$ 0.00

B. Mercer provided an overview of Other Post-Employment Benefits (OPEB) valuation:

- Principal 6/30/2024 valuation results
- Changes since the 2023 Valuation
- History and Projections

During the OPEB presentation, R. Geisenberger summarized the following actions taken by the General Assembly during the most recent legislative session that would impact the OPEB fund:

- Senate Bill 175 – requires that every year, at least 1% of the grand total of all General Fund operating budget appropriations for the prior fiscal year is appropriated to the OPEB Fund.
- House Bill 330 – In addition to the already existing 1% contribution of total General Fund operating budget appropriations for the prior fiscal year, this legislation gradually increases the percentage of payroll contribution by .25% each year until the Annual Required Contribution is achieved.
- HB 475 – One-time contributions to OPEB from reserves for extraordinary escheat claims. Amounts exceeding those necessary to satisfy extraordinary escheat claims have been transferred to the OPEB fund in the last two fiscal years, totaling \$300 million.
- House Bill 281 – This legislation requires that a Medicare Advantage Plan is not offered to current employees and retirees; however, it could be offered as an option to future pensioners who were first employed on or after January 1, 2025.
- House Bill 375 – A new tier to the amount of health care premiums paid by eligible pensioners who were first employed on or after January 1, 2025, excluding mandatory retirements.
- House Bill 376 - A pensioner coordination of benefits policy begins as of January 1, 2027 for employees hired on or after January 1, 2015.

In addition to the values reported as of June 30, 2024, additional funds have been transferred to OPEB. Since July 1, 2024 OPEB has received an additional \$56 million representing 1% set aside of the prior fiscal year's General Fund operating budget and \$199 million representing surplus escheat funds. These additional deposits increase the funded status to approximately 10.9% (excluding investment returns) compared to 3.8% funded status three years ago.

S. Grant requested a motion to approve Cheiron's recommendation of the employer's actuarially determined contribution rates for Fiscal Year 26 for all plans.

**MOTION** made by A. Agra and seconded by N. Shevock to approve Cheiron's recommendation of the employer's actuarially determined contribution rates for Fiscal Year 26 for all plans.

**MOTION ADOPTED UNANIMOUSLY**

EMPLOYEE RECOGNITION

J. Adams recognized Arielle Hyler who received a certificate for 20 years of service and Joi Davis who received a certificate for 25 years of service. Amber Payson was selected as Employee of the Third Quarter for exceptional accomplishment, achievement, and outstanding service to former employees who requested a contributory refund. A clean-up project resulted in 1,000 letters sent to inactive, non-vested members with a contributory balance, which more than doubled Amber's workload without notice. Thanks to her dedication and diligence, more than 600 inactive members received a refund of their contributions in a timely manner.

POSITIONS UPDATE

J. Adams shared three HR Analyst positions have been filled. Five Limited Term HR Analyst I positions were posted and interviews will soon be scheduled. These positions are either new or were vacated due to promotion, military activations, or movement out of state. A request has been submitted to fill the HR Manager II position. The Information System Manager and a HR Analyst I in Manual Loads remain on hold. The Deputy Attorney General position remains posted.

QUARTERLY ACTIVITIES

S. Tatman reported an increase in statistics for the 1<sup>st</sup> Quarter of the fiscal year, attributed to a the traditionally high August payroll, caused by fiscal year-end retirements. Outgoing mail statistics is also higher due to a project to transition members of manual loads entities, like municipalities, to online reporting. S. Tatman requested, and the Board agreed to transition quarterly statistics to yearly reporting. The Board suggested that the reporting form be modified to capture statistics from the last five years.

J. Adams reminded the Board to complete Cyber Security training prior to the requested deadline.

COUNTY/MUNICIPAL NEW ENTITY

S. Tatman presented resolutions from several entities that want to join the County and Municipal General Pension Plan or the County and Municipal Police and Firefighters' Pension Plan.

**MOTION** was made by N. Shevock and seconded by K. Simpler to approve the resolutions to permit the Claymont Fire Company to join the County and Municipal General Pension Plan, the City of Delaware City to join the County and Municipal Police and Firefighters' Pension Plan, and the Seaford Volunteer Fire Department, Inc. to join the County and Municipal Police and Firefighters' Pension Plan.

## **MOTION ADOPTED UNANIMOUSLY**

### **7. DEPUTY ATTORNEY GENERAL REPORT**

J. Staib presented an overview of the recommendations and suggestions to the current Securities Litigation Policy including:

- Factors to be Considered in Deciding Whether to Pursue Active Litigation
  - Involvement in domestic securities litigation
  - Involvement in foreign securities litigation
- Process and Procedures for the Assertion of (Passive) Claims
  - Domestic class actions
  - Passive claims in Canada and the Netherlands
  - Other foreign jurisdictions

J. Staib discussed the flexibility for foreign cases, proposal to disband the Security Litigation Committee, adjusting the threshold for foreign cases, and enhancing reporting to the investment committee twice a year. A robust discussion regarding the phrase, “as well as headline risk” (page 2), and who would handle the administrative responsibility ensued. J. Adams shared vetting as to favorable and unfavorable action takes place in conjunction with legal counsel before presenting to the Board. J. Staib stated that Northern Trust should present a report to the Board a couple times a year. Northern Trust is automatically filing the Canadian and Dutch cases. The Australian cases have become passive cases. Claims would need to be filed by Office of Pensions’ staff, not routed to the Investment Committee or Board. The legal team, with or without outside counsel, would package it up and present to the Pension Administrator, who would then present to the Investment Committee. The Board thanked J. Staib for the time and effort put forth to create a clear policy.

**MOTION** was made by K. Simpler and seconded by N. Shevock to approve the Securities Litigation Policy with changes.

## **MOTION ADOPTED UNANIMOUSLY**

### **8. INVESTMENT COMMITTEE REPORT**

R. Gooderham reported that global equity and fixed income markets produced positive returns in September. Equities were supported by optimism that the US economy is experiencing a soft landing. In a more aggressive-than-expected move, the Federal Reserve embarked on their rate cutting cycle with a 50 basis points move. US equities hit new all-time highs in the month as the Russell 3000 index gained 2.1%. Within US equities, growth and large cap outperformed. In international markets, the MSCI EAFE index advanced 0.9%, while the MSCI Emerging Markets index rallied 6.7%. Gains in emerging markets were led by China as the market reacted favorably to new stimulus measures aimed at reviving sluggish growth in the country. Fixed income market performance benefited from falling interest rates and tighter credit spreads. For the month, the Bloomberg Universal bond index gained 1.4% and the Bloomberg High Yield index was up 1.6%.

R. Gooderham reported that DPERS Fund assets at Northern Trust were estimated to be \$15,185.1 million at September 30, 2024, representing a net increase of \$375.5 million during the month. Estimated gross returns through September 30<sup>th</sup>, 2024, are as follows:

	Month Ended 09-30-24	Qtr Ended 09-30-24	Calendar YTD 09-30-24	1 Year Ended 09-30-24
<b>Total Fund</b>	<b>1.4</b>	<b>4.5</b>	<b>11.9</b>	<b>18.7</b>
DPERS Policy Benchmark**	2.0	6.3	14.2	25.3
S&P 500 Index	2.1	5.9	22.1	36.4

\*\* 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 had met once since the September Board meeting, on Tuesday October 15<sup>th</sup>. He reported at that meeting, in addition to the approved items below, the Committee had reviewed and discussed:

- The Private Investments Semi-Annual Review
  - A Private Equity Market Update
  - A Fixed Income Section Overview
  - Other Business:
    - ACFR Investment Section
    - Annual Custodian Review
    - Saudi Arabia: Market Opening Update
    - Main Post Growth Capital – Secondary

R. Gooderham reported that the following items had been approved under the Committee’s authority at the October 15<sup>th</sup> meeting:

- A consent request for Media Technology Ventures V-A LP., subject to legal review.
- To recommend, after thorough review, that the Board approve amendments to the Securities-Related Litigation Policy.

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

**MOTION** was made by N. Shevock and seconded by R. Geisenberger to appoint Frank H. Nickel, III, to the Investment Committee and the Delaware Public Employees’ Retirement System.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** was made by R. Geisenberger and seconded by C. Cade 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 11:51 a.m. by N. Shevock and seconded by K. Simpler to return to Public Session.

**MOTION ADOPTED UNANIMOUSLY**

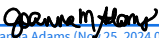
## 10. ADJOURNMENT

At 11:53 a.m., there being no further business.


**MOTION** was made by R. Geisenberger and seconded by K. Simpler to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

  
Joanna Adams (Nov 25, 2024 08:14 EST)

Joanna M. Adams  
Pension Administrator

  
Suzanne B. Grant (Nov 25, 2024 08:36 EST)

Suzanne B. Grant, Chair  
Board of Pension Trustees