

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
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BOARD OF PENSION TRUSTEES
PUBLIC MEETING MINUTES OF MAY 28, 2025

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant at 9:01 a.m.

Trustees Present

Suzanne Grant
Nancy Shevock
Art Agra
Ken Simpler
Michael R. Smith
Jeffrey Reeves

Trustees Absent

Brian Maxwell

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
Kristal Diaz, Pension Office
Julye Covell, Pension Office
Kari Overington, Pension Office

William Tate, Attorney General's Office
Garry Musto, Windmark Investment Partners
Seth Yablonovitz, Windmark Investment Partners
Melysa Montano, Windmark Investment Partners
Cyril Espanol, journalist, with *Intelligence*

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
APRIL 25, 2025.**

The Public Minutes of the April 25, 2025, meeting were reviewed.

MOTION was made by N. Shevock and seconded by A. Agra to approve the Public Minutes of the April 25, 2025, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

The Executive Minutes of the April 25, 2025, meeting were reviewed in Executive Session.

MOTION was made by K. Simpler and seconded by A. Agra to approve the Executive Minutes of the April 25, 2025, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

4. AUDIT COMMITTEE REPORT

The Audit Committee met on May 9, 2025, warmly welcomed Maria Hurd as the newest committee member, and thanked Mark Finfrock, Audit Committee Chair for his years of service. Scott Warnetski and Morgan Chako from BDO presented the status of their audit of the Schedules of Employer Allocations required by GASB 68 and 75 for the year ended June 30, 2024. There were no findings or corrected or uncorrected misstatements related to accounts and/or disclosures that were brought to the attention of management. The Internal Audit Update and Professional Services for the Financial Statement Auditor were discussed in Executive Session. The next Audit Committee meeting is scheduled for July 11, 2025.

MOTION was made by K. Simpler and seconded by A. Agra to award the Professional Services Financial Statement Audit contract to BDO, subject to contract negotiations.

MOTION ADOPTED UNANIMOUSLY

5. PENSION ADVISORY COUNCIL REPORT

J. Adams shared the Pension Advisory Council met on May 13, 2025. Karen Crouse is now Chair and Mark Ryde is 1st Vice Chair. The Pension Advisory Council remains focused on support for legislation to change membership requirements to the Council; advocating for post-retirement and burial benefit increases; and no change in healthcare benefits. K. Crouse is working with Senator Sturgeon on legislation impacting membership. The next Pension Advisory Council meeting is scheduled for June 10, 2025.

6. STATE PENSION ADMINISTRATOR'S REPORT

EMPLOYEE RECOGNITION

J. Adams recognized Benefits' staff for another successful Open Enrollment. During Open Enrollment, all retirees and their dependents have the opportunity to change vision and dental elections, while those not eligible for Medicare may also update their healthcare coverage. Numerous phone calls are generated as a result of Open Enrollment. B. Maxwell hosted a Meet 'N Greet in May with Office of

Pensions' staff where he introduced himself to staff and asked for feedback. The Office of Pensions recognized the following staff members with service awards: Brett Jones 5 years, Brenda Ensley and Eddie Sparpaglione 10 years, Amy Jozwiak 15 years, Dena Fry 20 years, Larry Yoder 25 years, and Kristal Diaz 35 years. J. Adams shared how proud she is to work with team members with years of dedication to the State of Delaware and the Office of Pensions.

RESOLUTIONS

J. Adams presented the following Resolutions to the Board for consideration:

- Mark Finfrock, Audit Committee Chair, attended his last meeting on May 9, 2025. M. Finfrock was appointed by the Board and served with distinction on the committee since April 30, 2008 and served as Chair since October 23, 2015. He was instrumental in establishing the internal audit function at the Delaware Public Employees' Retirement System as well as establishing the Audit Committee's oversight of the external audit function.
- Stephen D. Ritchie was appointed by the Board and served with distinction on the Audit Committee since May 4, 2012. During his tenure, the Audit Committee played a key role in overseeing the establishment of the internal audit function. While he served on the committee, oversight of the financial statement audit contract was transitioned to the Audit Committee. He will attend his last Audit Committee meeting on July 11, 2025.
- David Taylor, Chair of the Pension Advisory Council passed away on May 2, 2025. D. Taylor represented the Delaware Retired School Personnel Association ("DRSPA") on the Pension Advisory Council since June 11, 2013. During this time, he was elected Co-Chairman on January 10, 2023, and Chairman on November 7, 2023.

MOTION was made by N. Shevock and seconded by A. Agra to approve Resolutions for Mark Finfrock, Audit Committee Chair, Stephen D. Ritchie, Audit Committee Member, and David Taylor, Pension Advisory Council Chair.

MOTION ADOPTED UNANIMOUSLY

POSITIONS UPDATE

Three HR Analyst I positions and an HRIS Analyst I position have been filled. The Information Systems Manager remains vacant. The Cash & Debt Manager position remains on hold. The HR Associate position is awaiting reclassification to an HR Analyst position. A request to fill the remaining Limited Term HR Analyst I position is being submitted.

LEGISLATIVE UPDATE:

The following new legislation is pending since the last meeting:

- House Substitute 1 for House Bill 113, sponsored by Representative Shupe. This bill denies retirement and disability benefits to State employees if they were convicted of sexual abuse of a child, sexual solicitation of a child, or promoting sexual solicitation of a child. B. Tate provided proposed language to Representative Shupe, some of which was incorporated into House Substitute 1. The change is that a pension would be forfeited in the event someone was convicted of these crimes. The Board inquired if this would put the plan's tax qualification at risk. B. Tate added it would not put the plan's tax qualification at risk.

- Senate Bill 136, sponsored by Senator Sokola, changes the minimum amount of pension payable to a member of the General Assembly.
- Senate Bill 154, sponsored by Senator Sokola, grants full-service credit for a term served by a member of the General Assembly who serves from Election Day to Election Day.

ERP MODERNIZATION PROJECT:

J. Adams shared Computer Aid, Inc. Project Manager sent a letter to TELUS Health to consider reducing their cost of implementation. A meeting has been requested to review and discuss a methodology review, questions on requirements related to pricing, project governance, and technical requirements. Work has started with Ice Miller, LLP on contract negotiations. Independent Verification and Validation (IV&V) scoring has been completed. The next step is to select top choices for presentation and complete reference checks accordingly.

7. DEPUTY ATTORNEY GENERAL REPORT

B. Tate reported that he made a presentation to the SEBC meeting on April 25, 2025 on the use of OPEB funds. The SEBC committee understood his presentation and accepted the message that the funds are being used within the scope of the law.

B. Tate shared that House Bill 113 has been amended since being provided to the Board to include all State employees. Discussion ensued about the impact on the plan and the impact, if any, on our actuarial liability. The Board expressed the sentiment that they would not comment on policy considerations alone, but would leave policy to the legislature. So long as a bill does not burden Pensions staff or affect the pensions' qualified tax status, then the Board generally will not take a position on it.

8. INVESTMENT COMMITTEE REPORT

G. Musto's report said markets followed a volatile path in April as investors assessed the impact of trade policy on the outlook for economic growth, inflation and corporate earnings. In early April, the Trump administration announced broader and more punitive tariffs than expected. This led to a sharp sell-off, with the Russell 3000 index declining by over 10%. However, markets rebounded as the month progressed as the administration softened both the timing and severity of the proposed tariffs. The Russell 3000 index finished April with a modest 0.7% decline. Within US equities, growth outperformed value stocks and small cap stocks underperformed. International stocks, as measured by the MSCI All Country World ex US index, gained 3.6% in US dollar terms but were slightly negative in local currency, as the dollar weakened. In fixed income markets, high quality bonds outperformed credit-oriented fixed income. For the month, the Bloomberg Universal bond index was up 0.4%, while the Bloomberg High Yield index was flat.

DPERS Fund assets at Northern Trust were estimated to be \$14,905.8 million at April 30, 2025, representing a net decrease of \$40.1 million during the month. Estimated Gross returns through April 30, 2025, are as follows:

	Month Ended 04-30-25	Calendar YTD 04-30-25	Fiscal YTD 04-30-25	1 Year Ended 04-30-25
Total Fund	0.0	0.4	3.5	7.6
DPERS Policy Benchmark**	0.7	0.4	5.2	10.5
S&P 500 Index	-0.7	-4.9	3.1	12.1

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

G. Musto reported that the Committee had met once since the April Board meeting, on Tuesday May 20, 2025. He reported that, in addition to the approved items below, the Committee reviewed and discussed:

- Presentation by Baillie Gifford
- Presentation by Khosla Ventures
- Khosla Ventures Recommendation and Impact Analysis
- Private Investments Review
- Secondaries Update
- First Quarter 2025 Investment Review
- Other Business:
 - Annual Flow Chart Review
 - Foreign Tax Reclaim Update
 - Private Investment Items

G. Musto reported that the following items were approved under the Committee's authority at the May 20th meeting:

- A commitment of up to \$45 million split between three Khosla Venture funds that are being raised simultaneously. Khosla Fund IX, Khosla Opportunity III and Khosla Seed G, subject to legal review.
- An amendment to the Limited Partnership Agreement for Carlyle Partners VI and Carlyle Asia Partners VI, subject to legal review.
- Whereas the Committee, with consultation from the Investment Advisor, has determined that it's in the Pension Funds' best interests to acquire and/or increase its investments in various private partnerships by acquiring LP interests in various existing partnership secondary offerings, the Committee authorizes Ms. Stratton and Mr. Hinkley to negotiate and approve such investments, with such combined investments not to exceed a total of \$136 million in NAV, as Ms. Stratton and Mr. Hinkley, with input from the Investment Advisor and subject to legal review, determine to be reasonable and appropriate.

The next meeting of the Committee is scheduled for Tuesday, June 17, 2025.

MOTION was made A. Agra 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

MOTION was made at 10:56 a.m. by A. Agra and seconded by N. Shevock to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

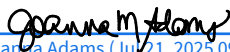
10. ADJOURNMENT

At 10:58 a.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 Adams \(Jul 21, 2025 09:27 EDT\)](#)

Joanna M. Adams
Pension Administrator


[Suzanne B. Grant \(Jul 25, 2025 01:00:47 EDT\)](#)
Suzanne B. Grant, Chair
Board of Pension Trustees