

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
PUBLIC MEETING MINUTES OF JUNE 27, 2025

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

Trustees Present

Suzanne Grant
Nancy Shevock
Art Agra
Brian Maxwell
Ken Simpler
Michael R. Smith

Trustees Absent

Jeffrey Reeves

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
Kari Overington, Pension Office
Mariah Krass, Pension Office

William Tate, Attorney General's Office
Rob Gooderham, Windmark Investment Partners
Garry Musto, Windmark Investment Partners
Drew Dinger, Windmark Investment Partners
Melysa Montano, Windmark Investment Partners
Ann Visalli, Office of Management & Budget
Christopher Doll, CEM Benchmarking, Inc.
Yvette Van Velsen, CEM Benchmarking, Inc.
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 MAY 28, 2025.

The Public Minutes of the May 28, 2025, meeting were reviewed.

MOTION was made by N. Shevock and seconded by A. Agra to approve the Public Minutes of the May 28, 2025, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

The Executive Minutes of the May 28, 2025, meeting were reviewed in Executive Session.

MOTION was made by K. Simpler and seconded by N. Shevock to approve the Executive Minutes of the May 28, 2025, Board of Pension Trustees meeting.

MOTION ADOPTED UNANIMOUSLY

4. AUDIT COMMITTEE REPORT

The next Audit Committee meeting is scheduled for July 11, 2025.

5. PENSION ADVISORY COUNCIL REPORT

J. Adams shared the Pension Advisory Council was unable to find a sponsor to introduce legislation to change the membership requirements in the Delaware Code. The next Pension Advisory Council meeting is scheduled for November 18, 2025.

6. STATE PENSION ADMINISTRATOR'S REPORT

CEM PENSION ADMINISTRATION BENCHMARKING PRESENTATION:

J. Adams shared the crystal award received recognizing 20 years the Delaware Public Employees' Retirement System has participated with CEM Benchmarking.

S. Tatman introduced C. Doll, Director of Client Coverage for CEM Benchmarking. C. Doll introduced Yvette Van Velsen, Senior Analyst, and thanked staff at the Office of Pensions for providing the data requested and required for this project. C. Doll presented an overview of the 2024 CEM Pension Administration Report. Key takeaways of the presentation included:

CUSTOM PEER GROUP:

The custom peer group for DPERS consisted of 8 entities.

Custom Peer Group for Delaware PERS				
#	System	Number of members (in 000s)		
		Active Members	Annuitants	Total ¹
1	Kansas PERS	154	116	270
2	PSRS PEERS of Missouri	132	110	242
3	NYC TRS	128	93	221
4	Utah RS	101	80	181
5	LACERA	99	77	176
6	Minnesota State RS	61	55	116
7	Delaware PERS	47	35	81
8	South Dakota RS	43	33	76
	Median	100	79	178
	Average	95	75	170

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 \$90 per active member and annuitant was \$80 below the peer average of \$170.
- Between 2017 and 2024, the total pension administration cost per active member and annuitant increased by 13.3% per annum. The average cost of DPERS' peers with 8 consecutive years of data increased by 2.2% per annum during the same period.

SERVICE:

- DPERS service score increased from 39 to 64 between 2017 and 2024 and by 15 points over the last year. The total service score (64) was below the peer median of 80. The main reason for the increase was offering annuitants secure access to their information from DPERS' system, contact center accessibility, purchases and transfers-in, and feedback from surveys.

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
 - Offering estimates over the phone
 - Providing alternate annuity payment options
- 1-on-1 counseling: Reach more members face to face. Counseled 7.8% of members this year compared to 0.3% in 2017.

The Board asked CEM Benchmarking if it is possible to provide a peer group of the same size. C. Doll responded unfortunately the database has a handful of plans that submit a smaller survey, but that survey cannot be used to augment that group here. These are the plans that complete analysis, and we cannot blend the two well. Thus, a comparable peer group cannot be built without adjusting for economies of scale.

The Board had a robust discussion regarding secure access to website information, cybersecurity and fraud prevention. J. Adams confirmed access to the secure website, but it is read only. S. Tatman added this was changed in 2025 so that score will improve. The Board requested cybersecurity training be scheduled with DTI.

C. Doll reiterated the management team uses the report to make improvements. 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 recognized Tammy LeCates, Executive Assistant, for 25 years of service to the State of Delaware.

POSITIONS:

The Information Systems Manager and Limited Term HR Analyst I positions closed. The Cash & Debt Manager and an HR Analyst I position that was reclassified from an HR Associate position remain on hold. With no objections from the Board, J. Adams stated that positions will not be reported on going forward unless vacancies create a disruption to business processes in the future.

LEGISLATIVE UPDATE:

The following legislation is pending:

- Senate Bill 52 (Buckson) – Changes the “return-to-work” restrictions for retirees who return to work for the State of Delaware. Passed by House and Senate. Waiting on Governor's signature. The key changes are:
 1. Reduces the required bona fide separation from 6 months to 3 months.
 2. Reduces the separation requirement from age 65 to age 59 ½.
 3. Eliminates the annual earnings limit.
- 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. There are four amendments to this legislation.
- Senate Bill 136, sponsored by Senator Sokola, changes the minimum amount of pension payable to a member of the General Assembly. This bill passed the Senate and House Administration Committee.
- 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. This bill passed the Senate and House Administration Committee.
- House Bill 192, sponsored by Representative Smith, allows for additional disbursements from a special fund created by the General Assembly to ensure adequate pensions for affected police officers and firefighters, and their surviving spouses who are not participants in either of the County and Municipal pension plans raising the amount an individual is permitted to receive from \$35,000 to \$55,000 or less. If you were a retired member of City of Wilmington police and you retired prior to them joining our plan. The current law they cannot receive a pension greater than \$35,000. This bill has passed by House of Representatives.

- House Bill 207, sponsored by Representative Bolden, increases the monthly service, disability, and survivor pension for retired State employees. For pensions before 06/30/2005 the increase is 3%. For pensions after 06/30/2005 and before 07/01/2020 the increase is 2%. This bill has been assigned to House Appropriations Committee.
- House Bill 236, sponsored by Representative Wilson-Anton, allows a paid emergency medical technician working for a participating employer to be eligible for the County Municipal Police/Firefighter Pension Plan. It also makes conforming changes to other sections of the Code. In addition, this Act will exclude firefighters and EMTs hired after the effective date of this Act from participating in the County and Municipal Employees' Fund, in order to ensure the State's pension plans comply with federal tax and pension law. This bill has been assigned to House Judiciary Committee.

GOVERNANCE COMMITTEE UPDATE:

K. Simpler shared Ann Marie Johnson is continuing her due diligence by accessing policy changes and meeting with DPERS staff. B. Tate and A. Johnson are attending the National Association of Public Pension Attorneys conference. A. Johnson flagged one note of concern in gathering files. A. Johnson continues to provide updates as requested. J. Reeves has volunteered to be part of the Governance Committee.

The Board suggested the Governance Committee could help summarize legislation and provide feedback on the impacts of proposed legislation.

ERP MODERNIZATION PROJECT:

J. Adams shared submissions were received for Independent Verification and Validation (IV&V) vendors and interviews were held. Linea Solutions was unanimously selected and contract negotiations have commenced. Linea Solutions has public pension specific experience and offers an annual conference for peers.

Contract negotiations with TELUS Health are ongoing. TELUS Health was onsite for two days in June to work through assumptions and determine if business requirements that were identified as "partially meets" to "meets". The project team continues to look for cost saving opportunities to reduce the total cost of the project.

DTI, as part of its due diligence, hosted a virtual meeting with another state retirement system that is currently upgrading their Pension Administration System from Texas. This retirement system is much larger and spending hundreds of millions of dollars. A few key takeaways included: (1) Why TELUS? Ultimately, Texas thought the product was better and more modern; (2) Texas entered into a ten-year maintenance contract with them; and (3) In ten years, Texas will still have a brand-new system. This discussion reinforced that TELUS Health is the best solution for the ERP modernization project.

7. DEPUTY ATTORNEY GENERAL REPORT

B. Tate reported that Representative Shupe delivered an amended version of House Bill 113 on June 26, 2025. The amended bill included provisions that would require the Board to determine appropriate levels of pension forfeiture to be applied to certain convicted criminals. B. Tate had noted his preliminary concerns with the amended bill with Representative Shupe's attorney and would like to follow up with a response from the Board and noted that June 30, 2025 is the last day of the legislative session. The Board discussed the matter and noted their objections to the amended bill because, among

other reasons, (a) the Board of Pensions Trustees is not trained in criminal law and should not be asked to assess criminal forfeitures; (b) appeals from Pension decisions could be heard in the first instance by the Board itself, and it would not be appropriate to have the Board hear appeals of its own decisions; and (c) the public perception that the Board took away a pensioner's benefits would undermine the Board's reputation and credibility. B. Tate promised to reiterate the Board's objections to Representative Shupe's attorney immediately after the meeting.

8. INVESTMENT COMMITTEE REPORT

R. Gooderham's report said global equity markets rallied in May, benefiting from a de-escalation in trade rhetoric and strong corporate earnings. Following the Trump administration's tariff announcements in early April, many of the aggressive tariff rates were rolled back or delayed with key trading partners. Returns were strong across regions and growth surged. US equities, as measured by the Russell 3000 index, rallied 6.3%, while international equities, as measured by the MSCI All Country World ex US index, gained 4.6%. In fixed income markets, rising interest rates pressured high-quality bonds, while credit-oriented fixed income benefited from tighter credit spreads. For the month, the broad Bloomberg Universal index declined by 0.5%, while the credit-oriented Bloomberg High Yield index gained 1.7%.

DPERS Fund assets at Northern Trust were estimated to be \$15,325.4 million at May 31, 2025, representing a net increase of \$418.3 million during the month. Estimated Gross returns through May 31, 2025, are as follows:

	Month Ended 05-31-25	Calendar YTD 05-31-25	Fiscal YTD 05-31-25	1 Year Ended 05-31-25
Total Fund	2.9	3.3	6.6	8.0
DPERS Policy Benchmark**	4.0	4.3	9.4	11.2
S&P 500 Index	6.3	1.1	9.6	13.5

** 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 May Board meeting, on Tuesday June 17, 2025. He reported that, in addition to the approved items below, the Committee reviewed and discussed:

- Presentation by Marcus Partners
- Marcus Capital V Recommendation and Impact Analysis
- Review of Manager Fees
 - Investment Manager Fee Analysis
 - Private Partnership Cost Structures
- Long Term Return Assumption: Actuarial and GASB 67
- Other Business:
 - Annual Diversity, Equity, & Inclusion Review
 - Private Investment Items
 - Secondaries Update

R. Gooderham reported that the following items were approved under the Committee's authority at the June 17, 2025 meeting:

- The Committee voted unanimously to approve a commitment of up to \$50 million to Marcus Partners Fund V, subject to legal review.
- The Committee voted unanimously to acquire a secondary LP interest in IDG-Accel China Capital II, subject to receiving a minimum amount of \$200,000 in acquired March 31, 2025 net asset value, subject to legal review.
- The Committee voted unanimously in favor to approve, under the Committee's authority to execute documents relating to partnerships, a consent request for Peppertree Capital Management, subject to legal review.
- The Committee voted unanimously in favor to recommend, after thorough review, that the Board not change the long-term return assumption used for GASB and actuarial purposes.

The next meeting of the Committee is scheduled for Tuesday, July 15, 2025.

MOTION was made A. Agra and seconded by N. Shevock to maintain the long-term rate of 7%.

MOTION ADOPTED UNANIMOUSLY

MOTION was made N. Shevock 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 10:44 a.m. by N. Shevock and seconded by A. Agra to return to Public Session.

MOTION ADOPTED UNANIMOUSLY

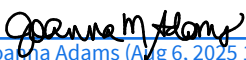
10. ADJOURNMENT

At 10:51 a.m., there being no further business.


MOTION was made by K. Simpler and seconded by N. Shevock to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


[Joanna Adams \(Aug 6, 2025 12:44:28 EDT\)](#)

Joanna M. Adams
Pension Administrator


[Suzanne B. Grant \(Aug 7, 2025 09:18:53 EDT\)](#)

Suzanne B. Grant, Chair
Board of Pension Trustees