



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
OFFICE OF PENSIONS
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Board of Pension Trustees
Public Meeting Minutes

Date: July 31, 2026

Time: 9:01 a.m.

Location: 860 Silver Lake Blvd., Suite 1, Dover, Delaware 19904.

Attendance:

Trustees Present:

- Suzanne Grant, Chair
- Nancy Shevock
- Jeffrey Reeves
- Brian Maxwell

Absent:

- Art Agra
- Ken Simpler
- Michael R. Smith

Others Present:

- Joanna Adams, Pension Administrator
- Stephenie Tatman, Deputy Pension Administrator
- Tammy LeCates, Pension Office
- Cindy Starr, Pension Office
- Antonia Kramer, Pension Office
- Julye Covell, 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
- Fiona Liston, Cheiron
- Elizabeth Wiley, Cheiron
- Jana Bowers, Cheiron
- Bert Scoglietti, Controller General's Office
- Kevin Baload, *with Intelligence*
- Scott Sipple, Office of Auditor of Accounts
- Lisa Rice, Member of the Public

AGENDA ITEMS

1. OPENING COMMENTS

S. Grant welcomed everyone to the meeting and thanked J. Adams for sharing the 2026 Graduations within the Office of Pensions.

2. PUBLIC COMMENT

No public comment.

3. APPROVAL OF THE MINUTES OF THE BOARD OF PENSION TRUSTEES MEETING June 26, 2026.

- ❖ Discussion: The Public Minutes of the June 26, 2026, meeting were reviewed.
- ❖ Decisions Made: Motion was made by J. Reeves and seconded by B. Maxwell to approve the Public Minutes of the June 26, 2026, Board of Pension Trustees meeting. Motion adopted.
- ❖ Discussion: The Executive Minutes of the June 26, 2026, meeting will be reviewed in Executive Session at the September 25, 2026 meeting.

4. AUDIT COMMITTEE REPORT

S. Tatman shared that BDO USA, P.C. presented Fiscal Year 27 Internal Audit Plan at the July 24, 2026 Audit Committee meeting. The Internal Audit Plan will be discussed in executive session. The next Audit Committee meeting is scheduled for November 13, 2026.

- ❖ Discussion: Nomination of Jeffrey Reeves to represent the Board on the Audit Committee.
- ❖ Decisions Made: Motion was made by N. Shevock and seconded by B. Maxwell to nominate Jeffrey Reeves to represent the Board on the Audit Committee. Motion adopted.

5. PENSION ADVISORY COUNCIL REPORT

The next Pension Advisory Council meeting is scheduled for November 10, 2026.

6. STATE PENSION ADMINISTRATOR'S REPORT

- **Actuarial Experience Study:**

J. Adams introduced Fiona Liston, Elizabeth Wiley and Jana Bowers from Cheiron who presented the DPERS Actuarial Experience Study which is conducted every 5 years to review the assumptions used in the actuarial valuations. The presentation included:

- Overview
- History of Gains and Losses
- SEPP UAL Since Last Experience Study
- Assumptions to Study
 - Economic Assumptions
 - Historical Economic Assumptions
 - Public Plans Data Inflation History
 - Historical Investment Performance
 - Public Plans Data Discount Rate History
 - Expected Future Rate of Return
 - Future Industry Expectations
 - Administrative Expenses
 - Summary
 - Demographic Assumptions
 - Demographic Analysis Information
 - Mortality Rates
 - Mortality Assumptions Recommendation
 - Mortality Improvement Scales
 - Spousal Age Composition for Survivor Benefits
 - State Employees' Demographic Analysis
 - State Employees' Pension Plan (SEPP) Salary Experience by Year (Unadjusted)

- SEPP Salary Experience by Year (Adjusted)
 - SEPP Salary Scale
 - Resulting SEPP Recommended Salary Scale
 - Judiciary Plan Demographic Analysis
 - State Police Demographic Analysis
 - County and Municipal Police and Firefighter Demographic Analysis
 - County and Municipal General Demographic Analysis
 - Volunteer Fire Demographic Analysis
- Estimated Cost Impact
- Necessary Board Votes
- Disclosures
- Recommendations made to the Board:
 - Mortality assumptions as presented
 - Changes based on the SEPP Demographic Analysis:
 - Change the SEPP salary scale from the current assumption of across-the-board increases of 2.5% to a new scale of 3.25% to better reflect salary increases experience during the study period.
 - Adjust retirement rates to better reflect experience, especially for Correctional Officers.
 - Slightly adjust termination tables to better reflect experience.
 - Move disability rates halfway between assumption and experience.
 - Reduce spouse age difference assumption from 3 years to 2 years.
 - Changes based on the Judicial Plan Demographic Analysis
 - Set salary growth assumption to be 4% per year in line with the most recent Delaware Compensation Commission report.
 - Reduce current assumption that 80% are married to use only 60%.
 - Reduce spouse age difference assumptions from 3 years to 2 years.
 - Changes based on the State Police Demographic Analysis
 - Increase salary growth assumptions to better reflect experience during study period.
 - Slight reduction in termination rates for the first 2 years of service.
 - Change allocation of duty related disability rates from 1/3 duty-related to 2/3 duty-related.
 - Changes based on the County and Municipal Police and Firefighter Demographic Analysis

- Increase salary growth assumptions to better reflect experience during study period.
 - Slight modifications to rates at younger ages and decreased retirement rates for ages 55-69.
 - Increase termination rates from 0-7 years of service.
 - Reduce disability rates at most ages.
 - Change allocation of duty-related disability rates from 1/3 duty-related to 2/3 duty-related.
 - Changes based on the County and Municipal General Demographic Analysis
 - Increase salary growth assumptions to better reflect experience during study period.
 - Modify retirement rates at all ages to better agree with experience. Increase termination rates, especially at 9-20 years of service.
 - Decrease disability assumptions by half.
 - Volunteer Fire Demographic Analysis
 - Increase retirement assumption at ages 68 and higher to better match experience.
- ❖ Discussion: The Board reviewed and discussed the recommendations.
- ❖ Decisions Made: Motion was made by N. Shevock and seconded by J. Reeves to approve the Actuarial Experience Study, including implementing the adjustments to economic and demographic assumptions indicated in the report as presented. Motion adopted.
- **Employee Recognition:**

J. Adams attended the State Employees' Charitable Campaign ("SECC") kickoff where Pensioners were awarded Honorable Mention for contributing \$41,797 to non-profit organizations. Many of these donations are paid via payroll deductions from the monthly pension benefit payments. . J. Adams gave kudos to the payroll section who processes these payroll deductions.

Kudos to Sarah Parson on being named OMB Employee of the Quarter! Sarah consistently demonstrates exceptional leadership, initiative, and expertise in her role as Supervisor of the Manual Loads section. She oversees an incredibly complex workload spanning 232 entities, more than 96,000 payroll entries, and over \$244 million in wages, while ensuring accuracy, compliance, and the integrity of our

pension plans. Sarah is also a trusted subject matter expert who continually improves processes, shares her knowledge, supports our agencies and members, and leads her team through organizational and system changes. Her dedication, professionalism, and commitment to excellence make a tremendous impact on the Office of Pensions, and this recognition is so well deserved!

- **FY27 Budget:**

J. Adams presented the Fiscal Year 27 Budget explaining the greatest expense is personnel, followed by contractual expenses due to the McArdle Building lease, and data processing as a result of DTI's charge-back model. Travel has increased modestly due to having more credentialed employees on staff with continuing education requirements.

- ❖ Discussion: Motion was made by B. Maxwell and seconded by S. Grant to approve the Fiscal Year 27 Budget. The Chair noted for the record that N. Shevock departed the meeting, therefore a quorum was not present. The Board will consider this motion at the September 25, 2026 meeting.

- **ERP Modernization:**

J. Adams shared Phase 2 of the pension administration system implementation has wrapped up. Phase 4 officially begins this week and is expected to last two and one half years. Initially, three potential gaps were reported. The team has been working hard to resolve them. The vendors contracted to work on the implementation continue to report they are extremely impressed with the progress of the project and the preparedness of the staff assigned to the project. It is nice to receive positive feedback from our vendors who are experienced and offer sincere recognition.

- **Office of Pensions' Year in Review:**

S. Tatman presented the Office of Pensions Operational Statistics – Fiscal Year 2026 included a summary of our communications with members, new retiree data and death monitoring, the changes made to retiree information, and key initiatives.

The Board asked what procedures and policies are in place to prevent fraud. S. Tatman explained the new pension administration system will send automated messages. The payroll team is very diligently working to confirm signatures match and weed out bad actors, including calling members to confirm. Currently, our biggest source of prevention is comparing forms and signatures. The new pension administration system will use LexisNexis to verify information. S. Tatman worked on the proposal

and agreed to contact the Treasurer's Office to inquire whether the Treasurer's Office is implementing with their contract.

- **2027 Meeting Dates:**

J. Adams presented the tentative 2027 meeting dates.

7. DEPUTY ATTORNEY GENERAL REPORT

- **Update on Northern Trust Custody Agreement**

W. Tate is working with Pensions personnel, Windmark personnel and outside counsel to review the proposed replacement contract received from Northern Trust.

Negotiations are ongoing and are on track to have the Custody Agreement completed before the expiration of the current agreement on September 30, 2026.

- **National Association of Public Pension Attorneys (NAPPA) Conference Summary Report**

W. Tate provided a written summary of the presentations attended at the NAPPA conference, including DPERS-specific effects, encouraged them to review the written materials to identify items for further research or Board Training.

- **Actuarial Services contract renewal**

W. Tate recommended exercising a one-year extension to Cheiron's contract to continue to provide actuarial services for the coming year, which includes the contractual increases in fees.

❖ Discussion: Motion was made by J. Reeves and seconded by S. Grant to exercise a one-year extension of Cheiron's Actuarial Services contract. A quorum was not present. The Board will consider the motion at the September 25, 2026, meeting.

- **Proposed change to Securities Portfolio Monitoring service provider**

W. Tate reported a new Legal Services Agreement with Bernstein Litowitz Berger & Grossman, and recommends approving a letter of direction to Northern Trust to allow confidential access to DPERS' investment portfolio to effectively monitor for class action suits and other fiduciary claims, in supplement to current portfolio monitoring service providers.

❖ Discussion: Motion was made by J. Reeves and seconded by B. Maxwell to approve the additional securities portfolio monitoring service. A quorum was not present. The Board will consider the motion at the September 25, 2026, meeting.

- **Update on Policy Reviews**

W. Tate reported the Board policies and handbook have been reviewed and revised, with the exception of the cybersecurity policy. W. Tate will review other systems' policies, consult with DTI and other experts on how best to update the Board's cybersecurity policy. Office of Pensions' staff are in the process of compiling the updated and reformatted Handbook, which includes the Board Policies.

- **Cybersecurity Training**

W. Tate proposed to invite James Watson from Ice Miller to conduct a brief presentation on current issues in cybersecurity at an upcoming Board meeting. S. Grant, Chair, agreed.

- **Regulations Update**

W. Tate noted that the regulations for the various pension plans were last updated in 2021. In an effort to keep the regulations current, W. Tate, staff and outside counsel are reviewing and revising the regulations to accommodate changes in practice and law. A set of proposed amendments will be distributed to the Board during the August recess to review and finalize for publication in late September, and after the required 30-day comment period, to publish as final in time to be effective in January 2027.

- **Statutory Update**

W. Tate, staff and outside counsel are reviewing the statutes governing the various pension plans and proposing amendments for legislative review. W. Tate and the Pension Administrator will work with OMB's Policy Director to determine how to have these amendments passed by the legislature.

- **Update on Securities Litigation**

W. Tate will report on ongoing securities litigation in a forthcoming executive session.

8. INVESTMENT COMMITTEE REPORT

R. Gooderham touched briefly on the markets, noting that June brought a better forecast for a Middle East truce, but lower market results, while July led to a truce breakdown and better market results. He said that overall, the economy is pretty strong, with the most recent GDP report showing consumers continue to spend despite higher gas prices, and the economy was being boosted by AI related imports. He added that economic growth had been offset to some degree by weaker housing, lower government spending, and fewer exports. R. Gooderham said that corporate earnings reports and expectations continue to be positive. However, the big question for AI leaders is how much is being spent on capital expenditures relative to how

much revenue these investments were generating, with the market rewarding those firms' generating revenue and for not over-investing.

DPERS Fund assets are estimated to be \$17,267.3 million at June 30, 2026, representing a net decrease of \$60.2 million during the month. Estimated Gross returns through June 30, 2026, are as follows:

	Month Ended 06-30-26	QTD 06-30-26	Calendar YTD 06-30-26	1 Year Ended 06-30-26
Total Fund	-0.6	7.5	5.2	11.8
DPERS Policy Benchmark**	-0.3	10.6	8.5	18.0
S&P 500 Index	-1.0	15.2	10.2	22.3

** 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 the Committee had met once since the June Board meeting, on Tuesday July 14th, where the primary topic was the Core-Satellite Investment Framework, about which the Windmark team would elaborate more in Executive Session. The Committee's report noted that, in addition to the approved items below, the Committee had reviewed and discussed:

- Private Investments Presentations:
 - Key Themes
 - Quarterly Private Investments Review
- Asset Allocation Recommendations
- Other Business:
 - Index Inclusion

The Committee's report also noted the following items were approved under their authority:

- The following trades:
 - Terminate Dodge & Cox International (approximately \$358 million)
 - Redeem \$290 million from Baillie Gifford LTGG
 - Redeem \$230 million from Focused Investors
 - Redeem \$175 million from Orbis International
 - Redeem \$70 million from Wellington Asian Opportunities
 - Invest \$200 million in Orbis US Opportunities
 - Invest \$160 million in Lingotto

- Invest \$200 million in NT Russell 1000 Growth
- Invest \$538 million in BlackRock MSCI ACWI ex US
- Invest \$25 million in BlackRock Russell 3000

The next meeting of the Committee is scheduled for Tuesday, August 18th, 2026.

- ❖ Decisions Made: Motion was made at 10:58 a.m. by B. Maxwell and seconded by J. Reeves to enter into Executive Session to consider pension personnel matters, confidential medical records, legal matters, sensitive commercial trade secrets, and confidential financial information. A quorum was not present. All matters will be considered at the September 25, 2026 meeting.

9. ADJOURNMENT

At 11:30 a.m., the meeting was adjourned due to lack of a quorum.

Respectfully submitted,



Joanna M. Adams
Pension Administrator



[Suzanne Grant \(Sep 27, 2026 21:04:58 EDT\)](#)

Suzanne Grant, Chair

Board of Pension Trustees