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STATE BOARD OF PENSION TRUSTEES
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BOARD OF PENSION TRUSTEES
GOVERNANCE MEETING MINUTES OF NOVEMBER 3, 2021

The meeting of Governance Committee was called to order by Tom Shaw, Chair, at 10:02 a.m. via video and tele-conferencing.

Members Present

Tom Shaw
Dale Stratton
George Saxon
Jim Burke
Pam Tikellis

Members Absent

Others Present

Joanna Adams, Pension Office
Jodie Wedel, Pension Office
Jamie Mayan, Pension Office
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General

1. OPENING COMMENTS

T. Shaw welcomed everyone and started a roll call.

2. APPROVAL OF THE MINUTES

MOTION made by D. Stratton and seconded by J. Burke to approve the Public Minutes of August 18, 2021.

MOTION ADOPTED UNANIMOUSLY

MOTION made by D. Stratton and seconded by P. Tikellis to approve the Executive Minutes of August 18, 2021 with changes.

MOTION ADOPTED UNANIMOUSLY

3. PENSION ADMINISTRATOR UPDATES

Ms. Adams asked the Governance Committee to complete the Cyber Security training due November 16th. Then Ms. Adams reviewed the FY2021 Actuarial Valuation completed by Cheiron. The results were good, but we still need to do some work. There are 300 less employees in state service, which is a 1% decrease in contributions. The number of Pensioners has increased to 700 which is almost 5%.

Vacant Positions

Ms. Adams reported the State Accountant position was filled but the employee went back to their prior agency. We posted the position, interviewed, and are waiting for HR's permission to hire. A limited-term HR Specialist V position was recently filled. Two HR Specialist I positions have also been filled recently. The Executive Assistant, Terri Timmons's replacement, is still in progress. Lastly, we have the Administrative Specialist II for the front desk has been requested to fill.

Ms. Adams went on to talk about the upcoming retirements in the Office of Pensions. These retirements are huge losses to the Pension Office as we are losing a wealth of knowledge. Ann Marie Johnson will be retiring in January. The Payroll supervisor and Jodie Wedel are retiring at the end of the year.

Ms. Adams shared some highlights of the Pension Office for the year 2021.

- Delaware Public Employees' Retirement System celebrated its 50th Year Anniversary in 2021. FY21 ended with a rate of return over 38%, the 2nd highest return in its 50-year history, and well above the expected rate of return of 7%. The system started in 1971 with 4 pension plans valued at \$14.7 million and has grown to 9 pension plans and 3 commingled investment funds valued at \$14.6 billion in FY21!
- Implemented Key Performance Indicators for Northern Trust, DPERS' custodial bank, saving \$20,000 in banking fees.
- Replaced in-person Pre-Retirement Workshops and Group Counseling with virtual workshops serving approximately 1,500 members. The workshop has also been recorded with closed captioning to be accessible 24/7 on our website.
- Transitioned lockbox operations from BNY Mellon and check printing services and payroll EFT transactions from PNC Bank to JPMC.
- Updated the Disability Insurance Program eligibility file and deduction file as a result of The Hartford's transition to its new data system.
- Technology upgrades include the transition to Office 365, Microsoft Teams, digital signage and new phone system.
- Implemented a continuous auditing model of DPERS' key business processes to use on-going data analysis to identify and resolve potential issues in a more timely and effective manner.

- Set up 24 counties and municipalities for auto debit of their monthly contribution payments which replaces money wires or manual checks saving time and ensuring the contributions are invested faster.
- Increased Limited Partnership stock distributions by 30%. Received \$829 million from 190 distributions in FY21.
- Enhanced all Pension Office forms to be more professional and consistent in addition to be more user-friendly.
- Implemented a successful training program for new hires. Excluding internal promotions, 25% of the total staff were hired new in FY21.
- Implemented an additional vision plan.
- Renamed the Delaware Conference Room (aka Boardroom) to Craik Conference Room and completed the tribute on the wall in honor of David C. Craik, former pension administrator.

4. COMMITTEE UPDATES

Investment Committee

Nothing to report.

Audit Committee

The next meeting is scheduled for Friday, November 5th.

5. DEPUTY ATTORNEY GENERAL UPDATE

Nothing to report.

MOTION made by G. Saxon and seconded by P. Tikellis to enter into Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

MOTION made by J. Burke and seconded by D. Stratton to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

6. NEW BUSINESS

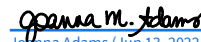
Ms. Adams suggested quarterly meeting dates February, May, August, and November. Wednesdays at 10 am. Meeting dates decided by the committee February 9th, May 11th, August 10th and November 9th.

7. ADJOURNMENT

At 11:37 p.m. there being no further business,
MOTION was made by J. Burke and
seconded by T. Shaw to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


Joanna Adams (Jun 13, 2022 15:01 EDT)
Joanna M. Adams
Pension Administrator