

James B. Testerman, Chairman
Delaware State Education Association

Lawrence Talley, 1st Vice Chairman
Delaware State Troopers' Association

Charlotte T. Lister, 2nd Vice Chairman
At-Large

Delaware Retired School Personnel Association
Delaware Association of School Administrators
Delaware School Food Service Association
Delaware National Guard
University of Delaware Salaried Staff Association
Delaware Fraternal Order of Police
(13) International Association of Firefighters
Local 1590 City of Wilmington Firefighters

STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
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MINUTES OF THE STATE PENSION ADVISORY COUNCIL

1. The meeting was called to order on November 9, 2006, at approximately 1:35 p.m. in the Board Room on the 2nd floor of the McCardle Building, Suite 1, 860 Silver Lake Blvd., Dover, De.
2. Members present:

Joseph Malloy	IAF
Nancy Patterson	DNG
Brian Douty	FOP, State Lodge
Charlotte Lister	At Large
Edward Seibert	DASA
Mary Pat Urbanik	Representing Louise Cloutier, UDSSA
Jim Testerman	DSEA
3. Members absent:

Geraldine Gillespie	DSFSA
Larry Talley	DSTA
Joe Vrundy	DRSPA
4. Approval of the minutes of 5/9/06. Charlotte Lister moved to approve the minutes of 5/9/06 and 6/13/06. The motion was seconded by Nancy Patterson and passed.
5. Announcements and Correspondence. The Chairman covered reports on the October and November Pension Board Meeting.

6. Election of Advisory Council Officers for 2007.Legislative Strategy.

Brian Douty nominated Jim Testerman for Chairman of the Advisory Council for 2007. The Chair passed to Charlotte Lister to handle the meeting until the Chairman was elected. She asked for other nominees for Chairman and none were received. The Council members voted unanimously to elect Jim Testerman as Chairman.

Brian nominated Larry Talley for 1st Vice Chairman of the Advisory Council. Charlotte Lister moved to close nominations, seconded by Brian Douty. Larry was elected by unanimous vote.

Nancy Paterson nominated Charlotte Lister for 2nd Vice Chairman of the Advisory Council. Brian Douty moved to close nominations, seconded by Edward Seibert. Charlotte was elected by unanimous vote.

7. Legislative Issues. Chairman Testerman reported three important legislative initiatives that passed the legislature in the current session. (1) State pensioners received a 2% pension increase with those who retired prior to January 1, 1981 receiving either 2% or \$25.00 per month, whichever is higher. He reminded the Council that retirees have had a 2% pension increase in 12 of the last 13 years with those retired the longest getting more almost every year. (2) Six million dollars was appropriated to the Fund to Pre-fund Medical Benefits. This fund now contains about \$25 million dollars, which is a drop in the bucket but is a start. (3) A new "World Class" Disability Insurance Program. This program provides 70% of pay for short-term disability and 60% for long-term disability with each year on disability counting as a year of service for pension purposes. There are some back-to-work provision in this legislation. It is a good deal for those with a small number or large number of years of service.

There was some discussion of the fact that if a disability retiree gets Social Security Disability, it would be deducted from disability pay. It was rumored that this would be a disadvantage for those with a large number of years of service. David Craik stated that the person with a high number of years could draw there pension while on disability and this would make them whole.

8. State Employees Pension Benefits Review Committee. Chairman Testerman informed the Council that the Committee was formed so that employees would have somewhere to go to be heard in regard to improvements in the State Pension Plan. The Committee contains legislators, Pension Board members, Pension Office Staff and a member of the Advisory Council. Larry Talley serves in this capacity for the Council and he needs to try to get a meeting of this Committee.

9. Adjournment. Brian Douty moved to adjourn, seconded by Joseph Malloy, the Council meeting adjourned at approximately 2:20 p.m.

Respectfully submitted,

Jim Testerman, Chairman

Materials distributed: Reports on the October and November Pension Board Meetings, the Pension Fund Audit Report and the results of the Fund Actuarial Valuations for the next Fiscal Year.