

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 1/8/08

1. The meeting was called to order at approximately 1:40 p.m. in the Board room on the 2nd floor of the McArdle Building, 860 Silver Lake Blvd., Suite 1, Dover, DE.

2. Members present:

Joseph Malloy	IAF
Nancy Patterson	DNG
Joe Vrudny	DRSPA
Charlotte Lister	At Large
Larry Tally	DSTA
Brian Douty	FOP, State Lodge
Mary Pat Urbanik	UDSSA
Geraldine Gillespie	DSFSA
Jim Testerman	DSEA

3. Members absent:

Edward Seibert	DASA
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4. Additions to the agenda. None.

5. Approval of the Minutes of June 12, 2007 and the November 13, 2007 meeting summary.

Brian Douty moved to approve the minutes of June 12, 2007 and the meeting summary of November 13, 2007 as corrected. The motion was seconded by Larry Talley and passed.

6. Announcements and correspondence. None

7. From the Board of Pension Trustees meetings.

November –

Total Trust Fund assets at the end of October, \$7,683 million. FY to date 5%, 12 months at 15.5%. The OPEB Fund gained 3.6% over the last quarter.

Cindy Collins, Deputy AG, briefed the Board on the Freedom of Information Act. Describing what was covered and which of the 16 exemptions the Board uses. The exemptions include, (1) personnel, medical or pupil file exemptions, (2) trade secrets and confidential or financial information exemption, (3) pending or potential litigation, (4) executive session minutes exemption and (5) public safety exemption.

December –

- a. The Medical Committee was present for the December meeting as is the custom. Dr. Frelick was happy with the new disability system but feels that some of the disability retirees under the old system should not be on disability. He stated that there was no internal medical review because of the rules.
- b. Kim Vincent, Deputy Pension Administrator, is out for 8 weeks for medical treatment.
- c. Dave reported Best Practices work in five areas; Board performance, executive secretary performance, administrative policy, administrative performance and service provider performance.
- d. Assets of \$7.5 billion were reported with a negative 1.6% for November, with CY up 10% and FY 0 months at 3.2%.
- e. The meeting adjourned to the usual December Christmas Luncheon.

8. Nomination and election of Council officers for 2008. Jim Testerman was nominated for Chairman and there were no other nominations. Larry Talley was nominated for 1st Vice Chairman and there were no other nominations. Charlotte Lister was nominated for 2nd Vice Chairman and there were no other nominations.

Brian Douty moved to cast a unanimous ballot for the nominees, seconded by Joe Vrudny, the motion passed unanimously.

9. Adoption of Legislative Goals. Larry Talley and others on the Council feel that maybe we should be willing to forgo the \$6,000 pension contribution exemption for removing the penalty for early retirement. We are to discuss this further in April when we might have more facts and figures available. David Craik estimates that \$6 million would be produced by eliminating the exemption and that this amount would pay about half of the cost of eliminating the early retirement penalty. There might possibly be a meeting with Senator Cook after we have more information.

The Legislative Goals were re-tiered as follows:

Primary Goals –

- Continue appropriate annual post retirement increases
- Provide adequate annual funding for the Post Retirement Medical Benefit Fund
- Eliminate the early retirement penalty

Secondary Goals –

- Implement a 2.0 multiplier as the only multiplier in pension benefit calculation
- Increase the pensioner death benefit from \$7,000 to \$8,000
- Encourage the State Legislature to look at some sort of Veteran's pension credit for those employed after 1976

Charlotte Lister moved to approve the above goals as re-tiered, seconded by Joe Vrudny, the motion passed.

10. Adjournment. Charlotte Lister moved to adjourn, seconded by Larry Talley, the meeting adjourned at approximately 2:30 p.m.

Respectfully submitted,

Jim Testerman, Chairman