

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 – May 11, 2010

1. The meeting was called to order at 1:35 p.m. in the boardroom on the 2<sup>nd</sup> floor of the McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904.

2. Members present:

Nancy Patterson	DNG
Joseph Malloy	IAF
Charlotte Lister	At Large
Mary Pat Urbanik	UDSSA
Larry Talley	DSTA
Jim Testerman	DSEA

3. Members absent:

Wayne Emsley	DRSPA
Brian Douty	FOP, State Lodge
Janice Vander Decker	DSFSA
Edward Seibert	DASA

4. Others present:

Dave Craik	State Pension Administrator
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5. Additions to the agenda – There were no additions to the agenda.

6. Approval of the April 13, 2010 minutes – Charlotte Lister moved to approve the minutes of April 13, 2010; the motion was seconded by Nancy Patterson and passed.

7. From the Pension Board meeting – At the end of March the Trust Fund earnings was 30.7% for the 12 months and 19.3.% for the fiscal year. SB 147 is Senator Bonini’s Early Retirement Bill and it will go no where because of cost. HB 128 is the usual correctional officers’ 25-year retirement bill. It has little chance because they would have to offer it to all in the State Employees’ Pension Plan.

8. From Pension Board meetings – The Pension Trust Fund, for the twelve months at the end of February, had gained 29.4%. The OPEB Fund for retiree medical benefits is receiving the first \$10 million in escheat funds this year. The Fund has not yet received the \$10 million and contains about \$80 million at present.

9. Chairman’s Report – The Chairman reported that all members of the House of Representatives are up for election in November and half of the Senate members are up for election. Candidates in the 15<sup>th</sup> Senatorial District, David Lawson, Republican and Senator Nancy Cook, Democrat, will square off. Candidates for House Districts 29<sup>th</sup>, 31<sup>st</sup>, 35<sup>th</sup> and 36<sup>th</sup> were discussed. Representative Bill Oberle is retiring and we will miss him. We also discussed state wide candidates.

The Governor asked for the 2 ½% pay loss to continue and wants to tier employee benefits for new hires. He allocated only about \$10 million for medical benefits in his budget, leaving a deficit of \$37.5 million dollars, which is to come from the reserve that is supposed to be used for catastrophic medical events.

The Coalition of State Employees for a Better Delaware will work hard again to prevent salary loss and tiered benefits along with restoring the Short Term Disability to 20 days. Specifically, the Coalition is lobbying to:

- Make sure the 2 ½% pay loss is restored
- Stop the tiering of pension and medical benefits for new hires
- Additional legislative contribution for medical benefits
- To restore the 20 day waiting period for Short Term Disability
- To add DSEA, DSTA, FOP and a retiree to the State Employees’ Benefit Committee

The Chairman will be lobbying up until the end of June and is inviting the Council Members to lobby each Thursday until the end of the fiscal year.

The Office of Management and Budget has circulated a memo that would increase contributions and decrease pension benefits with the cost of medical benefits increasing sharply for new hires. Double State Share would also be discontinued.

The Chairman apologized for not having yet written a letter to Legislators regarding our views on matters before the Legislature. He promised to do this immediately.

10. Legislation – SS 1 for SB 147 (Bonini) is in the Senate Finance Committee. It is not likely to see the light of day. It would provide two additional years of service credit for those retiring on 6/30/10 and would tier benefits for employees hired on or after 7/1/10.

The Coalition of State Employees United for a Better Delaware is having a bill introduced that would put employee representatives on the State Employees Benefits Committee (SEBC). We are asking for four new members on the Committee but may have to settle for one or two.

11. Legislation – SB 247 sponsored by Senator's Katz and Peterson, is to do away with Double State Share.

12. Adjournment – The agenda being complete the Chairman declared the meeting adjourned at approximately 2:15 p.m.

Respectfully submitted,

James B. Testerman, Chairman