

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  
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MINUTES OF THE STATE PENSION ADVISORY COUNCIL – November 9, 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 McArde Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904.

2. Members present:

Nancy Patterson	DNG
Charlotte Lister	At Large
Joseph Malloy	IAF
Janice Vander Decker	DSFSA
Edward Seibert	DASA
Robert Jameson	FOP, State Lodge
Jim Testerman	DSEA

3. Members absent:

Mark Ryde	DSTA
Mary Pat Urbanik	UDSSA
Wayne Emsley	DRSPA

4. Others present:

David Craik	State Pension Administrator
Fred Calhoun	FOP State President

5. Additions to the agenda – There were no additions to the agenda.

6. June 8<sup>th</sup> Meeting Summary – Robert Jameson moved to approve the June 8<sup>th</sup> Meeting Summary, seconded by Charlotte Lister, the motion passed.

7. Election of 2011 Officers – Charlotte Lister nominated Joe Malloy as 1<sup>st</sup> Vice Chairman, There were no other nominations. The Council voted unanimously to elect Joe Malloy. Edward Seibert nominated Charlotte Lister for 2<sup>nd</sup> Vice Chairman. There were no other nominations. The Council voted unanimously to elect Charlotte Lister. Charlotte Lister nominated Jim Testerman for Chairman. There were no other nominations. The Council voted unanimously to elect Jim Testerman.

9. From the Pension Board Meetings – June 25<sup>th</sup> Pension Board Meeting – Thomas Shaw replaced Robert Allen as a Pension Board member. FY earnings 16.1% and 12-month was 16.3% with assets of \$6,478 billion. 300 pension applications were reported for the August payroll. Resolutions were being prepared for Jan King who is leaving the Investment Committee, and Robert Allen who is leaving the PB.

July 30<sup>th</sup> Pension Board Meeting – At the end of June the FY earnings was 14.1% and the 12-month was 14.1% with assets of \$6,478 billion. The Board had preliminary discussions on investment policy changes to be voted on in September. Dave reported on two pieces of legislation HB 324 allowing police and firefighters to retire from the county or city and draw their pensions if they go to work for a different county or city. HB#325, which allows the establishment of a Miller Trust. He reported 350 new pension applications for the August payroll.

September 24<sup>th</sup> Pension Board Meeting – Suzanne Grant, Chair of the Audit Committee, and Joseph Seibert, of KPMG, gave a report on the audit progress and felt that a clean audit was in the making. The FY earnings were 3.6% and the 12-month was 10.0% with the Fund containing \$6,547 billion. A Resolution was presented on the service of Joel Poorman, as member of the Audit Committee. The Pension Office received 2,600 calls the first week on the AON release of Social Security numbers and 648 calls the second week. OMB received 1,700 calls and 500 the fourth week. A state award is being prepared for Ernst Dannemann who was the second chairman of the Pension Board and who was mostly responsible for the great organization of the Investment Committee and the Pension Trust Fund.

10. Chairman's Report - I lament the defeat of Senator Nancy Cook who has been the keeper of the pension system since the 1970s. All amendments to the pension code since 1976 have been sponsored by Senator Cook. We have Chip Flowers elected as Treasurer. The Democrats took over Senator Oberle's, Cathcart's and Kovac's Republican House Seats. The Republicans kept Rep. Thornburg's position and gained Rep. Walls' position and Senator Cook's position. This gives the Democrats in both the House and Senate enough votes that they will not need a single Republican vote to pass any bill desired. The Coalition lobbied for: restoration of the 2.5% pay cut and succeeded, to stop tiering of benefits and were successful for this year, additional contribution for medical benefits achieved getting \$37.5 million dollars added for medical benefits, to add DSEA, DSTA, FOP and a retiree on the SEBC which failed and to move disability eligibility back from 60 to 20 days achieving a move to 30 days. We worked in a lot of campaigns this year and have elected some friends to the Legislature. We know that the Governor will come back with his proposals on pensions and medical benefits.

11. Discussion of Legislative Goals – The Goals for 2011 was discussed. Edward Seibert feels that we need to add a pay increase for state employees to the list. Jim Testerman feels we should give veterans a chance to buy military service at the 5% rate. The Goals for 2011 will be adopted in January.

12. Bylaws and Council Governing Documents - Copies of the original bill establishing the Council in the Delaware Code and the only amendment to the Code were distributed. It was noted that the AAUP, AFSCME, Delaware Nurses Association and the Judiciary branch have lost positions on the Council due to non-attendance. There was discussion on the Bylaws concerning how an organization that lost membership for non-attendance would get back on the Council. This would have to be done through the legislative process.

13. Adjournment - Charlotte Lister moved to adjourn, seconded by Joe Malloy, the motion passed and the meeting adjourned at approximately 2:30 P. M.

Respectfully submitted,

Jim Testerman, President