

Joseph Malloy, Chairman
International Association of Firefighters Local 1590

Wayne Emsley, 1st Vice Chairman
Delaware Retired School Personnel Association

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

University of Delaware Salaried Staff Association
Delaware Association of School Administrators
Delaware School Food Service Association
Delaware State Education Association
Delaware Fraternal Order of Police
Delaware National Guard

**STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL**
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MINUTES OF THE STATE PENSION ADVISORY COUNCIL – April 9th, 2013

1. The meeting was called to order at 1:32 p.m. in the Boardroom on the 2nd floor of the McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904.

2. Members present:

Joseph Malloy	WFD IAFF 1590
Nancy Patterson	DNG
Mark Ryde	DSTA
James Harrison	DSEA
Charlotte Lister	At Large
Janice Vandecker	DSNA

3. Members absent:

Wayne Emsley	DRSPA
Robert Jameson	FOP State Lodge
Jim Testerman	At Large
Edward Seibert	DASA

4. Other Present:

Kim Vincent	Deputy State Pension Administrator
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5. Additions to Agenda

No additions to the agenda.

6. Minutes of the January 8th, 2013 PAC meeting:

Charlotte Lister moved to approve the minutes. Nancy Patterson seconded the motion. The motion passed.

7. Chairmans Report:

The Fund’s diversified portfolio may have only returned 2.0% in fiscal 2012, but has compounded out at 13.2% per year over the last three fiscal years and 7.6% per year over the last ten years.

Total assets in the trust fund as of February 28th, 2013 are \$7,941MM. The return of the trust fund for the month of February is 0.7% which is higher than the Delaware Benchmark. Fiscal year to date the trust fund is up 8.1% , however it is still 1.5% below the Delaware Benchmark.

Trust Fund Numbers

Total Fund	Calendar Year-To-Date	Del.Bench.	Fiscal Year-To-Date	Del.Bench.	12 Months	Del.Bench
December 2012	0.8%	1.2%	4.2%	6.2%	11.1%	12.0%
January 2013	3.0%	2.7%	7.3%	9.1%	11.1%	10.9%
February 2013	0.7%	0.5%	3.8%	3.2%	8.7%	8.3%

Delaware Pension Trust Fund Chair, S. Grant thanked C. Collins for everything she has done for the Pension Office and the Board. She was wished the best in her new position with DEDO. Cindy Collins who is DPERS Deputy Attorney General (DAG), will be leaving the Pension Office to become the new DAG with DEDO as of February 1st. Anne Marie Johnson, DAG with DEDO will be the new DAG for the Pension Office. Per A. Visalli, a lot of changes are being made within the Attorney General’s Office and the transfer has no reflection on the work C. Collins has done for the Pension Office. On behalf of the Board, C. Collins was thanked for her hard work.

D. Craik announced that Dr. Frelick is retiring from the Medical Committee. A Resolution has been prepared and will be presented to Dr. Frelich in the near future. The Resolution states that the Board is very thankful for his 20 years of professional and dedicated service to the Medical Committee and noted that his advice was invaluable to the Pension Office. The Committee has recruited Dr. Anthony Nabha to replace Dr. Frelich. D. Craik asked the Board to approve the nomination. The motion was adopted unanimously.

8. Old Business:

On behalf of the Pension Advisory Council I have met with Representatives Melanie Smith, Jeff Spiegelman, and Senator Karen Peterson regarding Pension increases and O.P.E.B funding. They are all respectful of the needs for State Retirees; however the current state of the economy may prove it difficult to fulfill our needs.

HB 164 which permits employees who are employed in positions that are classified as Hazardous Duty Level A-1 to retire at 25 years without any reduction. This Bill was passed and signed but not enacted until a PLR (Private Letter Ruling) from the IRS on whether different groups in the same pension plan can have different benefits. The IRS refused to make a ruling based on the bill not meeting the criteria for the IRS to make a ruling. The IRS decision makes this current bill null and void.

9. New Business:

Joseph Malloy commented on the pension workshops and thier importance. He also sated his appreciation and gratitude of the PAC membership for its participation at the workshops. Full participation at these workshops shows our dedication to represent State Employees regarding retirement issues.

Pension Workshop dates, times starts at 7:00pm.

March 28, 2013 - Brandywine High School – Auditorium	Wayne Emsley
April 16, 2013 - Stanton Middle School - Auditorium	Joseph Malloy
April 24, 2013 - Stanton Middle School – Auditorium	Nancy Patterson
May 2, 2013 - Delaware Tech Terry Campus, Corporate Training Center	Charlotte Lister, Edward Seibert
April 30, 2013 - Delaware Tech Owens Campus, Conference Center	Joseph Malloy

Kim Vincent commented on recent lower than expected turnout at the Brandywine School workshop on scheduled date of the workshop being so close to Good Friday. The Pension Advisory Council agreed.

SB 28 Bill allows a per diem employee of the legislature to receive a service pension while working for the legislature. This bill which is still in committee would allow per diem employees who work for legislators who already receive a pension to bypass current rules regarding break in service between pension covered positions as well as earning limits. James Harrison asked Kim Vincent if the bill passed would it open the door for other agencies to try to bypass current rules. Kim Vincent stated it a good possibility it could happen.

Kim Vincent stated the Pension Office is currently working on possibly changing the joint survivor benefits from 50 to 75 % to 100% for all plans. The Pension Office is computing the actuarial for the cost that would be involved if the change would happen.

Joseph Malloy stated he will meet with Senator McDowell and Marshall to discuss possible OPEB and PRI increases for FYI 2013.

Kim Vincent commented on the increased inquiries of agencies wanting the Pension Office to offer retirement workshops for their employees. The Pension Advisory Council appreciated the work the Pension Office has done for their agencies.

Joseph Malloy thanked the Pension Advisory Council for their continuing involvement in attending meetings and workshops.

Adjournment:

Motion made by James Harrison, seconded by Mark Ryde for adjournment. The motion passed. The meeting was adjourned at 2:143 pm.

Sincerely,

Joseph P. Malloy
Chair