

Joseph Malloy, Chairman
Local 1590 City of Wilmington Firefighters

Robert S. Jameson, 1st Vice Chairman
Delaware Fraternal Order of Police

Janice Vander Decker, 2nd Vice Chairman
Delaware School Nutrition Service Association

International Assoc. of Local 1590 City of Wilmington Firefighters
Delaware Retired School Personnel Association
Delaware Association of School Administrators
Delaware School Nutrition Service Association
Delaware State Education Association
Delaware Fraternal Order of Police
Delaware State Troopers Association
Delaware National Guard
Two at-Large Members

**STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
MCARDLE BUILDING
860 SILVERLAKE BLVD., STE1
DOVER, DE 19904**

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1. The meeting was called to order on January 9, 2018 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
Jim Testerman	At Large
David Taylor	DRSPA
Mark Ryde	DSTA
James Harrison	DSEA
Charlotte Lister	At Large

3. Members absent:

Robert Jameson	FOP State Lodge
Edward Seibert	DASA
Janice Vander Decker	DSNA

4. Others present:

David Craik	Pension Administrator
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5. Additions to the Agenda:

None

6. Approval of the May 9, 2017 Minutes:

Jim Testerman motioned to approve the minutes of May 9, 2017. The motion was seconded by David Taylor. The motion passed.

7. The Chairman's Report:

Assets in the Fund at the end of November totaled \$9,899.8 million. This represents a net increase of \$165.2 million during the month. Estimated returns through November 30, 2017 are as follows.

Fiscal Total Fund	Month	+/-Del.Bench.	Year-To-Date	+/-Del.Bench.	12 Months	+/-Del.Bench
Feb 2017	1.6%	-0.4%	7.5%	0.0%	13.8%	-1.0%
Mar 2017	0.4%	-0.1%	7.9%	-0.2%	10.1%	0.0%
Apr 2017	1.2%	0.0%	9.3%	-0.1%	9.9%	-0.4%
May2017	1.6%	0.3%	10.9%	0.1%	11.4%	0.1%
Jun 2017	0.3%	-0.1%	11.3%	0.1%	11.3%	0.1%
Aug 2017	1.5%	-0.2%	1.8%	-.08%	9.9%	-0.3%
Sep 2017	0.2%	-0.3%	1.6%	-0.6%	9.8%	-0.4%
Oct 2017	1.0%	-0.3%	3.7%	-1.0%	12.7%	-1.4%
Nov 2017	2.0%	0.7%	5.9%	-0.1%	14.3%	-0.9%

8. Old Business:

Edward Seibert asked what would happen to the financial security of the pension if there was a major market adjustment.

David Craik explained the pension fund is a State obligation. If the markets go down the employer contributions would go up requiring more money from the general fund.

Edward Seibert asked how diversified is the pension plan investments. David Craik informed us the Plan is well diversified and its risk level is 65% of the S&P 500.

9. New Business:

Legislative Update

HB 199

This Act will codify some of the Board of Pension Trustees policies and practices. (Signed by Governor)

HB 179

This Act permits State employees who are employed by the Delaware State Police and work in a variety of job titles, all of which are more commonly referred to as "9-1-1 Operators," to retire at 25 years without any reduction. Those employees will pay a higher employee contribution rate than other State employees.
(Out of committee)

SB 95

This bill establishes a 20 year retirement for correction officers and specified peace officers within the State Employees' Pension plan. The bill amends the multiplier prospectively for the calculation of pension benefits for correction officers and specified peace officers. For service prior to January 1, 2018 the multipliers of either 1.85%, 2.0% or 2.45% would continue to be in effect and then for years of service after January 1, 2018 a uniform multiplier of 2.5% for the first 20 years, plus 3.5% for years beyond 20 years. In addition, this bill amends the employee contribution for all correction officers and specified peace officers to a uniform 7%.
(Assigned to Finance Committee in Senate)

SB 7

This Act provides county and municipal police and firefighters with the same pension burial benefit that is provided to state employees effective July 1, 2016. This Act is named for Wilmington Firefighters Captain Christopher M. Leach, Lieutenant Jerry W. Fickes, and Lieutenant Ardythe D. Hope, who lost their lives fighting a house fire on September 24, 2016. (Out of Committee Senate)

HB 265

This bill will make full time paid firefighters in volunteer fire companies in this State eligible to join the Delaware County and Municipal/Police/Firefighter Pension Plan. (Signed by the Governor)

SB 22

This bill establishes a 20 year retirement for correction officers and specified peace officers. The bill amends the multiplier for calculation of state employee pension benefits for correction officers and specified peace officers from either 1.85%, 2.0% or 2.45% to a uniform 2.5% for the first 20 years, plus 3.5% for years beyond 20 years. In addition, this bill amends the employee contribution for all correction officers and specified peace officers to a uniform 7%. Specified peace officers means (1) Probation and parole officers employed by the Department of Correction; (2) Capitol Police officers; (3) Department of Natural Resources police officers; (4) University of Delaware Police; (5) State Fire Marshal officers; (6) Division of Alcohol and Tobacco Enforcement agents; (7) Justice of the Peace Court constables; and (8) Probation and parole officers in the Serious Juvenile Offender Unit and senior probation officers employed by the Division of Services for Children, Youth, and their Families. (Assigned to Finance Committee in Senate)

HB 43 w/ HA 1 + SA 1

This bill clarifies that a Department of Correction's employee who has served for 25 years with at least 20 years as a correction officer is eligible to retire at 25 years. (Signed by the Governor)

HB 41 w/ SA 1

This bill allows specified peace officers to retire at 25 years without any reduction. Specified peace officers will pay a higher employee contribution, and those who continue to work past 25 years of service will have the multiplier used in the calculation of benefits increased for the years past 25 years. This Act adds Delaware State University Police officers to the definition of "specified peace officers." (Signed by the Governor)

PAC Goals

The Council unanimously endorsed the following goals to be presented to the State for fiscal year 2018/19:

1. PRI increase of 2.0%.
2. No change in healthcare premiums or co-pays
3. Continuous funding of OPEB
4. Increase in the death benefit from \$7,000.00 to \$10,000.00

Other New Business:

Council Chair recommended that the Council member attend spring pre-retirement workshops, if possible.

Council congratulated Charlotte Lister on her retirement.

Pension related meeting dates were handed out to council members.

Literature from the November 14, 2017 meeting with Ashford Consulting group was handed out to Council members.

10. Adjournment:

Jim Testerman made a motion to adjourn at 2:13 pm. The motion was seconded by Charlotte Lister. The motion passed.

Next Pac meeting will be held in the Boardroom on the 2nd floor of the McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904 April 10, 2018, 1:30 pm.