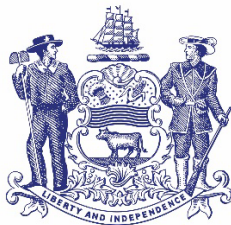


David Taylor, Co-Chair
Delaware Retired School Personnel Association

Karen Crouse, Co-Chair
Delaware State Education Association

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

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



STATE OF DELAWARE
BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
MCARDLE BUILDING
860 SILVER LAKE BLVD., SUITE #1
DOVER, DE 19904-2402

When Calling Long Distance
Toll-Free Number 1-800-722-7300
E-mail: pensionoffice@delaware.gov

Telephone (302) 739-4208
FAX # 302) 739-6129
www.delawarepensions.com

PENSION ADVISORY COUNCIL
MEETING MINUTES FROM MAY 9, 2023

Members present:

Kevin Carson	DASA
David Taylor	DRSPA
Charlotte Lister	At Large
Karen Crouse	DSEA
Janice Vander Decker	DSNA

Member's absent:

Joseph Malloy	WFD IAFF 1590
Fred Calhoun	FOP
Jim Testerman	At Large
Mark Ryde	DSTA

Others present:

Stephenie Tatman	Deputy Pension Administrator
Vicki Schultes	Executive Assistant to Pension Administrator
William O'Brien	Deputy Attorney General

1. CALL TO ORDER:

Mr. Taylor called the meeting to order at 1:35; a quorum was present.
No public comment was given.

2. OPENING COMMENTS:

Mr. Taylor commented on the approaching JFC markup. One item for consideration is a one-time "anti-inflation" payment of \$1,000. Burial benefits, and health benefits, and the rising cost of living are hot topics with

the legislature. S. Tatman confirmed the language requesting the \$1,000 would be contained within epilogue language of the Governor's Proposed Budget.

3. ADDITIONS TO THE AGENDA:

There were no additions to the agenda.

4. APPROVAL OF THE APRIL 11, 2023 MEETING MINUTES:

The minutes from the April 11, 2023 Pension Advisory Council ("Council") meeting were reviewed. No changes were suggested.

A motion was made by K. Carson and seconded by C. Lister to approve the minutes as submitted. The motion was adopted unanimously.

5. CO-CHAIRMEN'S REPORT:

Mr. Taylor reported on the effect of the healthcare changes to retirees. Retiree Health Benefits Advisory Subcommittee (RHBAS) will work with the State Employee Benefit Committee (SEBC) to influence the General Assembly regarding health benefits for pensioners. The term 'grandfathering' was used to refer to current retirees. The RHBAS discussions have been encouraging. The outcome of the Medicare Advantage court case will have a significant impact on retiree healthcare moving forward, but it will take some time to resolved. The SEBC did agree to and voted on extending current health care benefits until June 30, 2024. Funding eligibility and design are used to define: the means to pay for healthcare, who is eligible, and the design (coverage). There is discussion regarding (at least) 1% of the budget being put into a trust fund for health care every year. The Office of Pensions' actuary would perform calculations and create models with long-term cost projections from now until 2050 if 1% was contributed to the fund annually. The actuary could also present projections with 1.25%, 1.50%, etc. being contributed to the Pension Fund annually.

LEGISLATION:

SENATE BILL 42: This Act increases the burial benefit for individuals eligible to receive a pension under the State Employees' Pension Plan from \$7,000 to \$10,000. This Act takes effect on October 1, 2023. We are working through getting the cost analysis. R. Geisenberger asked if this type of cost would need to be funded in a single year? Ms. Adams clarified the cost can be amortized over five years.

SS 1 (introduced on April 26, 2023): (1) Does not increase the amount of funeral expenses paid for the funeral of a deceased member of a volunteer fire company, volunteer fire company ladies auxiliary, or volunteer ambulance and rescue company.

(2) Consistent with legal interpretations of the existing law by state agencies, this Act continues to enable the payment of funeral expenses for the funeral of a deceased member of a volunteer fire company, volunteer fire company ladies' auxiliary, or volunteer ambulance and rescue company even if the member was also a state employee entitled to burial benefits.

6. OLD BUSINESS:

COUNCIL MEMBERSHIP:

Mr. Taylor offered comments regarding the decline of Council membership. The Delaware Code provides an overview of the organizations that are eligible for representation through Council membership.

Pursuant to 29 DE Code §8308A (2018):

* * * * *

(e) The State Pension Advisory Council shall be composed of representatives of the following organizations or their successors:

(1) American Association of University Professors (AAUP) — Independent Chapters.

- (2) American Federation of State, County and Municipal Employees, Council 81 (AFSCME).
- (3) Judicial branch of government through the administrative office of the courts.
- (4) Delaware Association of School Administrators (DASA).
- (5) Delaware National Guard (DNG).
- (6) Delaware Nurses Association (DNA).
- (7) Delaware Retired School Personnel Association (DRSPA).
- (8) Delaware State Education Association (DSEA).
- (9) Delaware School Food Service Association (DSFSA).
- (10) Delaware State Troopers Association (DSTA).
- (11) University of Delaware Staff Association (UDSA).
- (12) The State Lodge of the Fraternal Order of Police (FOP).
- (13) International Association of Firefighters Local 1590 City of Wilmington Firefighters.

Further:

* * * * *

(j) When a member group or organization fails to send a representative to meetings of the State Pension Advisory Council for a period of 1 year, the group or organization shall automatically lose its representation on the Advisory Council.

Mr. Taylor stated therefore, Fred Calhoun has not attended a PAC meeting since February 2022; therefore, the FOP has also lost representation on the Council. It should be noted that the Delaware Code does not include provisions for reinstatement to the Council. W. O'Brien was asked to research reinstatement procedures to clarify if the Council can create their own procedures or if they need to be approved by the General Assembly. W. O'Brien stated he would research the matter and provide a report at the June 13, 2023 Council Meeting.

In addition, Mr. Taylor stated he will reach out to the National Guard, FOP and DE Nurses Association for Council membership recruitment purposes. Volunteers are needed to reach out to the other organizations listed in the Delaware Code (above).

Communicating with potential new members that the Council is advocating for them and fighting for their pensions may encourage new membership.

BYLAWS:

Mr. Taylor reported that he has been on the Council 7 years and has never seen bylaws. C. Lister has not seen them either and she's been with the council for 30 years. V. Schultes will research to see if the Council has any bylaws and if so, will include them in the June meeting materials. V. Schultes will also reach out to J. Testerman given his tenure with the Council.

7. NEW BUSINESS:

CELEBRATIONS:

Mr. Taylor shared that J. Testerman is retiring from the DSEA-R Board of Directors. A retirement dinner on June 7, 2023 is being planned in his honor. Pension Advisory Council attendance is strongly encouraged. The DSEA-R treasurer is collecting the RSVPs and money for attendees. V. Schultes will send an email to the Council membership with the treasurer's contact information.

J. Testerman has been heavily involved with pensions since 1976. Mr. Taylor is making J. Testerman an honorary member of DRSPA to celebrate and recognize his dedication and contributions. Presently, there are only 5 honorary members of DRSPA, including J. Testerman.

The Council owes a lot to J. Testerman, and Mr. Taylor is hoping this special event will be well attended.

8. Pension Administrator's Report:

S. Tatman provided an update on Senate Bill 42. Senate Substitute 2 was introduced on May 2, 2023. Senate Substitute 2 proposes two revisions to SS 1: (1) This Act increases to \$10,000 the amount of funeral expenses paid for the funeral of a deceased member of a volunteer fire company, volunteer fire company ladies auxiliary, or volunteer ambulance and rescue company. (2) This Act also continues to enable the payment of funeral expenses for the funeral of a deceased member of a volunteer fire company, volunteer fire company ladies' auxiliary, or volunteer ambulance and rescue company even if the member was also a state employee entitled to burial benefits

The next PAC meeting is scheduled for June 13th at 1:30 pm.

9. ADJOURNMENT:

At 2:13 p.m., there being no further business, a motion was made by C. Lister and seconded by K. Carson to adjourn the meeting. The motion was adopted unanimously.

Respectfully submitted

Karen Crouse, Co-Chair
Pension Advisory Council