

**STATE OF DELAWARE**  
STATE BOARD OF PENSION TRUSTEES  
AND  
OFFICE OF PENSIONS  
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**BOARD OF PENSION TRUSTEES**  
**MEETING MINUTES OF APRIL 24, 2020**

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 9:06 a.m. via-video and tele-conference.

Trustees Present

Suzanne Grant  
Mike Jackson  
Tom Shaw  
Nancy Shevock  
Rick Geisenberger

Trustees Absent

Harold Stafford  
Art Agra

Others Present

Joanna Adams, Pension Administrator  
Terri Timmons, Pension Office  
Jodie Wedel, Deputy Pension Administrator  
Ann Marie Johnson, Deputy Attorney General  
Ryan Connell, Deputy Attorney General  
Khairat Makanjuola, Pension Office  
Josh Hitchens, Pension Office  
Stephenie Tatman, Pension Office  
Rob Gooderham, Windmark  
Garry Musto, Windmark  
Cindy Starr, Pension Office

**1. OPENING COMMENTS**

S. Grant welcome everyone to the meeting and hoped everyone was staying healthy. Ms. Grant thanked the Pension Office, Windmark, and the Investment Committee for everything they are doing.

A. Johnson introduced Ryan Connell, DAG as DPERS as the new additional DPERS and OPen attorney. Mr. Connell has had significant experience in the Attorney General's office, as an agency attorney for DTI and the Department of Correction, as well as litigation. He will be an asset to DPERS. S. Grant welcomed Mr. Connell to our team.

## 2. APPROVAL OF THE MINUTES

The Trustees reviewed the Public Minutes of the March 27, 2020 meeting.

**MOTION** made by N. Shevock and seconded by M. Jackson to approve the Public Minutes of the March 27, 2020 Board of Pension Trustees' meeting.

**MOTION ADOPTED UNANIMOUSLY**

The Trustees reviewed the Executive Minutes of the March 27, 2020 meeting.

**MOTION** made by N. Shevock and seconded by T. Shaw to approve the Executive Minutes of the March 27, 2020 Board of Pension Trustees' meeting.

**MOTION ADOPTED UNANIMOUSLY**

## 3. PENSION AUDIT REPORT

S. Tatman reminded everyone that that next Audit Committee meeting is May 8<sup>th</sup>.

J. Adams announced that the external auditor contract with BDO has been signed. Ms. Adams thanked S. Tatman and A. Johnson for all their hard work.

## 4. GOVERNANCE COMMITTEE

Nothing to report.

## 5. PENSION ADVISORY COUNCIL REPORT

Nothing to report.

## **6. PENSION ADMINISTRATOR REPORT**

### Employee Recognition

J. Adams expressed recognition to the Support Services Section of the Office of Pensions, managed by T. Timmons. Ms. Adams explained what Support Services has been doing to keep the office moving forward, by being the first contact for the office, opening mail, scanning and imaging all documents into our imaging system so that the rest of the employees could continue their daily work via telecommute. She also stated that Support Services was the backbone of the office and wanted the Board to realize what an asset T. Timmons, J. Mayan, A. Payson, M. Loper, K. Epolito and D. Lawson are and what an amazing job they are doing.

### Positions

Ms. Adams reported that we have filled our vacant Strategic Information Systems Project Leader position. We have also chosen an applicant for our Training/Education Administrator I position and have submitted a request to hire to our Human Resource Department and are awaiting their decision. All other positions are in transition.

### Other Information

Ms. Adams reported that all staff can telecommute except for three employees.

Cisco Jabber software, that allows us to make and receive calls while working from home, using the states phone system is up and running. Employees receive the calls through their computer. This is extremely important as Open Enrollment for Healthcare will begin so employees will be able to receive these calls at home. Ear buds have also been purchased.

We now have the capability for our customers to schedule appointments via our website.

We are receiving a lot of pension applications for August payroll. We have roughly received 300 and anticipate another 100 applications by June. August is our busiest month for active employees to retire.

We have made modifications to our reception area. We have relocated our receptionist to the 3<sup>rd</sup> workstation. This allows employees to assist our customers in a safe environment because there is glass between them.

Ms. Adams also stated that we have purchased desk dividers for our interview room's, so we have extra protection between our employees and customers once the State of Emergency is lifted.

Our payroll for April was processed a day early, which is not unusual. It was successful and just another testament that we are operating business as usual, even remotely.

All internal meetings are held via conference calls, WebEx or now Zoom.

Ms. Adams noted that staff has embraced the situation we are in and have persevered. Our employees care about our membership and continue to work and go the extra mile for them. She stated that staff has been amazing, and how proud she is of them.

#### Office Activities

Ms. Adams reported that not much has changed with office activities as classes and group counseling has been cancelled.

#### Quarterly Statistics – 3<sup>rd</sup> Qtr.

- Healthcare additions and changes increased.
- Incoming Mail increased due to returned mail in reference to Tax documents, Retiree and Active Annual Statements.
- Imaging Items saw a decrease.
- Internet Homepage Visits saw an increase. We are hopeful that more of our customers are viewing due to Covid-19.
- We currently have 3 new Disability Cases with 22 cases for the rolling 12 months.

#### Reporting Schedule

No updates.

### **7. DEPUTY ATTORNEY GENERAL REPORT**

Nothing to report.

### **8. INVESTMENT COMMITTEE REPORT**

Mr. Gooderham reported that the equity markets tumbled as the coronavirus spread and the US and large parts of the world went into lockdown to try and contain the outbreak. While equity market losses were steep, fiscal and monetary actions in the US and elsewhere were swift and helped equities recover some of the losses in the final days of the month. US equities as measured by the broad Russell 3000 index fell 13.8%, while the MSCI EAFE index was down 13.3% and the MSCI Emerging Markets index declined 15.4%. Amid the rise in volatility, demand for the relative safety of government bonds increased and yields fell, while investment grade and below investment grade credit spreads widened meaningfully. For the month, the broad Bloomberg Barclays Universal index was down 2.0%, while the riskier Bloomberg Barclays High Yield index dropped 11.5%.

DPERS Fund assets are estimated to be \$10,001.9 million at March 31, 2020, representing a net decrease of \$689.0 million during the month. Estimated returns through March 31, 2020 are as follows:

<u>Fund</u>	<u>Mar-20</u>	<u>Fiscal Year To Date</u>	<u>12-Month</u>
<b>Total Fund</b>	<b>-6.0%</b>	<b>-3.5%</b>	<b>-0.5%</b>
<b>S &amp; P 500 Index</b>	<b>-12.4%</b>	<b>-10.8%</b>	<b>-7.0%</b>
<b>Delaware Benchmark**</b>	<b>-8.9%</b>	<b>-6.9%</b>	<b>-3.6%</b>

\*Benchmark mix of 60% S&P500 Index, 35% Barclays Government and Credit Bond Index, 5% T-bills.

\*\*Benchmark mix of 38% Russell 3000 Index, 20% MSCI ACWI exUS, 38.5% Barclays Universal Bond Index, 1.5% Barclays TIPS Index, 2% T-bills

Mr. Gooderham reported that at the April 14<sup>th</sup> Investment Committee meeting the Investment Committee had reviewed and discussed:

- A presentation from T. Rowe Price on their Global Growth strategy
- The Fund's Asset Allocation
- A Meritech Capital Partners Fund VII Recommendation
- A GQG U.S. Equity Manager Recommendation
- A report from FX Transparency

The Investment Committee approved, under its authority with at least two members of the Board of Pension Trustees voting in favor of:

- A commitment of up to \$30 million to Meritech Capital Partners Fund VII, subject to legal review of the documents.
- A recommendation to terminate the AJO U.S. Equity account with proceeds allocated to a new U.S. Equity account to be managed by GQG Partners, subject to legal review of the documents.
- Approved a Schedule change to the T. Rowe Price Floating Rate contract.

The next meeting of the Investment Committee is scheduled for Tuesday, April 28, 2020.

**MOTION** made by N. Shevock and seconded by T. Shaw to enter into Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

The Board then moved into Executive Session to discuss pending personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

**MOTION ADOPTED UNANIMOUSLY**

**MOTION** made by N. Shevock and seconded by T. Shaw to exit Executive Session.

**MOTION ADOPTED UNANIMOUSLY**

At this point in the meeting Karl Baker, reporter with Delaware Online, entered the meeting.

**MOTION** made by T. Shaw and seconded by R. Geisenberger to adopt digital signature, subject to legal review.

**MOTION ADOPTED UNANIMOUSLY**

9. **PENDING ITEMS**

There were no pending items.

10. **NEW BUSINESS**

There was no new business.

11. **ADJOURNMENT**

At 10:19 a.m., there being no further business, **MOTION** was made by N. Shevock and seconded by R. Geisenberger to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

Joanna M. Adams  
Pension Administrator

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Suzanne Grant, Chair  
Board of Pension Trustees