

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
STATE BOARD OF PENSION TRUSTEES
PENSION ADVISORY COUNCIL
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MINUTES OF THE STATE PENSION ADVISORY COUNCIL 1/9/07

1. The meeting was called to order at approximately 1:35 p.m. in the Board Room in the 2nd floor of the McCardle Building, Suite 1, 860 Silver Lake Blvd., Dover, De.
2. Members present:

Joseph Malloy	IAF
Nancy Patterson	DNG
Joe Vrudny	DRSPA
Charlotte Lister	At Large
Louise Clothier	UDSSA
Edward Seibert	DASA
Jim Testerman	DSEA
3. Members Absent:

Geraldine Gillespie	DSFSA
Brian Douty	FOP, State Lodge
Larry Talley	DSTA
4. Approval of the 11/9/06 minutes. Charlotte Lister moved to approve the minutes of 11/9/06. The motion was seconded by Edward Seibert and passed.

5. Announcements and Correspondence:

- Dorothy Clemente, who provides administrative services to the Medical Committee, is retiring and the doctors presented her with a plaque. She is to stay on three days a week for some time to assist her successor.
- Jan King reported, for the Investment Committee, a 2.5% gain for the month of November, a 7.2% gain for the FY and a 13.5% gain for the 12 months ending at the end of November.
- The January Board Meeting is to be changed to January 19, 2007.
- David Craik reported a successful disaster recovery exercise at the beginning of December. He also reported that this was the last day of the disability plan opening. The office heard from 775 people and 350 stayed in the old plan. There were others who did not contact the office and will remain in the old disability plan. The Millcreek Fire Company asked to join the County and Municipal Pension Plan as of January 1, 2007. The Board approved this request.

Chairman Testerman, also reported that the actuaries reported a surplus of 44.3 million dollars in the State Employees Medical Benefit Account and that it could be immediately removed. The State Employee Benefits Committee decided to place 30.5 million in OPEB (The fund to pre-fund medical benefits for retirees). \$4.2 million went into a reserve for the Disability Insurance Plan, \$500,000 went into wellness incentives and 9.1 million went into a reserve.

6. Adoption of Legislative Goals for 2007: Charlotte Lister moved to approve the Goals for 2007 as they appeared in the January 2, 2006 minutes. The motion was seconded by Nancy Patterson and approved. The Goals for 2007 are:

Primary Goals

- Provide adequate annual funding for the Post Retirement Medical Benefit Fund.
- Continue appropriate annual post retirement pension increases.
- Eliminate the early retirement penalty.

Secondary Goals

- Increase the pensioner death benefit from \$7,000 to \$8,000.
- Implement a 2.0 multiplier as the only multiplier in pension benefit calculation.
- Encourage the State Legislature to look at some sort of Veteran's pension credit for those employed after 1976.

7. State Employees' Pension Benefit Committee: This Committee has not met for a number of years but it is about time for another meeting. Larry Talley, who represents the Advisory Council on this Committee could not be present for this meeting. We need to encourage Senator Cook to call for a meeting of this Committee.

8. New Business: Members were urged to testify before the Joint Finance Committee when the Pension Office Hearing is held. The JFC Meeting for the Pension Office will be on January 31, 2007 at 10:00 a.m. in the Joint Finance Committee Conference Room.

Charlotte Lister informed the members of the Council that administration of the new Disability Plan was somewhat of a burden on the various state agencies and that a lot was dependant on the individual apply for disability.

9. Adjournment: Joe Vrudny moved to adjourn, seconded by Joe Malloy, the meeting adjourned.

Respectfully Submitted,

Jim Testerman, Chairman