

**JOINT GENERAL EMPLOYEE PENSION PLAN BOARD,
POLICE PENSION RETIREMENT COMMITTEE,
AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) BOARD**

A Joint Meeting of the General Employee Pension Plan Board, Police Pension Plan Retirement Committee, and Other Post-Employment Benefits (OPEB) Board was held on November 9, 2017, at 9:02 a.m. with Mr. Mullaney, Chair of the Police Pension Board, presiding. Members present were Mr. Gedney, Mrs. Mullaney, Mr. Swaggard, Mr. Rogers, Mrs. Hawkins, Chief Mailey, Mrs. Mitchell, and Ms. Peddicord. Mr. Anderson, Mr. Lewis, Mr. Cole, Mr. Lindell, and Mr. Gray were absent.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was adopted as presented.

**ADOPTION OF MINUTES - JOINT GENERAL EMPLOYEE PENSION PLAN BOARD,
POLICE PENSION PLAN RETIREMENT COMMITTEE, AND OPEB BOARD MEETING
OF AUGUST 10, 2017**

Mrs. Mullaney moved for adoption of the minutes of the Joint General Employee Pension Plan Board, Police Pension Retirement Committee, and OPEB Board Meeting of August 10, 2017. The motion was seconded by Chief Mailey and unanimously carried.

**ADOPTION OF MINUTES - SPECIAL GENERAL EMPLOYEE PENSION PLAN BOARD
MEETING OF AUGUST 28, 2017**

Mrs. Mitchell moved for adoption of the minutes of the Special General Employee Pension Plan Board Meeting of August 28, 2017. The motion was seconded by Mrs. Mullaney and unanimously carried.

**QUARTERLY PERFORMANCE REVIEWS (QUARTER ENDING SEPTEMBER 30, 2017)
(MILLIMAN, INC.)**

Mr. Jeff Marzinsky, Principal and Employee Benefits Consultant, Milliman, Inc., thanked members for retaining Milliman, Inc. again and stated that he looked forward to continuing to work with them.

Mr. Marzinsky advised that Milliman was looking at share classes where they could cut expenses and that he had spoken with Vanguard in particular. He indicated that there are some potential ideas to aggregate the assets of all of the plans. Mr. Marzinsky stated that he was also going to contact Wells Fargo about non-Vanguard investments to see if it would be possible to go to less expensive share classes, which would help the overall portfolio returns. He noted that the expense ratio is the manager charge for managing a mutual fund, and Milliman always tries to look at getting the lowest expense share class. Mr. Marzinsky advised that, if there is anything, he should have something together by the next review.

Mr. Marzinsky reviewed the Market Commentary related to the investments held in the General Employee Pension Plan, Police Pension Plan, and Other Post-Employment Benefits (OPEB) Plan.

General Employee Pension Plan

Mr. Marzinsky reviewed the Board Meeting Notes for the City of Dover, Delaware Employees' Pension Plan and stated that no changes were recommended to any of the investments within the plan or to the asset allocation. Referring to the Quarterly Investment Monitor - Summary Report

for the Quarter Ending September 30, 2017, page 12 - Investment Option Return Summary, he stated that Plan's gross return was approximately 3.65% for three (3) months, 11.7% for the year to date, 12.44% for one (1) year, and 7.99% for three (3) years. Mr. Marzinsky advised that the plan's performance was beating its benchmark and was good overall.

Mrs. Mullaney moved for acceptance of the Quarterly Performance Review for the General Employee Pension Plan, seconded by Mr. Swaggard and unanimously carried.

Police Pension Plan

Mr. Marzinsky reviewed the Board Meeting Notes for the City of Dover, Delaware Police Pension Plan. He stated that the return of the Police Pension Plan was similar to the General Employee Pension Plan and that it has a slightly different asset allocation because of the duration of the actual benefit payments and liabilities of the plan. Mr. Marzinsky indicated that performance was good and no changes were recommended to any of the investment managers at this time. He noted that the General Employee Pension Plan and Police Pension Plan have the same investment managers.

Referring to the Quarterly Investment Monitor - Summary Report for the Quarter Ending September 30, 2017 for the Police Pension Plan, page 12 - Investment Option Return Summary, Mr. Marzinsky noted returns of 3.66% for three (3) months and 11.71% for the year to date, which exceeded the benchmarks. He stated that the plan had also exceeded its benchmarks over the one-year, three-year, and five-year time periods and performance was very good, particularly over the last year at 12.35%.

Chief Mailey moved for acceptance of the Quarterly Performance Review for the Police Pension Plan, seconded by Mr. Rogers and unanimously carried.

OPEB Plan

Mr. Marzinsky reviewed the Board Meeting Notes for the City of Dover, Delaware OPEB Plan. He advised that no changes or adjustments were recommended for any of the Plan investments at this time.

Referring to the Quarterly Investment Monitor Report - Summary Report for the Quarter Ending September 30, 2017 for the City of Dover Other Post-Employment Benefits (OPEB) GASB 45 Plan, page 10 - Investment Policy Review - Active Management, he noted that there are a few underlying investments in the OPEB Plan that are different from the General Employee and Police Pension Plans. He explained that these investments were different when Milliman took over the Plan and they decided to keep them because they were very good performing investments. Mr. Marzinsky advised that the funds had a good rank within category and the excess return for these funds indicated that they were outperforming their benchmarks for three (3) and five (5) years. He noted that the risk analytics were pretty much in line with what would be expected and their ranks within the groups were good.

Referring to page 12 - Investment Option Return Summary, Mr. Marzinsky advised that the majority of the investments were doing very well compared to their benchmarks. He noted that the performance of the plan was 3.74% versus the benchmark of 3.55% for the quarter, 11.42% versus

the benchmark of 10.87% for the year to date, 12.8% versus the benchmark of 12.18% for the year, and 7.91% versus the benchmark of 7.5% over three (3) years. He stated that performance had been very good over the last couple of years for the OPEB Plan and there were no major issues.

Responding to Mr. Mullaney, Mr. Marzinsky stated that the value of the OPEB fund was a little over \$29.8M.

Mrs. Hawkins moved for acceptance of the Quarterly Performance Review for the OPEB Plan, seconded by Mrs. Mitchell and unanimously carried.

Mrs. Mitchell moved for adjournment, seconded by Mr. Swaggard and unanimously carried.

Meeting adjourned at 9:25 a.m.

Timothy P. Mullaney, Sr.
Chair, Police Pension Plan
Retirement Committee

TPM/JS/dd

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