

**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 Retirement Committee, and Other Post-Employment Benefits (OPEB) Board was held on November 15, 2018, at 9:01 a.m. with Mr. Gedney, Chair of the General Employee Pension Plan Board, presiding. Members present were Mr. Anderson, Mr. Cole, Mr. Gray, Mr. Mullaney, Mr. Rogers, Chief Mailey, Mrs. Mitchell, and Ms. Peddicord. Mr. Lewis, Mr. Lindell, Mr. Knotts, Mr. Swaggard, and Mrs. Hawkins were absent.

AGENDA ADDITIONS/DELETIONS

Mrs. Mitchell moved for approval of the agenda, seconded by Chief Mailey and unanimously carried.

ADOPTION OF MINUTES - SPECIAL JOINT GENERAL EMPLOYEE PENSION PLAN BOARD, POLICE PENSION RETIREMENT COMMITTEE, AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) BOARD MEETING OF SEPTEMBER 20, 2018

Mrs. Mitchell moved for adoption of the minutes of the Special Joint General Employee Pension Plan Board, Police Pension Retirement Committee, and Other Post-Employment Benefits (OPEB) Board Meeting of September 20, 2018. The motion was seconded by Mr. Anderson and unanimously carried.

QUARTERLY PERFORMANCE REVIEWS (QUARTER ENDING SEPTEMBER 30, 2018) (MILLIMAN, INC.) - GENERAL EMPLOYEE PENSION PLAN, POLICE PENSION PLAN, AND OPEB PLAN

Mr. Jeff Marzinsky, Principal and Employee Benefits Consultant, Milliman, Inc., reviewed the Board Meeting Notes and Quarterly Investment Monitor - Summary Report for the Quarter Ending September 30, 2018 for the General Employee Pension Plan, Police Pension Plan, and Other Post-Employment Benefits (OPEB) Plan.

Mr. Marzinsky, referring to the Board Meeting Notes for the City of Dover Delaware Employee Pension Plan, advised that Milliman, Inc. is putting the Oppenheimer fund on watch, explaining that, due to some underperformance compared to other funds in its asset category, there was a little bit higher volatility or risk in the portfolio. Mr. Marzinsky stated that if they do not see improvements in the performance of the fund, they will come back with a recommended replacement. He noted a watch period could go from three (3) to five (5) quarters, if there is a significant decline they may recommend a replacement more quickly. Mr. Marzinsky noted that this would be the same for each of the plans.

Mr. Marzinsky noted that when Milliman, Inc. monitors index funds, they do not expect them to beat or trail the market significantly; they want them to be very close to what the market is doing.

In reference to all three (3) plans, Mr. Marzinsky stated that the Vanguard Emerging Markets Stock fund changed its benchmark and the index that it follows, which is why there are elevated numbers in the tracking error, which should start to go away in the near term.

Mrs. Mitchell moved for acceptance of the Quarterly Performance Review for the General Employee Pension Plan, seconded by Ms. Peddicord and unanimously carried.

Mr. Mullaney moved for acceptance of the Quarterly Performance Review for the Police Pension Plan, seconded by Mr. Gray and unanimously carried.

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

Responding to Mr. Mullaney, Mrs. Mitchell stated they got the interim pension reports from the actuary a week or two (2) ago; however, they had not distributed them yet. She noted that the Police Pension Plan was currently 73.95% funded, and the General Employee Pension Plan was currently 68.46% funded. Mrs. Mitchell stated that the prior actuarial study reported that the Police Pension Plan was 69% funded, and the General Employee Pension Plan was 65% funded, so both had increased approximately 3% with the returns.

Responding to Mr. Mullaney, Mrs. Mitchell stated there were currently 47 active members in the Police Pension Plan. She noted that the actuarial report for the General Employee Pension Plan showed 210 active plan members and beneficiaries currently receiving benefits, 17 entitled but not yet receiving benefits, and 95 active plan members, for a total of 322. In response to Mr. Mullaney, Mrs. Mitchell indicated that there was a total of 331 members in 2016, with 205 active plan members and beneficiaries receiving benefits, 19 inactive members, and 107 active members.

Mr. Mullaney requested that the actuarial reports be sent to the professional board members. In response, Mrs. Mitchell stated that staff would post the reports on the Finance Department page of the City's website.

Mr. Anderson noted that members were anticipating interest rates increasing last year, and asked if there were any adjustments in the strategy due to interest rates. Responding, Mr. Marzinsky stated that adjustments were made during the last meeting to increase the cash exposure. He advised that this had been a gradual adjustment, explaining that each time they adjusted the allocation the last couple of years, they had reallocated funds from long bonds to an aggregate type of bond, and put more into cash.

Mr. Anderson moved for adjournment, seconded by Chief Mailey and unanimously carried.

Meeting adjourned at 9:30 a.m.

Robert Gedney
Chair, General Employee Pension Plan Board

RG/jt/dd

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