

**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 6, 2025, at 1:02 p.m. with Mr. Gedney, Acting Chair of the General Employee Pension Plan Board, presiding. Members present were Mr. Rocha (via WebEx), Dr. Pillsbury, Ms. Kober, Mr. Welch, Ms. Green (via WebEx), Ms. Marney (via WebEx), Ms. Poole, and Mr. Mullaney (via WebEx, out at 1:51 p.m.) Mr. Rogers, Mr. Gray, and Chief Johnson. Mr. Hugg and Ms. Kober were absent.

ADOPTION OF AGENDA

Mr. Gray moved for adoption of the agenda, seconded by Mr. Welch, and unanimously carried.

Ms. Marney wanted to amend the agenda to remove Item #7 – Investment Policy Review for General Employee Pension Plan, Item #8 – Investment Policy Review for Police Pension Plan, and Item #9 – Investment Policy Review for Other Post-Employment Benefits (OPEB) Plan.

Ms. Marney clarified that Items #7, #8, and #9 of the Investment Policy Review were actually the Milliman, Inc. reports that were being reviewed, which were part of the Market Commentary.

Responding to Ms. Rivera, Mr. Perry stated that the Investment Policy Reviews were reviewed from the last quarter at the August 7, 2025, meeting.

Responding to Ms. Rivera, Ms. Marney stated that the Investment Policy Reviews were accepted at the August 7, 2025, meeting. She noted that she did not realize that Ms. Wheeler had put the Investment Policy Reviews on the agenda as Items #7, #8, and #9, and pointed out that they were part of the Market Commentary.

Ms. Rivera stated that they would need to do a motion to accept the agenda as amended.

Mr. Gray moved for an amendment of the agenda to remove Item #7 – Investment Policy Review for General Employee Pension Plan, Item #8 – Investment Policy Review for Police Pension Plan, and Item #9 – Investment Policy Review for Other Post-Employment Benefits (OPEB) Plan, seconded by Mr. Welch and unanimously carried.

ADOPTION OF MINUTES

Mr. Gray moved for adoption of the minutes of the Joint General Employee Pension Plan Board, Police Pension Retirement Committee, and Other Post-Employment Benefits (OPEB) Board Meeting of August 7, 2025. The motion was seconded by Dr. Pillsbury and unanimously carried.

Mr. Mullaney moved for adoption of the minutes of the Special Police Pension Plan Retirement Committee Meeting of October 14, 2025. The motion was seconded by Mr. Rogers and Mr. Rocha and unanimously carried.

Responding to Ms. Bennett, Ms. Rivera stated that each item from the Quarterly Performance Reviews would have a separate motion for each board.

MARKET COMMENTARY

Mr. Alan Perry, Principal and Employee Benefits Consultant, Milliman, Inc., reviewed the Market Commentary for the Quarter Ending September 30, 2025.

Dr. Pillsbury moved for acceptance of the Market Commentary, seconded by Mr. Welch, and unanimously carried.

Mr. Perry stated that the reports from the quarter ending September 30, 2025, have not been reviewed.

Ms. Bennett stated that Mr. Perry would review the Quarterly Performance Reviews, and then the members could make a motion to accept the reports.

**QUARTERLY PERFORMANCE REVIEWS (QUARTER ENDING SEPTEMBER 30, 2025)
(MILLIMAN, INC.)**

Mr. Alan Perry, Principal and Employee Benefits Consultant, Milliman, Inc., reviewed the Quarterly Performance Review for the Quarter Ending September 30, 2025, for the General Employee Pension Plan, Police Pension Plan, and the Other Post-Employment Benefits (OPEB) Plan.

Responding to Ms. Marney, Ms. Rivera clarified that they needed to make a motion if they wanted to make changes to the Quarterly Performance Review.

Responding to Mr. Perry, Mr. Gedney suggested doing a search and making a decision at the next meeting. He mentioned that Mr. Perry could recommend a replacement for American Century Small Cap Value.

Responding to Mr. Gedney, Mr. Perry stated that doing a search for the next meeting would be a good idea. He noted that he would review American Century Small Cap Value's performance in the next quarter.

Dr. Pillsbury moved for acceptance of the Quarterly Performance Review for the General Employee Pension Plan, seconded by Mr. Rocha, and unanimously carried.

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

Dr. Pillsbury moved for acceptance of the Quarterly Performance Review for the Other Post-Employment Benefits (OPEB) Plan, seconded by Mr. Rocha, and unanimously carried.

Mr. Gray made a motion to accept all three plans for the Milliman, Inc group to research to replace the American Century Small Cap Value's performance, which does not recap for the next meeting, seconded by Mr. Rogers and unanimously carried.

**POLICE PENSION PLAN RETIREMENT COMMITTEE – REVIEW OF POLICE
PENSION PLAN AND DISCUSSION OF A ONE-TIME 10% PENSION INCREASE WITH
MILLIMAN, INC. AND THE BOLTON GROUP**

Mr. Tom Vicente, Senior Consulting Actuary, Bolton Group, reviewed the Police Pension Plan and discussion of a one (1) time 10% pension increase.

Responding to Mr. Mullaney, Mr. Vicente clarified that adding the state's guaranteed \$800,000 contribution would increase the percentage above 100% and noted that it would provide them with a great deal of security. He noted that he was unsure what the \$800,000 guarantee represented, as he had not incorporated that amount into the calculations; however, it would provide substantial flexibility. He added that \$800,000 was a significant amount compared to the size of the Police Pension Plan and would offer considerable flexibility if they chose to factor it into their plan.

Responding to Mr. Mullaney, Mr. Vicente explained that the outcome depended on the city's funding policy for the Police Pension Plan. He understood the city's policy required reviewing the plan's statutory requirements at a given point in time and scheduling contributions to eliminate any unfunded amount to zero (0) over a set period. He stated that the city calculated the contribution assuming it was responsible for the cost. Each year, they then acknowledge the additional \$800,000, which brought them closer, so the contribution would decrease; however, as a matter of policy, \$800,000 was not included as part of the city's calculated contribution.

Responding to Mr. Mullaney, Ms. Marney stated that they must assume there was no guarantee of state funding, as the contributions received from the state could fluctuate. She noted that they do not receive the same amount every year, and that this was one (1) of the considerations for why the policy was written. She also added that this was her interpretation of why the policy was written in that manner.

Mr. Mullaney noted that when the program was first initiated, there was some uncertainty about how the program would play out, particularly because the program was based on insurance revenue and insurance taxes collected. He explained that there was some fluctuation in the funding and that the funding was distributed based on the number of active foreign officers in the state. Each officer's allocation was calculated individually and then multiplied by the number of active officers they have in the City of Dover. He expressed confidence that the funding source would stay relatively consistent. He raised the question of whether the city could amend the policy to allow for adjustments based on the actual funding received, noting that there was no unfunded liability, or only a minimal one (1), based on the amount of funds received from the state.

Responding to Mr. Vicente, Ms. Marney stated that typically, the state funds come in around August.

Mr. Perry stated that if the portfolio does not change dramatically, they could arguably afford the 10% increase; however, doing so would reduce the cushion, meaning the state would be assuming more of the risk. He noted that an alternative would be to de-risk the portfolio somewhat, primarily by increasing bonds, thereby reducing the level of risk. From his perspective, he stated that they could take the risk if there was a benefit to members in terms of higher returns. He added that if taking the risk did not provide a benefit to the members, then it may not be appropriate to assume the risk.

Responding to Mr. Rogers, Mr. Perry stated that the numbers were rebalanced to what was agreed on and that the Police Pension Plan was essentially the same as the other two (2) plans, but their plan was not just tiny, but super mature, and running off the average age of 87.

Responding to Mr. Rogers, Mr. Vicente stated that if there were concerns, an alternative approach to the 10% increase could be considered, such as implementing 5% for the current year and 5% the following year. He added that the approach would provide a safeguard, so that if something adverse

occurred, the other half of the increase would not yet have been applied. He also mentioned that the Board could indicate its intention to implement the 10% increase, but divide it into two (2) installments. If, a year from now, things were still running smoothly, they could implement the remaining 5%, thereby reducing exposure.

Mr. Mullaney made a motion to approve a 5% one-time increase in Police Pension benefits effective July 1, 2026, and a second 5% one-time increase effective July 1, 2027, and to forward the request for City Council approval. The motion was seconded by Mr. Gray.

Mr. Perry stated that the decision would provide additional time for consideration and allow them to evaluate whether to begin reducing risk in the Police Pension portfolio and treat it differently from the other two (2) plans.

Responding to Mr. Mullaney, Mr. Perry stated that they had provided a preliminary de-risking analysis document, which included portfolios developed in coordination with the Bolton Group using different discount rates. He noted that those rates fell between their official capital market assumptions and were calculated mid-year and at year-end. He added that, due to a significant decline in interest rates, the expected returns across all asset classes have decreased.

Ms. Marney stated that, in reference to the Police Pension Plan, the city received the following contributions from the state: \$766,000 in Fiscal Year 2023, \$812,000 in Fiscal Year 2024, and \$861,000 in Fiscal Year 2025. She noted that, contrary to her previous comment, the payments were not received in August but were received in January and June of each respective year. Ms. Marney also mentioned that two (2) additional state payments would be received before the proposed 5% increase would take effect.

Mr. Vincente stated that from an actuarial perspective, it seems that the cost was pretty well covered.

Mr. Mullaney made a motion to approve a 5% one-time increase in Police Pension benefits effective July 1, 2026, and a second 5% one-time increase effective July 1, 2027, and to forward the request for City Council approval. The motion was seconded by Mr. Gray and unanimously carried.

Ms. Marney stated that the next step would be to present the motion to the City Council for approval.

Responding to Mr. Gedney, Ms. Rivera clarified that the item would need to go through the Council President to be placed on the agenda.

Ms. Marney stated that their motion would not take effect until July, allowing time to place the item on the City Council agenda in January.

Responding to Mr. Gedney, Ms. Bennett clarified that the Chair of the Police Pension Board would need to send an email to the City Clerk's Office to request that the item be placed on the agenda.

GENERAL EMPLOYEE PENSION PLAN BOARD QUARTERLY EXPENDITURES REPORT

Ms. Patricia Marney, Interim Controller / Treasurer, reviewed the General Employee Pension Plan for the Quarter Ending June 30, 2024, for the General Employee Pension Plan.

Mr. Gedney moved for acceptance of the General Pension Expenditure Report for the General Employee Pension Plan, seconded by Mr. Welch, and unanimously carried.

FUTURE MEETING DATE

Mr. Gedney moved for approval of the future meeting date of February 12, 2026. The motion was seconded by Dr. Pillsbury and unanimously carried.

PUBLIC COMMENT

Responding to Ms. Green, Ms. Marney stated that they were working through a census and that only a small number of employees were classified as receiving disability benefits. She explained that disability applications are evaluated on an as-needed basis before an employee is approved for a disability pension, and that this process does not happen often. She noted that the most recent disability application was reviewed last year and added that each decision depends on the individual situation of the employee.

Responding to Ms. Green, Ms. Marney clarified that once the employee was approved by the board, she believed that, according to the Code, a periodic review to determine whether the employee remained on disability was not required.

Responding to Ms. Marney, Ms. Poole concurred with her comment.

Ms. Green stated that she would like to discuss the situation further with someone. She believed that the process should be more aligned with state and Social Security procedures. She noted that disability determinations depend on the type of disability being approved.

Responding to Ms. Green, Ms. Marney clarified that the Quarterly Expenditures Report included the Pension Plan, summary payroll, and budget contributions.

Responding to Ms. Green, Ms. Marney stated that she would pull the Quarterly Expenditures Reports for the past five (5) years, beginning June 30, 2020. She added that those reports were available online and were included as part of the agenda and the minutes.

Mr. Gray moved for an adjournment of the Joint Pension Meeting. The motion was seconded by Mr. Rogers and unanimously carried.

The Joint Pension Meeting adjourned at 1:59 p.m.

Bob Gedney
Acting Chair, General Employee Pension Plan Committee

BG/CW