

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of July 15, 2015

The regular meeting of the Board of Trustees was held on July 15, 2015 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:10 a.m.

<p align="center"><u>BOARD MEMBERS PRESENT:</u></p> <p>Christine Dunning, CHRO Kenneth Porter, Trustee Michael Finnigan, Trustee, Retirees Regis Yurcich, Trustee, Local #1607 Rich Piekarski, Jr., Trustee, Local #3109 Robert Barczak, Trustee, Local #459 Saul Polish, Trustee, Local #3911 Terry Stone, Trustee</p>	<p align="center"><u>BOARD MEMBERS ABSENT:</u></p> <p>Daniel McFadden, Chairperson Douglas Merrill, FOP Lodge #5 Michael Coupe, CFO Paul Frese, Trustee Non-Union Members</p>
<p align="center"><u>OTHERS PRESENT:</u></p> <p>Linda Reed, NCC/Finance Sharon Lucernoni, NCC/Finance Mark Wolanski, Planner II Anthony Schiavi, Local 3109 Vice President Lynne McIntosh, NCC/Audit</p>	<p align="center"><u>STAFF PRESENT:</u></p> <p>Susan Lawler, Pension/Benefits Coordinator Judi Mitchell, First Asst. County Attorney Rowena P. Liles, Administrative Aide</p>
<p align="center"><u>INVITED GUESTS:</u></p> <p align="center">Kevin Leonard, NEPC David Boomershine, Boomershine Consulting Group Thomas Hackett, Northern Trust Jerry Sinish, Northern Trust Brian Crevoiserat, Wells Fargo Rick Welsh, Wells Fargo Helen Hurilla, Wells Fargo Ann Johnson, State Street Tommy James, State Street</p>	

8:10 a.m. APPROVAL OF THE MINUTES

The minutes from the June 17, 2015 meeting are attached for approval.

Ken – *There is a modification on Pg. 4 on the second motion it should be Terry Stone and not Terry Porter.*

A motion was made by Terry Stone and seconded by Ken Porter to approve the minutes from the June 17, 2105 meeting with the noted change above being made.

*THE MOTION WAS PASSED UNANIMOUSLY.

8:11 a.m. APPROVAL OF THE INVOICES

Boomershine Consulting Group	\$6,770.00	May, 2015
Cupps Capital Mgt.	\$28,923.81	2 nd Quarter 2015
Real Estate Mgt.	\$26,273.96	2 nd Quarter 2015
State Street Corp.	\$13,081.45	March, 2015

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APPROVAL OF THE INVOICES (Cont'd)

A motion was made by Rich Piekarski and seconded by Ken Porter to approve the payment of invoices.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:12 a.m. COORDINATOR'S REPORT by Susan Lawler

- *There were two capital calls since the last meeting*
- *The Gross Payroll Contributions for the month of June are not available, as of the meeting, our Budget Analyst is not in and that will be included at our next month's meeting. It will be formatted in a way to that it captures fiscal year as previously requested.*

8:12 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

Leslie Brennan	\$1,958.54	July 1, 2015
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8:12 a.m. APPROVAL OF THE SURVIVOR BENEFITS

Evelyn Charlotte Minner (Richard Minner)	\$1,403.97	June 22, 2015
Robert G. Johnson (Alisa Johnson)	\$1,391.63	June 7, 2015
Ronald E. Banning, Sr. (Diane Banning)	\$1,611.00	June 29, 2015

8:13 a.m. APPROVAL OF THE LUMP SUM BENEFITS

Janice L. Sheets (Bruce Durante)	\$37,450.56
John Davino (Paula Davino)	\$29,241.74
Mark Davino (Paula Davino)	\$29,241.75
Leslie Wright (Herbert Wright)	\$1,420.44

8:13 a.m. APPROVAL OF THE REFUND BENEFITS

Brian Giles	3,246.48	CPEMS
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A motion was made by Saul Polish and seconded by Regis Yurcich to approve the service retirement, survivor benefits, lump sum benefits and refund benefit.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:15 a.m. OLD BUSINESS

- *Update – HB #279 – Mike Coupe was absent at today's meeting. Dave Boomershine (plan actuary) informed the Board that his firm was employed last month to do the follow-up study on HB #279. It was started, but unfortunately not ready for presentation at today's meeting. He will have results of the study next week. A quick update of what is being done 1) Doing a study for HB #279 for emergency personnel new hires only to participate in the State's Police/Fire Plan 2) Talk to Dave Craig and asked what is the experience and what he has heard from the other counties. He said basically nothing. He's heard nothing from Kent County and he did hear from Sussex County, but they would be interested in current participants transferring over and that would require paying the full actuarial cost for past service. He hasn't heard anything from them since because they knew that would be extremely expensive. 3) in New Castles case we are looking at new hires only. We've reviewed the evaluation data we had for the past 7 years, look at who had been new emergency personnel hires and develop a profile of what a new hire looks like. What we found was after evaluating all the new hires in the past 7 years the average new hire is about age 30 and has an average pay of about \$35,000.*

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OLD BUSINESS (Cont'd)

So we are taking that and building it into a projection and we were also told to look as if there were 10 – 15 new hires each year so we are building that into the analysis. Once we complete the projections, we will be able to summarize it write it up and get some exhibits together showing cost comparison. We will have a report for the next meeting.

Mike F. – *Thank you. Are there any questions?*

Saul – *It's my understanding that this is a dead issue coming from the people that would be involved with this.*

Ken – *You mean the current employees or all of them*

Saul – *This would affect my shop. This bill is dead, as far as, Kent and Sussex Counties they don't want any parts of it. It is either all or nothing and the State is not going to absorb all or nothing. I don't know where your continued direction is coming from other than the original request.*

A discussion was held by the Board.

- *Robert Weeks Disability Application is tabled until further information is available to properly evaluate the request. (Susan Lawler) – Just as stated on the information here I know the Board had requested some additional information on Mr. Weeks. The Risk Management Department has scheduled and Independent Medical Examination, unfortunately, they were not able to schedule that to be conducted prior to this meeting. So that has been tabled until that is done and we get those results to present for consideration. Mr. Weeks has been informed of the timing so we will just table that until the next meeting.*

Terry – *Do we know about his CDL?*

Susan – *I did speak with him and that is still in his possession, but I believe the evaluation that is being done him will address all of those issues as well.*

Terry – *Including the Social Security because we weren't a hundred percent certain.*

Susan – *Correct.*

8:24 a.m. NEW BUSINESS

- *Presentations for Pension Trust Custodial Services*
 - *Northern Trust presentation by Thomas Hackett and Gerald Sinish.*
 - *Wells Fargo presentation by Brian Crevoiserat, Rick Welsh and Helen Hurilla.*

The Board took a 5 minute break.

The meeting reconvened at 9:44 a.m.

9:44 a.m. NEW BUSINESS (Cont'd)

- *State Street Corp presentation by Tommy James and Ann Johnson.*

Kevin asked the question to the Board's attorney regarding moving into Executive Session to discuss service providers.

Judy – *I don't think we are, but I will research this.*

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NEW BUSINESS (Cont'd)

Kevin – *Distributed an updated fee schedule for State Street and will go back to Northern Trust for their best and final fee. He provided a recap on the Custodial Services.*

Judy informed the Board according to FOIA rules there is no reason for an Executive Session.

A discussion was held on the Custodial Services.

Kevin will have all the data and report back to the Board at the August 19th meeting.

- *Review the Preliminary Investment Performance “Flash” report for the period ending June 30, 2015 (Kevin Leonard, NEPC) – A copy of the Preliminary Investment Performance “Flash” report for the period ending June 30, 2015 was distributed for the Boards review and discussion.*

Susan – I wanted to bring the Board up to date on the fact that we are interviewing candidates for Pension Program Analyst position next week. We’ve invited 13 people to come to an Oral Board some are inside candidates and some are outsiders. I will be on the Board with a member of our Finance Department and Bill Harden who was a long serving trustee to be on the Board as well. We will have some information about filling that position hopefully by the next month’s meeting.

11:18 a.m. ADJOURNMENT

A motion was made by Terry Stone and seconded by Ken Porter to adjourn the meeting at 11:18 a.m.

***THE MOTION WAS PASSED UNANIMOUSLY.**