

**NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM**  
**Minutes of November 18, 2015**

The regular meeting of the Board of Trustees was held on November 18, 2015 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

<p align="center"><b><u>BOARD MEMBERS PRESENT:</u></b></p> <p>Christine Dunning, CHRO          Kenneth Porter, Trustee          Michael Coupe, CFO          Michael Finnigan, Trustee, Retirees, Acting Chairperson          Paul Frese, Trustee Non-Union Members          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"><b><u>BOARD MEMBERS ABSENT:</u></b></p> <p>Daniel McFadden, Chairperson          Douglas Merrill, FOP Lodge #5</p>
<p align="center"><b><u>OTHERS PRESENT:</u></b></p> <p>Robert Abel, MD          Janet Armitage          William Lane, Priest          Mike Abel          Nancy Boyer          George Zahn, Ret. Scientist          JoAnne Deshon, Ret. Teacher          Phillip Bannowsky, Ret. Autoworker Educator          Robert Mallouk          Lloyd Casson, Canon, Episcopal Church          Eileen Mallouk, Retired          Bob Wasserbach, County Auditor          Maria Scarpa, NCC/Finance          James Russell, NCC/Finance          Nicole Racine, Secretary Local 3109          Lynne McIntosh, NCC/Audit          Penrose Hollins, County Council          Robert Weiner, County Council</p>	<p align="center"><b><u>STAFF PRESENT:</u></b></p> <p>Susan Lawler, Pension/Benefits Coordinator          Frank Benevento, Pension Program Analyst          Judi Mitchell, First Asst. County Attorney          Rowena P. Liles, Administrative Aide</p>
<p align="center"><b><u>INVITED GUESTS:</u></b>          Kevin Leonard, NEPC</p>	

The meeting was called to order at 8:14 a.m.

**8:14 a.m. APPROVAL OF THE MINUTES**

The minutes from the October 21, 2015 meeting are attached for approval.

**A motion was made by Saul Polish and seconded by Paul Frese to approve the minutes from the October 21, 2015 meeting.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

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**8:15 a.m. APPROVAL OF THE INVOICES**

Alliance Bernstein & Co.	\$22,741.06	3 <sup>rd</sup> Quarter 2015
Boomershine Consulting Group	\$5,820.00	September, 2015
Eaton Vance	\$14,446.50	3 <sup>rd</sup> Quarter 2015
Income Research & Mgt.	\$41,481.11	3 <sup>rd</sup> Quarter 2015
Mellon Capital	\$91,093.10	3 <sup>rd</sup> Quarter 2015
NEPC	\$52,236.72	3 <sup>rd</sup> Quarter 2015
NEPC	\$2,011.29	3 <sup>rd</sup> Quarter Expenses
State Street Corp.	\$10,882.86	September, 2015

**A motion was made by Saul Polish and seconded by Rich Piekarski to approve the payment of invoices.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

**8:15 a.m. COORDINATOR'S REPORT by Susan Lawler**

- The Pen80 report for October is just again available for your records as previously requested.

**CAPITAL CALLS**

- Lexington Capital Partners VII \$28,997.00 October 23, 2015
- Crescent Direct Lending Fund \$205,573.00 September 22, 2015

**DISTRIBUTION OF CAPITAL**

- None

**8:15 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS**

**Service Retirements**

Douglas Merrill	\$7,538.73	November 3, 2015
James Kuhn	\$3,809.72	October 10, 2015
Ronald L. Crump	\$3,143.46	January 1, 2016
Leslie Y. Wright	\$1,812.60	January 1, 2016

**Survivor Benefit**

Diane Ford (Robert Ford)	\$857.08	October 4, 2015
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**Lump Sum Benefit**

Emily Durante (Bruce Durante)	\$4,161.17
Vincent Smith (Norman Smith)	\$1,558.81

**Refund Benefits**

Beatrice Chambers	\$1,140.00	SCGPen
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**A motion was made by Ken Porter and seconded by Saul Polish to approve the service, retirements, survivor benefits, lump sum and refund benefits.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

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**8:16 a.m. OLD BUSINESS**

- Equipment Purchases for the Board – *Mike F. we will hold the Equipment Purchases for the Board until the end.*
- Actuarial Services update (Ken Porter) – *We have contacted a number of the actuaries and we have preliminary information from one and we are collecting information from others. We will be getting together as a committee and will have information available next month.*
- Legislation Regarding Investments– Ordinance 15-093 (Mike Finnigan) – *Do we have a discussion on the ordinance. My understanding was that we have been presented with this and it is up to the Board to move forward and let Council decide on approval.*

A discussion was held on the pending legislation.

**A motion was made by Ken Porter and seconded by Michael Coupe to move forward with approval in recommending Ordinance 15-093 back to County Council.**

\*THE MOTION WAS DISCUSSED AND SUSPENDED.

**A motion was made by Terry Stone and seconded by Michael Coupe to hear public comment.**

**The motion was amended by Ken Porter and seconded by Michael Coupe to hear public comment limited to trust issues and not public policy.**

\*THE MOTION WAS PASSED UNANIMOUSLY.

**Ken's original motion to approve and move forward ordinance 15-093 onto Council for their approval was restated and called for a vote.** (Yeas) – Polish, Yurcich, Barczak, Porter and Finnigan. (Nays) – Dunning, Coupe and Piekarski. (Abstain) – Stone, Frese

Mike called the vote again due to 2 trustees switching from no to abstain on the motion.

**Ken Porter's original motion to approve and move forward ordinance 15-093 onto Council for their approval.**

\*THE MOTION DID NOT CARRY.

**Terry Stone made a motion which was seconded by Michael Coupe to table the discussion until next month following the opportunity to investigate further.**

\*THE MOTION CARRIED.

**Saul Polish made a motion which was seconded by Ken Porter to take a 5 minute break.**

\*THE MOTION CARRIED.

**The meeting reconvened at 9:15 a.m.**

**9:16 a.m. NEW BUSINESS**

- Review the Preliminary Investment Performance "Flash" report for the period ending October 31, 2015 – (Kevin Leonard, NEPC) – *Kevin distributed copies of the Preliminary Investment Performance "Flash" report for the period ending October 31, 2015, 2<sup>nd</sup> Quarter 2015 Markets Review and Absolute Return Fixed Income Manager Search booklet for review and discussion.*

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**NEW BUSINESS (Cont'd)**

Kevin recommended five managers from the Absolute Return Fixed Income Manager Search and three to invite for interviews in January 2016. The funding commitment will be decided at a later date.

1. Blackrock Strategic Income Group
2. GAM Unconstrained Bond
3. Loomis – Strategic Alpha

**A motion was made by Terry Stone and seconded by Ken Porter for the three investment managers Blackrock Strategic Income Group, GAM Unconstrained Bond and Loomis – Strategic Alpha to come in for interviews in January 2016.**

**\*\*THE MOTION WAS PASSED UNANIMOUSLY.**

- Request Board approval for Saul Polish and Francis Benevento to attend the Public Sector Benefits Institute conference February 15-17, 2016, in Buena Vista Palace, Lake Buena Vista, FL – (Susan Lawler).

**A motion was made by Regis Yurchich and seconded by Terry Stone to approve Saul Polish and Francis Benevento to attend the Public Sector Benefits Institute conference February 15-17, 2016, in Buena Vista Palace, Lake Buena Vista, FL.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

**10:03 a.m. OLD BUSINESS (Cont'd)**

- Equipment Purchases for the Board (Susan Lawler & Frank Benevento) – *The Surface Pro 8 was used on a trial basis for testing. Based on the usage and using Windows 10 Frank is recommending purchasing Surface Pro 4 for the Board's use.*

A discussion was held on the topic.

**A motion was made by Terry Stone and seconded by Ken Porter to approve the purchase of the Surface Pro 4 pads for the Board.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

Kevin – *On the Northern Trust transition, the transition is scheduled for December 1, 2015. The legal contract needs to be signed expeditiously to continue to move forward with the process.*

*Frank gave an update on where the Board is in the transition process with Northern Trust.*

A discussion was held on the transition.

Regis – *I just have one question related to the early topic on the legislation. There were a lot of allegations made and not knowing the procedures, but does the Council to Counsel review that legislation for the legality and violation of international, state, federal laws prior to its introduction? If it is illegal, will Council to counsel investigate?*

Judy – *I'm not sure what she reviews it for.*

Mike F. – *If we bring this up for discussion, at the December meeting, we will not open up the floor for public comments.*

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**OLD BUSINESS (Cont'd)**

*Regis – Can the Board reach out to Councilman Weiner and see if this legislation has been vetted by their counsel attorney.*

*Judy – I can reach out to Councilman Weiner and ask what his counsel has looked into for the Board.*

The discussion continued on the pending legislation.

*Saul – To put on an agenda item for next month's meeting going back to old business last month we had a discussion about the outside legal counsel in regards to the JP Morgan settlement. I have a memo that was sent to from the Board of Trustees, signed by Dan, dated July 16, 2014 telling the County Executive that we were going to seek outside counsel with regard to the settlement trust. I would like to put that as an agenda item next month. Rowena can you go back and find the memo and make sure to give to all the Board members to have it. It needs to be discussed because we made a decision and there is a memo signed and sent to the County Executive.*

*Ken – Did we not discuss that, at one point, and decide not to.*

*Saul – Well.*

*Ken – I don't remember. I will have to go back to the minutes.*

*Mike F. – There was discussion last month too.*

*Saul – I just think that there was question to whether or not we should and I mean we have this memo that was out there.*

*Terry – Was that an opinion from the counsel or I'm not sure what you are referring to.*

*Saul – There was a memo that we had discussed this back in July, at the July 16, 2014 meeting, that we were going to seek outside counsel.*

*Terry – Which we did.*

*Saul – But, we just don't believe we ever got an opinion from outside counsel.*

*Terry – We have not.*

*Saul – That is all I'm saying.*

**10:41 a.m. ADJOURNMENT**

**A motion was made by Terry Stone and seconded by Rich Piekarski to adjourn the meeting at 10:41 a.m.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**