

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of November 16, 2016

The regular meeting of the Board of Trustees was held on November 16, 2016 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

BOARD MEMBERS PRESENT:

Christine Dunning, CHRO
Daniel McFadden, Chairperson
Douglas Merrill, FOP Lodge #5
Daryl Brown, Trustee
Michael Coupe, CFO
Michael Finnigan, Trustee, Retirees
Paul Frese, Trustee Non-Union Members
Regis Yurcich, Trustee, Local #1607
Rich Piekarski, Jr., Trustee, Local #3109
Terry Stone, Trustee

BOARD MEMBERS ABSENT:

Robert Barczak, Trustee, Local #459
Saul Polish, Trustee, Local #3911
Susan Lawler, Pension/Benefits Coordinator

OTHERS PRESENT:

Christine Piekarski, NCC/Finance
Ken Porter, NCC/Treasury
Rinku Banerji, County Audit
Ron Russell, NCC/Finance

STAFF PRESENT:

Frank Benevento, Pension Program Analyst
Judi Mitchell, First Asst. County Attorney
Rowena P. Liles, Administrative Aide

INVITED GUESTS:

Kevin Leonard, NEPC

The meeting was called to order at 8:18 a.m.

8:18 a.m. APPROVAL OF THE MINUTES

The minutes from the October 19, 2016 meeting are attached for approval.

A motion was made by Paul Frese and seconded by Terry Stone to approve the minutes from the October 19, 2016 meeting.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:19 a.m. APPROVAL OF THE INVOICES

Income Research & Mgt.	\$39,936.77	3 rd Quarter 2016
Loomis Sayles	\$66,039.06	3 rd Quarter 2016
NEPC	\$53,350.52	3 rd Quarter 2016
NEPC	\$2,611.47	3 rd Quarter Expenses

A motion was made by Daryl Brown and seconded by Terry Stone to approve the payment of invoices.

***THE MOTION WAS PASSED UNANIMOUSLY.**

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Minutes of November 16, 2016

8:19 a.m. COORDINATOR'S REPORT by Frank Benevento

- Gross Payroll and Employer Contributions for the month of October 31, 2016. *The report was distributed electronically.*
- *We distributed a copy late yesterday of communication from Eaton Vance with the reduction of their management fees. Kevin will discuss that in more detail a little this afternoon and if anybody has any questions, at that time, that is a good time to ask.*

8:20 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

Shirley Davis-Jackson	\$1,633.38	11/01/2016	RetGen
Donna McCullin	\$2,927.40	11/12/ 2016	RetGen
Ronald Pecqueur	\$3,075.67	11/01/2016	RetGen
Lesley Keegan	\$1,915.49	12/31/ 2016	RetGen
Linda Reed	\$6,056.70	11/26/ 2016	RetGen
Renee Boyle	\$3,185.77	12/10/ 2016	RetGen
James McDonald	\$7,231.28	11/12/ 2016	RetGen
Karl Kalbacher (vested)	\$4,078.42	12/08/2016	RetGen
Robert Conomon	\$160.00	10/25/2016	SCGPen
Jane Wright Vincent (vested)	\$881.43	10/28/2016	PenPln

**The Board would like to see the calculations for the vested retirees Kalbacher and Wright.*

DELPEN Retirements

<u>Name</u>	<u>Effective</u>
Donald Stamper	11/11/2016
John Schlosser	11/17/2016

LUMP SUM BENEFITS

Tanyell Delloso (<i>Joseph Oberly, Jr.</i>)	\$3,501.57	11/01/2016	RetGen
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REFUND BENEFITS

Samuel Fowler	\$2,282.62	CPEMS
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A motion was made by Doug Merrill and seconded by Terry Stone to approve the service retirements, lump sum and refund benefits.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:00 a.m. OLD BUSINESS

- Update – (Frank Benevento) - Pension Section staffing – *We are hoping to have something together for next month. We've been working on some special projects and will circle back to this for next month's meeting. We will have a presentation for the Board.*

Terry – *A presentation?*

Frank – *More of a discussion.*

Terry – *This is adding another person correct?*

Frank – *That is correct.*

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Minutes of November 16, 2016

OLD BUSINESS (Cont'd)

- Update – (Judi Mitchell/Dan McFadden) - Boomershine Consulting Group contract – *Dan reached out to Dave Boomershine on where we stand in getting the contract done. I had worked with Frank and Susan a while ago to revise the draft that had been sent to us. We sent that over to Dave and he has some issues with it and wants to make additional changes. I haven't had a chance to review those changes with Frank and Susan yet, but I think we need to review to make sure everything in the contract comports with what was in the RFP we put out, as well as, the responses to the RFP and the presentation that Dave made. So I am hopeful that we will have it all wrapped up by next month. That is where we stand.*

Dan – To Judi's point, I did speak to Dave. I think we agreed after the last meeting that I would call Dave and try to light a fire and try to figure out what was going on with two topics. So everything that Judi said is consistent with what Dave shared with me regarding the contract. So we are all on the same page there. The other issue was the invoices. Christine, the short version of that story is after a lot of back and forth, Dave feels he is now providing the information you guys require. My question to you is are you in agreement with that?

Christine – *Predominately yes. The information, in particular the number of hours staff is assigned, we have received more detail.*

Dan – Okay.

Christine – *Just so the Board knows we have a couple of different sets of eyes on these invoices just to make sure because sometimes there are clerical errors and we have caught a few of those.*

Dan – *I think that is great that someone is reviewing them when they come in and making them accountable for providing the details. He said it took a little bit of work on his side, which is fine. He feels he is providing the information needed now. So hopefully that continues to be the case.*

CAPITAL CALLS

- Lexington Partners \$41,432.00 November 18, 2016

DISTRIBUTIONS

- Lexington Partners \$48,889.00 October 31, 2016

8:00 a.m. NEW BUSINESS

- Review the Preliminary Investment Performance "Flash" report for the period ending October 31, 2016 (Kevin Leonard, NEPC).

- Private Equity discussion by teleconference with Jeffrey Roberts from NECP.
 - October 2016 meeting the Board approved \$6 million dollar allocation to growth/buyout con-investment fund for 2016.
 - Follow-up, NEPC has provided information on two preferred co-investment funds focused on growth/buyout space.
 - NEPC's goal is to provide an overview of each fund and help the Board identify managers to interview at the December 21st meeting.

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Minutes of November 16, 2016

NEW BUSINESS (Cont'd)

Dan – *Provide a side-by-side comparison of the co-investment managers for the Boards review.*

NEPC will put together a summary of managers for review. The funding would come from Domestic Equity and Large Cap Growth Fixed Income.

Daryl – *Are these the only two funds you have?*

Kevin – *No we can go back and see if there are other options.*

**A copy the calculations for the vested retirees Kalbacher and Wright were distributed to the Board for review.*

Kevin – *Parametric Eaton Vance fee was 105 basis points and has been lowered to 78 basis points.*

Dan – *Is there an opportunity in 2017 to do a benchmarking study?*

Frank – *Blackrock funding is \$27 million dollars and we've done half which is \$13.5 million. When will we make the second half of the funding?*

Kevin - *Maybe we can finish it in the 1st Quarter 2017 around the Asset Liability Study.*

Christine – *The next meeting is December 21st. Will members be able to attend?*

The Board will take a poll a week before the meeting to see if we will have a quorum.

9:59 a.m. ADJOURNMENT

A motion was made by Daryl Brown and seconded by Doug Merrill to adjourn the meeting at 9:59 a.m.

***THE MOTION WAS PASSED UNANIMOUSLY.**