

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of December 21, 2016

The regular meeting of the Board of Trustees was held on December 21, 2016 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:22 a.m.

BOARD MEMBERS PRESENT:

Daniel McFadden, Chairperson
Daryl Brown, Trustee
Michael Finnigan, Trustee, Retirees
Paul Frese, Trustee Non-Union Members
Regis Yurcich, Trustee, Local #1607
Rich Piekarski, Jr., Trustee, Local #3109
Saul Polish, Trustee, Local #3911

BOARD MEMBERS ABSENT:

Christine Dunning, CHRO
Michael Coupe, CFO
Douglas Merrill, FOP Lodge #5
Terry Stone, Trustee
Robert Barczak, Trustee, Local #459

OTHERS PRESENT:

Ed Milowicki, Executive Office
Bob Wasserbach, County Auditor
Christine Piekarski, NCC/Finance
Ken Porter, NCC/Finance

STAFF PRESENT:

Susan Lawler, Pension/Benefits Coordinator
Frank Benevento, Pension Program Analyst
Marlaine White, Asst. County Attorney II
Rowena P. Liles, Program Analyst

INVITED GUESTS:

Kevin Leonard, NEPC

8:22 a.m. APPROVAL OF THE MINUTES

The minutes from the November 16, 2016 meeting are attached for approval.

A motion was made by Paul Frese and seconded by Daryl Brown to approve the minutes from the November 16, 2016 meeting.

*THE MOTION WAS PASSED UNANIMOUSLY.

8:22 a.m. APPROVAL OF THE INVOICES

Boomershine Consulting Group	\$1,980.00	October/November, 2016
Boomershine Consulting Group	\$1,980.00	February, 2016
Mellon Capital Mgt.	\$79,908.65	3 rd Quarter 2016

**Note (Susan) - On the agenda there are two invoices from Boomershine, the second one is not applicable. There was some confusing documentation submitted with the October/November invoice. So a single invoice for \$1,980.00 is payable.*

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

*THE MOTION WAS PASSED UNANIMOUSLY.

8:22 a.m. COORDINATOR'S REPORT by Susan Lawler

❖ Gross Payroll and Employer Contributions for the month of November 30, 2016.

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8:23 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

Michael Coupe	\$9,395.30	12/17/2016	RetGen
Geraldine M. Stephey	\$170.00	01/27/2017	SCGPen
Charles J. Rudloff	\$4,306.74	12/31/2016	RetGen
Norma Usilton	\$360.00	11/10/2016	SCGPen
Sharon Agnew	\$4,455.38	12/03/2016	RetGen

DELLEN Retirements

<u>Name</u>	<u>Effective</u>
Bradley L. Norris	12/19/2016

BENEFIT RECALCULATION

Pursuant to the contract negotiations between AFSCME Local 3109, 3911, FOP/Sheriff's and New Castle County retroactive to April 1, 2016, benefits for the retiree named below are recalculated as follows.

<u>Name</u>	<u>Revised Monthly Benefit</u>	<u>Difference</u>	<u>Effective</u>
Abbott, Robert	(RetPol) \$4,945.82	\$75.21	July 16, 2016
Abele Jr., Joseph	\$4,309.41	\$2.39	June 1, 2016
Bieri, Kenneth	\$6,529.14	\$11.11	October 4, 2016
Caruso, Christine	(RetPol) \$5,154.09	\$99.04	September 6, 2016
Christie, Sharon	\$1,178.85	\$1.58	July 30, 2016
DiVirgilio, Stephen	(RetPol) \$5,719.63	\$32.70	April 12, 2016
Jamison, Matthew	(RetPol) \$9,653.87	\$24.07	July 2, 2016
Messner, Karen	(RetPol) \$4,708.06	\$90.47	September 3, 2016
Obusek, Suzanne	\$2,062.17	\$1.86	July 2, 2016
Piectrazak, Tamera	\$4,119.13	\$1.23	May 7, 2016
Roberts, Connie	\$1,477.84	\$2.09	September 6, 2016
Ruberto Jr., Frank	\$4,621.05	\$9.54	November 1, 2016
Saltsman, Richard	\$2,675.31	\$2.23	July 9, 2016
Shinn, Holly	\$1,500.47	\$2.12	September 1, 2016
Woods, Patricia	\$4,148.14	\$1.16	May 21, 2016

APPROVAL OF THE LUMP SUM BENEFITS

Michelle Wilson (<i>Larry Hall, Sr.</i>)	\$3,304.30	December 1, 2016	RetGen
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Survivor Benefit

Jane A. Walls (<i>Greene Walls</i>)	\$150.00	December 9, 2016
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APPROVAL OF THE REFUND BENEFITS

Robert Ferguson	\$3,724.02	CPEMS
Monica Fort	\$4,227.72	CPEMS
Juli Laverty	\$4,291.14	CPEMS
Ashley Bowman	\$130.41	CPEMS
Jillian Thomas	\$3,932.69	CPGen
Mark Twyman	\$11,416.71	RetAMD
Deadra Boardman	\$455.78	CPGen

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APPROVAL OF THE REFUND BENEFITS (Cont'd)

**Note (Saul) – There are just two things I want to point out. The names at the top with the list of recalculations for Karen Caruso should be Christine Caruso and Karen Messner has her first and last name transposed.*

A motion was made by Saul Polish and seconded by Mike Finnigan to approve the service retirement, benefit recalculation, lump sum, survivor and refund benefits.

***THE MOTION WAS PASSED UNANIMOUSLY.**

FOR INFORMATION AL PURPOSES ONLY

8:26 a.m. CAPITAL CALLS

➤ Northstar Mezzanine Partners	\$179,820	November 29, 2016
➤ Brookfield Capital Partners Fund	\$587,963.27	December 2, 2016
➤ HarbourVest Partners	\$58,633.00	December 19, 2016
➤ Northstar Mezzanine Partners	\$211,455.00	December 29, 2016

DISTRIBUTION OF CAPITAL

➤ Lexington Partners	\$24,594.00	November 30, 2016
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8:26 a.m. OLD BUSINESS

➤ Update – (Frank Benevento) - *Pension Section staffing - The staffing request document has been distributed electronically to the members. Has everyone had a chance to review the document? In summary, the accompanying appendices document support the benefits staff request to add a staff member, and to align pay grades for the Pension System Coordinator and Pension Program Analyst commensurate with job responsibilities of like classifications and that's in brief. Are there any specific questions anyone may have regarding what was supplied?*

Dan – *We've chatted about this on a couple of occasions. I'm not sure there is anything from my end. Any other trustees have questions or comments.*

Paul – *Before we take it to a vote, to change the job classification isn't there a process that takes place internally in HR to reclassify a position?*

Susan – *It's not a request for reclassification. It is a request for a change in compensation. Much like we did with Rowena. Rowena actually changed from one job to another.*

Paul – *It's a paygrade change. So there is a process that usually takes place to do that?*

Susan – *There is, but because we are asking for the funding to be from the trust, we wanted to have the trust be okay with that before we go through that formal process.*

Marlaine – *Anything that is for administration of the pension the trust is allowed to have administrative costs covered. You can either have the County employees do it or all of a sudden decide to have a new administrative body contracted out to handle pension administration.*

Paul – *Which one comes first though the job class study or the funding for the job classes that don't exist today?*

Marlaine – *I don't know that there is a particular way to do it. I guess they don't want to go through it unless the trust would be willing to actually increase the payment to those who do the administrative work of the trust.*

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OLD BUSINESS (Cont'd)

A discussion was held on the topic.

The Board has recommended the following:

- 1. The job description be revised.*
- 2. A breakdown and allocation of new staff persons costs and what they would be between County and pension trust.*
- 3. A more concise summary of positions within the unit and to see the breakout between the pension trust cost related and county costs for the Board to review.*

A motion was made by Regis Yurcich and seconded by Daryl Brown to table the Pension Section Staffing decision due to the Board requiring more information and the absences of the Chief Human Resources Officer and Chief Financial Officer.

***THE MOTION WAS PASSED UNANIMOUSLY.**

- *Update – (Frank Benevento) - Boomershine Consulting Group contract – Judi and Frank worked to finalize the contract. It is now ready for the CHRO's signature, but she will not be available to sign it until early next week. It will be effective with the date of the Chief Human Resources Officers signing.*

Susan – Technically, I 'm acting CHRO this week, but I don't know that it's appropriate because it is contract for pension services. I think waiting until Monday would be appropriate for Christine to do that, as the official administrator. Dave has already returned his copies. We are ready to wrap this up and move forward.

- *Update – (Frank Benevento) - BlackRock Strategic Income Group allocation funding – A couple of meetings ago we approved \$27 million dollars for Blackrock and it was for half the portion of the funding. We need to fund the second half of dollars to the fund. NEPC recommends splitting it equally from Income Research & Mgt. and Loomis Sayles, as we did previously.*

A motion was made by Saul Polish and seconded by Daryl Brown to approve the second half of funding of Blackrock Strategic Income Group with funds coming from Income Research & Mgt. and Loomis Sayles to be finalized by the second week of January 2017.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:49 a.m. NEW BUSINESS

- *Discussion on Certificate of Achievement in Public Plan Policy (CAPPP) training for Pension Trustees (Frank Benevento) – On January 16, 2008, there was a motion made by Bill Harden to schedule new trustees for CAPPP training, as soon as they're appointed. That is more housecleaning and based on my review of CAPPP certificates that we have on file there is only 50/60% of board members that are CAPPP trained. I would recommend a discussion on allowing the board members to attend CAPPP training as a requirement and give a new board member maybe 12 months to obtain their certificate. With regards to the certificate there is two parts. A pension benefits portion and a health benefit portion. We may recommend that this board, since we only deal with pension benefits, only require the pension portion of the CAPPP certificate; or just retain both and we can provide an updated list of who has it and doesn't.*

Susan – Just to elaborate CAPPP training is a four day session that is held in a variety of locations throughout the year. So for example Chicago is quite often where it's held and there is a small college near Chicago that people go in for two days training for pension and two days training, if applicable, for health and welfare. There is a test that is required at the end of that training. It's not a conference, it's really a class and it was previously

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identified specifically the pension component was important to trustees who may not have other education in public sector plans. So to Frank's point the Board voted to make that a mandate and we are just trying to see if we want to continue that and remind people that may not have gotten to go the opportunity to go; or whether we want to exclude the outside trustees who have very heavy business commitments and just make sure everyone has the opportunity to take part in the training.

Dan – Speaking as the only person that was here at the time the intent was that for those coming on to the Board that had no experience in the pension and investment business it was an opportunity to allow them to go get some training and certification. I don't know how it was written. I will take Frank at his word. It was for trustees with no experience, in the investment community, to take advantage of those opportunities.

A discussion was held on educational training for trustees.

The Board would like to know what other options besides outside travel are available or is online education training available.

- Request Board approval for Frank Benevento to attend the Public Sector Benefits Institute (for Trustees & Administrators) conference on February 18-23, 2017 in Lake Buena Vista, FL.

A motion was made by Saul Polish and seconded by Paul Frese to approve the travel request for Frank Benevento to attend the Public Sector Benefits Institute (for Trustees & Administrators) conference on February 18 – 23, 2017 in Lake Buena Vista, FL.

*THE MOTION WAS PASSED UNANIMOUSLY.

- Review the Preliminary Investment Performance “Flash” report for the period ending November 30, 2016 – (Kevin Leonard, NEPC). *A copy of the report was distributed electronically for the Board to review.*
- Summary of investment managers and co-investment managers review (Kevin Leonard, NEPC).

Regis – Should we realistically look at changing our rate of return?

Kevin – It will be addressed in the Asset Liability Study. The average rate of return is still 7.5 for public funds by the surveys that have been done.

Dan – Wishes for happy holidays to everyone. Thank you for your time and efforts in 2016 it's appreciated.

10:09 a.m. ADJOURNMENT

A motion was made by Daryl Brown and seconded by Paul Frese to adjourn the meeting at 10:09 a.m.

*THE MOTION WAS PASSED UNANIMOUSLY.