

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM
MINUTES of April 19, 2017

The regular meeting of the Board of Trustees was held on April 19, 2017 in the Government Center
(Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:19 a.m.

TRUSTEES PRESENT:

Douglas Merrill, FOP Lodge #5
Daryl Brown, Trustee
Brian Maxwell, CFO
Michael Finnigan, Trustee, Retirees
Paul Frese, Trustee Non-Union Members
Rich Piekarski, Jr., Trustee, Local #3109
Robert Barczak, Trustee, Local #459
Saul Polish, Trustee, Local #3911
Terry Stone, Trustee

TRUSTEES ABSENT:

Vanessa S. Phillips, CHRO
Daniel McFadden, Chairperson
Regis Yurcich, Trustee, Local #1607

OTHERS PRESENT:

Ed Milowicki, Executive Office
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
Rowena P. Liles, Program Analyst

INVITED GUESTS:

Kevin Leonard, NEPC
Will Forde, NEPC

APPROVAL OF THE MINUTES (8:19 a.m.)

The minutes from the March 29, 2017 meeting are attached for approval.

A motion was made by Saul Polish and seconded by Terry Stone to approve the minutes from the March 29, 2017 meeting.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

APPROVAL OF THE INVOICES (8:20 a.m.)

MFS	\$129,390.67	1 st Quarter 2017
Peregrine	\$27,111.49	1 st Quarter 2017
Real Estate Mgt.	\$20,776.84	1 st Quarter 2017
State Street Corp.	\$125.00	Closed Class Action Funds
Systematic Financial Mgt.	\$44,841.34	1 st Quarter 2017

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

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

COORDINATOR'S REPORT by Susan Lawler (8:20 a.m.)

- *The Coordinator's Report just list the March Pension Payments of Payees of 1,418 and \$3,349,254 in Benefits total.*
- *The Pen 80 Report which we usually distribute showing what the Employer Contributions are tends to lag every month. We are going to be a month lagging with that going forward. The May agenda will reflect the March contributions.*

CAPITAL CALLS (8:20 a.m.)

- None

DISTRIBUTION OF CAPITAL (8:21 a.m.)

- | | | |
|--|--------------|----------------|
| ➤ HarbourVest Partners IX-Venture Fund | \$117,472.00 | March 30, 2017 |
| ➤ Crescent Direct Lending | \$444,277.00 | March 30, 2017 |
| ➤ Northstar Mezzanine Partners | \$66,896.00 | April 7, 2017 |
| ➤ TPG Opportunities Partners II(A), L.P. | \$112,791.00 | April 10, 2017 |
| ➤ Lexington Partners | \$77,141.00 | March 31, 2017 |

APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:21 a.m.)

Service Retirements

Dorothy G. Carter	\$1,591.80	May 2, 2017	RetGen
Emma G. Hellams	\$470.00	March 7, 2017	SCGPen
Marnita Kovelski	\$3,688.13	April 14, 2017	PenPln
Angela Kendall	\$2,778.21	April 29, 2017	RetGen
Alexandrine Driscoll	\$1858.42	April 11, 2017	RetGen

DELPEN Retirements (8:21 a.m.)

Robert A. Ragazzo April 22, 2017

APPROVAL OF THE SURVIVOR BENEFITS (8:21 a.m.)

Deborah Schaeffer (<i>Carl Schaeffer</i>)	\$1,337.69	March 19, 2017
Cynthia A. Johnson (<i>Terry Johnson</i>)	\$1,097.20	March 3, 2017

APPROVAL OF THE LUMP SUM BENEFITS (8:21 a.m.)

Patricia Linn (<i>Anita Wright</i>)	\$3,129.31	RetGen
Janice Johnson (<i>Mary Bracy</i>)	6,751.05	RetGen

APPROVAL OF THE REFUND BENEFITS (8:21 a.m.)

Monica Horton	\$6,511.18	CPGen
Cheryl McDonough	\$11,973.18	CPGen
Christine Dunning	\$8,335.04	CPGen

A motion was made by Saul Polish and seconded by Daryl Brown to approve the service retirements, survivor, lump sum and refund benefits.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

NEW BUSINESS (8:21 a.m.)

- Request Board approval for Judy Mitchell to attend NAPPA Conference on June 27 -30, 2017 in Monterey, CA - (Susan Lawler).

A motion was made by Saul Polish and seconded by Terry Stone to approve Judith Mitchell to attend NAPPA Conference on June 27 -30, 2017 in Monterey, CA.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS (8:22 a.m.)

- Update – Discuss changing the assumed rate of return from 7.50% to 7.25% - *A discussion was held by the Board.*

The Board will have the actuary run numbers for a lower rate of return and attend the May 17th meeting to discuss the figures.

- (Brian Maxwell) - Review proposed changes to travel policy. *A copy of the amendment was distributed to the Trustees for review and discussion. The amendments to Meals (Per Diem) were as follows:*
 - Breakfast - \$16 (20% allowance)
 - Lunch - \$19 (24% allowance)
 - Dinner - \$40 (50% allowance)

A discussion was held.

A motion was made by Brian Maxwell and seconded by Paul Frese to accept the recommended travel policy changes.

***THE MOTION DID NOT PASS. (4) YEAS, (5) NAYS**

- Update – (Frank Benevento) - Pension section staffing and cost allocation for staff personnel. *A memo was sent to the County Executive on April 8th. This item will be tabled until the CHRO is available to provide an update at the next Board meeting.*
- Update – (Susan Lawler) – Saul's requesting a review of 2011 plans.
 - Was there a cost savings to the County?
 - Are won on tract for those savings?
 - Are there adverse fiscal effects of the 2011 plan?
 - Fiscal impact of keeping only the 3% plan open?

The request was sent to Dave Boomershine for Fiscal Impact Study – County 2011 Plan. The cost range is \$12,900-\$14,700 to complete the study.

A motion was made by Saul Polish and seconded by Daryl Brown to approve the Fiscal Impact Study on the County 2011 Plan questions.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

- Update – Implementation of co-mingled fund with IR&M (Kevin Leonard, NEPC).
 - NEPC's recommendation is moving the old 5% target to hedge fund of funds down to 3% and carving out a dedicated 2% target to global macro. Interviewing 3 candidates at the May 17th meeting.

A motion was made by Terry Stone and seconded by Daryl Brown to invest in the Income Research & Management Core Bonds and Tips Funds.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

NEW BUSINESS (Cont'd) (8:56 a.m.)

- (Kevin Leonard, NEPC) - Review the Preliminary Investment Performance "Flash" report for the period ending March 31, 2017 – The meeting material booklet was distributed to the Trustees for review and discussion.
- (Susan Lawler) – Reconcile requested ER income versus actual ER income from one year to the next. *The one thing that was residual is the reconciliation of the suggested or recommended employment income to the trust every year versus actual. Mr. Maxwell this comes from your discovery that maybe salary presumptions were not matching up from year to year with Boomershine Consulting Group and I didn't know if that required further explanation.*

NEW BUSINESS (Cont'd)

Brian – *No. I recommended that action be reconciled on a fiscal year basis.*

Doug – *On the addendum that was sent out do we need to approve those invoices?*

Susan – *They were included in the numbers of the original.*

Rich – *Just to clarify with Boomershine Consulting the two things we are asking for are (1) The study of the County 2011 Plan and (2) Decrease in the Rate of Return Assumption. Are we asking for a formal study to be done that we would have to approve the costs; or are we looking for him to do the modeling like he did at the March meeting?*

Susan - *It was my sense to do the modeling, of course, it's the Boards call. If it ultimately comes in and that calls for further investigation of something related to that I would imagine that would branch into another approval. I don't honestly know to expect a separate billing from him to come in a present that.*

Rich – *I didn't know if it would be covered under the normal scope of services versus a special project.*

Susan – *I would think it was part of the normal scope, but we will find out if not.*

Frank – *Just ask him to do a review of his model from last month's meeting.*

Susan – *When he comes in for the June meeting we will ask him to do active modeling of changes in potential assumptions and I'll be honest with you we will put that invitation out and if there is a cost associated will have that cost in time to be approved for the May meeting, since we are already approving the cost for the study.*

ADJOURNMENT (9:42 a.m.)

A motion was made by Terry Stone and seconded by Daryl Brown to adjourn the meeting at 9:42 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**