

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of June 21, 2017

The regular meeting of the Board of Trustees was held on June 21, 2017 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

TRUSTEES PRESENT:

Vanessa S. Phillips, CHRO
Daniel McFadden, Chairperson
Douglas Merrill, FOP Lodge #5
Daryl Brown, Trustee
Brian Maxwell, CFO
Michael Finnigan, Trustee, Retirees
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

TRUSTEES ABSENT:

None

OTHERS PRESENT:

Ken Porter, NCC/Finance
Candy Boayue, HR
Bob Wasserbach, County Auditor
Christine Piekarski, NCC/Finance
Ron Russell, NCC/Finance
Linda Reed, NCC/Finance
Ed Milowicki, NCC/Finance

STAFF PRESENT:

Susan Lawler, Pension/Benefits Coordinator
Frank Benevento, Pension Program Analyst
Judi Mitchell, First Asst. County Attorney
Rowena P. Liles, Program Analyst

INVITED GUESTS:

Kevin Leonard, NEPC
Will Forde, NEPC
David Boomershine, Boomershine Consulting Group
Greg Stump, Boomershine Consulting Group

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

APPROVAL OF THE MINUTES (8:15 a.m.)

The minutes from the May 17, 2017 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Mike Finnigan to approve the minutes from the May 17, 2017 meeting.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

APPROVAL OF THE INVOICES (8:15 a.m.)

Boomershine Consulting Group	\$6,490.00	April, 2017
NEPC	\$54,009.77	April, 2017

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

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

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

- Gross Payroll and Employer Contributions for the month of April 30, 2017
- Pension Trust Asset Summary – April, 2017
 - ❖ Payees for May 1,418
 - ❖ Active Participants 1,092
 - DelPen 383
 - ❖ Benefits total 3,348,756.34

CAPITAL CALLS (8:16 a.m.)

- Northstar Mezzanine Partners \$238,928.00 June 23, 2017

DISTRIBUTION OF CAPITAL (8:16 a.m.)

- Crescent Direct Lending \$221,491.00 May 24, 2017
- Lexington Partners \$44,658.00 May 31, 2017

APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:16 a.m.)

Service Retirements

(08235) Bobbie J. Foraker	\$600.36	July 31, 2017	RetGen
(05844) Michael Hopkins	\$5,007.42	February 27, 2017	RetPol
(06264) Rosemarie Perry	\$1,466.82	August 1, 2017	PenPln
(05678) Jonathan Husband	\$6,362.82	July 8, 2017`	RetGen

DelPen Retirement (For Informational Purposes Only) (8:16 a.m.)

- (06442) Teresa Williams June 15, 2017

APPROVAL OF THE SURVIVOR BENEFITS (8:16 a.m.)

- (13599) Elizabeth A. Swift (*Francis Swift, Jr.*) \$1,038.44 May 5, 2017
- (13600) Bernice Johnson (*Edgar Johnson*) \$1,187.09 April 15, 2017

APPROVAL OF THE LUMP SUM BENEFITS (8:16 a.m.)

- (13622) Leon His (*Kathy Hsi*) \$2,819.36 RetGen
- (13624) Estate of Robert L. Snow \$2,963.64 RetPol

APPROVAL OF THE REFUND BENEFITS (8:17 a.m.)

- (06316) Karen Johnson-Connolly \$44,586.52 PenPln

A motion was made by Terry Stone and seconded by Mike Finnigan to approve the service retirements, survivor, lump sum and refund benefits.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS (8:17 a.m.)

- Update - (Frank Benevento) – MetLife contract extension and IPS statement - *The Deferred Compensation Committee has met and agreed to extend the 457(B) contract for one year. The only change in the contract is the 90-day warning for the County or MetLife for termination. The investments and the fees are all the same. Our 401(a) is still currently being reviewed. It should be completed in a few days and ready for signature.*

OLD BUSINESS (Cont'd)

- Update – (Vanessa Phillips) – Pension section staffing re: memo from the County Executive - *We received a response from the County Executive in regards to our request to add staff to the Pension Section of the Office of Human Resources, as well as change the salary structure percentages in terms of the percentages that the County pays versus the percentage that comes out of the pension trust fund. The County Executive has rejected our proposal and I have requested that he reconsider for Fiscal Year 2018. At this point and time, we will not be moving forward with any changes.*

Dan – *Do you need anything from our Board associated with this request?*

Vanessa – *Not at this time, I'm going to wait a few months and resubmit a memo with our request, but I will make sure I consult the Board before I go back to the County Executive for a second request.*

Terry – *Does the County Executive know the Pension Board pays for the additional staff?*

Vanessa – *Yes, but it would have been an increase to the percentages that the County would have paid in terms of salary so that was the concern.*

- (Kevin Leonard, NEPC) – Investment Manager selection for Large Cap Value Fund - *A copy of the 2017 Meeting Material booklet was distributed to trustees for review and discussion.*
 - *Eliminate Alliance Bernstein & Co. and Sands Capital.*
 - *Hire additional Large Cap Value manager to replace Alliance Bernstein & Co. Put assets in existing passive large cap index fund.*
 - *Prepare and distribute Large Cap Value Manager Search Book for review in July.*
- Mellon Capital (Tabled for July).
- Replace Alliance Bernstein (Tabled).

NEW BUSINESS (9:15 a.m.)

- (Kevin Leonard & Will Forde, NEPC) – Review the Preliminary Investment Performance “Flash” Report for the period ending May 31, 2017 - *A copy of the report was distributed for review and discussion.*
- (Vanessa Phillips) – Discussion on privacy protection for benefit applicants – *After considering the information that we include on the agenda, I would like to propose that we use the Employee ID number as the identifier instead of including employee names when we provide information regarding service pensions, DelPen retirements and survivor benefits as well as lump sum and refund benefits. This is to ensure that we're providing some since of privacy to our employees and if you have (as the Board) additional questions about the information than we can provide that to you from the Office of Human Resources.*

Dan – *So this agenda gets published right.*

Vanessa – *Yes.*

Dan – *It was a few years ago that the person in Susan's role would read out the names and amounts for everybody so we changed that so we published that as a total, but the fact that this gets published kind of defeats the purpose. I'm fine with that and think it is a good idea.*

A motion was made by Mike Finnigan and seconded by Terry Stone to approve the use of the Employee ID numbers as an identifier for all applications on the pension agenda.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

SCHEDULED GUESTS (9:31 a.m.)

- (Greg Stump, Boomershine Consulting Group) – Modeling the impact of changes to the assumed rate of return on investments - *A PowerPoint slide was presented and a discussion held on the changes to the assumed rate of return.*

SCHEDULED GUESTS (Cont'd)

A motion was made by Saul Polish and seconded by Daryl Brown to move the assumed rate or return down to 7.25%. This will be used for the January 1, 2018 valuation of the fund and the July 1, 2018 (FY19) budget.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

- (Dave Boomershine, Boomershine Consulting Group) – Presentation of results of study of the County 2011 Plan – *A copy of the Fiscal Impact Study of the County 2011 Plan was distributed for review and discussion.*

A discussion was held on the Fiscal Impact Study of the County 2011 Plan.

A motion was made by Daryl Brown and seconded by Mike/Terry to accept the report presented by Boomershine Consulting Group.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

Dan – *What do we do with this information?*

Saul – *The information will be taken back to our membership.*

Dan – *It should also be disseminated to the County Executive and County Council.*

Vanessa – *We will disseminate that information to the interested parties.*

ADJOURNMENT (10:32 a.m.)

A motion was made by Mike Finnigan and seconded by Terry Stone to adjourn the meeting at 10:32 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**