

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM

MINUTES of September 20, 2017

The regular meeting of the Board of Trustees was held on September 20, 2017 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:26 a.m.

<p><u>TRUSTEES PRESENT:</u> Vanessa S. Phillips, CHRO Douglas Merrill, FOP Lodge #5 Brian Maxwell, CFO Michael Finnigan, 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><u>TRUSTEES ABSENT:</u> Daniel McFadden, Chairperson Daryl Brown, Trustee</p> <p><u>OTHERS PRESENT:</u> George Smiley, County Council Ken Porter, NCC/Finance Tanisha Merced, First Asst. County Attorney Bob Wasserbach, County Auditor</p>
<p><u>STAFF PRESENT:</u> Susan Lawler, Pension/Benefits Coordinator Frank Benevento, Pension Program Analyst Sanjay Bhatnagar, Asst. County Attorney I Rowena P. Liles, Program Analyst</p>	<p><u>INVITED GUESTS:</u> Kevin Leonard, NEPC Will Forde, NEPC</p>

APPROVAL OF THE MINUTES (8:26 a.m.)

The minutes from the August 16, 2017 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Rich Piekarski to approve the minutes from the August 16, 2017 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES (8:26 a.m.)

NEPC	\$55,001.61	2 nd Quarter 2017
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A motion was made by Terry Stone and seconded by Rich Piekarski to approve the payment of invoice.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

COORDINATOR'S REPORT by Susan Lawler (8:26 a.m.)

- ❖ Gross Payroll and Employer Contributions for the month of July 31, 2017.
- ❖ Pension Trust Asset Summary – July 31, 2017
- ❖ Pension Payments - August
 - Payees for August 1,428
 - Active Participants 1,090
 - DelPen 373
 - Benefits total \$3,357,977.31

CAPITAL CALLS (8:26 a.m.)

- None

DISTRIBUTION OF CAPITAL (8:26 a.m.)

- HarbourVest Partners \$141,401.00 August 31, 2017
- Lexington Partners \$24, 288.00 August 30, 2017

APPROVAL OF THE APPLICATIONS FOR BENEFITS 8:27 a.m.

Service Retirements

(06608)	\$220.00	September 7, 2017	SCGPen
(08805)	\$1,727.82	August 12, 2017	RetGen
(06199)	\$3,633.84	September 2, 2017	RetGen
(07801) vested	\$327.29	September 10, 2017	PenPln
(05715)	\$2,918.10	September 2, 2017	PenPln
(08018)	\$1,589.05	September 9, 2017	RetGen
(06331) vested	\$1,480.68	September 28, 2017	RetPol

DelPen Retirements (8:26 a.m.)

- (06691) September 5, 2017

APPROVAL OF THE SURVIVOR BENEFITS (8:27 a.m.)

- (13801) \$875.57 August 29, 2017 RetGen

APPROVAL OF THE LUMP SUM BENEFITS (8:27 a.m.)

- (13788) for Joseph Chickadel \$1,800.56 RetGen
- (138020) for William H. Fountain \$1,567.58 RetGen

APPROVAL OF THE REFUND BENEFITS (8:27 a.m.)

- (09551) \$23,490.86 RetGen
- (12361) \$13,492.49 CPGen
- (10447) \$44,032.15 RetGen

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

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

NEW BUSINESS (8:27 a.m.)

- Executive session--strategy session to include advice and/or opinion from attorneys-at law regarding current litigation (In Re Tribune case) (TBD).

A motion was made by Doug Merrill and seconded by Paul Frese to move into Executive Session to discuss the pending Tribune Company Fraudulent Conveyance Litigation.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A discussion was held in Executive Session.

NEW BUSINESS (Cont'd)

A motion was made by Doug Merrill and seconded by Vanessa Phillips to move out of Executive Session after the discussion was held on the pending Tribune Company Fraudulent Conveyance Litigation.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

The meeting was reconvened at 8:37 a.m.

A motion was made by Terry Stone and seconded by Doug Merrill to table the Tribune Company Fraudulent Conveyance Litigation discussion pending clarification from the law department.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS (8:38 a.m.)

- Update (Frank Benevento) – Investment Policy Statement revision – *The Investment Policy Statement and the red-line version was distributed again prior to this meeting. There was a question at a prior board meeting to allow board members more time to review the red-line and final document. Has everybody had a chance to review the red-line version and the final Investment Policy Statement and do you have any questions?*

Brian – *I believe Page 2 and Page 8 they should be exactly the same. The page with Absolute Return Fixed Income the far right hand column for Maximum Allocation, on Page 2 it has 11%, but on Page 8 it's 12%. I think that was just a drafting error.*

Kevin – *Under the Maximum Absolute Return Fixed Income it's 6, 0 and 11% and on Page 8 it's 6, 0, 12%. It should be plus 5 so yes Page 8 should be adjusted to 11%.*

Frank – *That will be noted. Are there any other questions?*

Brian – *With regard to securities lending are we actively doing securities lending, as we speak?*

Kevin – *Yes through the Northern Trust program.*

Brian – *Are there specific investment guidelines, as to what we do with the collateral we pool.*

Kevin – *Because you are through the Northern Trust program you adopt their guidelines versus, if you had your own securities lending program separate, you can state your current guidelines if it was a separate account, but because it's through the Northern Trust program there are guidelines they manage through there program and we can get you copies of that.*

Brian – *Yes. I make the request to see that.*

NEW BUSINESS (Cont'd) (8:42 a.m.)

- (Kevin Leonard and Will Forde, NEPC) - Review the Preliminary Investment Performance "Flash" report for the period ending August 31, 2017. *A copy of the report was distributed for review and discussion.*
- Jacklyn Weinman and Lindsey Lo Bosco - *Provided the Investment Portfolio Review for JP Morgan.*

The Board held a question and answer session with NEPC on the presentation from JP Morgan.

NEW BUSINESS (Cont'd) (9:35 a.m.)

- George Smiley – *First let me preface my remarks so that everyone knows I do not speak on behalf on Council; which keeps them out of trouble and me in it. I wanted to thank not only the members of the Pension Board, but the Pension Department specifically Susan Lawler. In early September there was an article that hit the paper about the City of Wilmington and their pension fund making payments for over twenty years to a deceased woman into the account. As co-chair of Finance, and my past history I try to anticipate any questions that would come up in the possibility of losing an hour of Finance Committee time on the topic I sent an email to the Pension Department inquiring; which was followed up by Susan Lawler giving me a call. We had a very in-depth conversation. My questions were answered; my concerns were put at ease. So I immediately sent an email to all of Council relaying parts of the discussion and that I felt a comfort level, not that anybody puts any confidence in that, but the responses I got back from Council were appreciative, on the oversight of this committee and the work of the Pension Department. I thought you should know that because maybe at the next meeting I might have a complaint, but you need to know I appreciate the quick response out of the Pension Department and it's been no discussion with Council or further comments. We appreciate it very much and I wanted to pass that along.*

ADJOURNMENT (9:37 a.m.)

A motion was made by Brian Maxwell and seconded by Vanessa Phillips to adjourn the meeting at 9:37 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**