

# NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of October 18, 2017

The regular meeting of the Board of Trustees was held on October 18, 2017 in the Government Center (Large Executive Conference Room), 87 Reads Way, New Castle, DE 19720.

**The meeting was called to order at 8:27 a.m.**

## **TRUSTEES PRESENT:**

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

## **TRUSTEES ABSENT:**

Vanessa S. Phillips, CHRO  
Saul Polish, Trustee, Local #3911  
Terry Stone, Trustee

## **OTHERS PRESENT:**

Marlaine White, County Law  
Ken Porter, NCC/Finance  
Bob Wasserbach, County Auditor  
Mike Coupe, Retiree

## **STAFF PRESENT:**

Susan Lawler, Pension/Benefits Coordinator  
Frank Benevento, Pension Program Analyst  
Sanjay Bhatnagar, Asst. County Attorney I  
Rowena P. Liles, Program Analyst

## **INVITED GUESTS:**

Will Forde, CAIA, NEPC  
Margaret Belmondo Sr. Consultant, NEPC  
David Gregor, Executive Asst.

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## **APPROVAL OF THE MINUTES (8:27 a.m.)**

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

**A motion was made by Doug Merrill and seconded by Mike Finnigan to approve the minutes from the September 16, 2017 meeting.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

## **APPROVAL OF THE INVOICES (8:28 a.m.)**

JP Morgan	\$36,804.70	2 <sup>nd</sup> Quarter 2017
Int'l Foundation of Emp Ben Plans	\$1,565.00	2018 Annual Dues
Systematic	46,945.19	Third Quarter
REM	20,919.69	Third Quarter

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

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

**COORDINATOR'S REPORT by Susan Lawler (8:28 a.m.)**

- ❖ Gross Payroll and Employer Contributions for the month of September 30, 2017.
- ❖ Pension Trust Asset Summary – August 31, 2017
- ❖ Pension Payments – September, 2017
  - Payees for September 1,437
  - Active Participants 1,451
    - DelPen 369
  - Benefits total \$3,437,659.00

**CAPITAL CALLS (8:28 a.m.)**

- Northstar Mezzanine Partners \$66,600.00 September 28, 2017
- HarbourVest Partners \$175,000.00 October 3, 2017

**DISTRIBUTION OF CAPITAL (8:28 a.m.)**

- HarbourVest Partners IX-Venture Fd \$87,016.00 September 25, 2017
- Northstar Mezzanine Partners \$197,905.00 September 22, 2017
- Crescent Direct Lending \$67,354.00 September 28, 2017
- TPG Opp Partners II (A), L.P. \$258,616.00 September 29, 2017
- Lexington Partners \$66,835.00 September 28, 2017

**APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:29 a.m.)**

(05535)	\$6,257.60	November 1, 2017	RetGen
(05521)	\$4,552.34	November 4, 2017	RetGen
(06217)	\$2,851.97	November 4, 2017	RetGen
(06177)	\$1,423.53	November 4, 2017	PenPln
(05828)	\$2,403.97	November 8, 2017	RetGen
(09114)	\$1,117.87	November 14, 2017	RetGen
(05656)	\$4,263.49	December 9, 2017	RetGen

**Benefit Conversion (8:28 a.m.)**

Pursuant to the provision of the New Castle County Employees' Retirement System, "New Castle County Code, 26.04.108(A)(4) benefits for the retiree named below will be converted from a disability pension to a service pension coincident with his 65<sup>th</sup> birthday.

(05983) Disability \$2,366.00 to Service \$2,723.94

**Survivor Benefits (8:29 a.m.)**

(13820)	\$850.17	September 19, 2017	PenPln
(13821)	\$1,516.84	August 25, 2017	RetGen

**Refunds (8:29 a.m.)**

(06319)	\$2,050.00	SCGPen
(10277)	\$2,440.00	SCGPen
(12396)	\$840.00	SCGPen
(12841)	\$191.72	CPGEN

**A motion was made by Doug Merrill and seconded by Mike Finnigan to approve the payment of service, benefit conversion, survivors and refund benefits.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

**EXECUTIVE SESSION (8:30 a.m.)**

- **Executive session** - To approve the minutes of September 20, 2017. (In Re Tribune case)
- **Executive session**--strategy session to include advice and/or opinion from attorneys-at law regarding current litigation (In Re Tribune case) (Marlaine White).
- **Executive session** - Disability Retirement Application (06358)  
**Employee 06358** has made application for a service-connected disability pension as a participant in the New Castle County Employees' Retirement System (Amended). If approved, the employee shall be entitled to a service connected disability benefit, in the amount of \$2,514.20 per month effective August 19, 2017.

**A motion was made by Mike Finnigan and seconded by Doug Merrill to move into Executive Session.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

*A discussion was held in Executive Session.*

**A motion was made by Daryl Brown and seconded by Brian Maxwell to move out of Executive Session.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**The meeting reconvened at 9:03 a.m.**

**A motion was made by Doug Merrill and seconded by Daryl Brown to approve the recommendation of counsel in the Tribute Litigation.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**A motion was made by Regis Yurchich and seconded by Mike Finnigan to approve the payment of service-connected disability application.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**A motion was made by Daryl Brown and seconded by Mike Finnigan to take a 5 minute break.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**The meeting reconvened at 9:16 a.m.**

**NEW BUSINESS (9:16 a.m.)**

- Will Forde and Margaret Belmondo from NEPC provided a brief overview on the Large Cap Value Equity portfolio and review the October 2017 Meeting Materials dated October 18, 2017.

**A motion was made by Mike Finnigan and seconded by Doug Merrill to move to the meeting to the Large Executive Conference room.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**The meeting reconvened at 9:34 a.m.**

### **NEW BUSINESS Cont'd (9:34 a.m.)**

- Investment Manager Presentations
  - Aritstotle Capital presentation by Will Averill and Steve Borowski.
  - CoHo Partners presentation by John Musser, Peter Thompson and Ruairi O'Neill
  - The London Company by Paul Foster and Mark DeVaul.

*Will and Margaret gave their synopsis of the investment manager presentations.*

**A motion was made by Brian Maxwell and seconded by Mike Finnigan to put forth COHO Partners getting the mandate on the caveat condition that they would lower the fees to 50 basis points.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

*NEPC will come back with any fee reduction and discuss it at the next meeting of the Board.*

**A motion was made by Daryl Brown and seconded by Doug Merrill to terminate Alliance Bernstein pending fee negotiations.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

**A motion was made by Daryl Brown and seconded by Doug Merrill to withdraw the previous motion.**

**\*THE MOTION WAS WITHDRAWN.**

**A motion was made by Daryl Brown and seconded by Doug Merrill to terminate Alliance Bernstein once a replacement manager is found.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

### **OLD BUSINESS (11:53 a.m.)**

- Update (Frank Benevento) - Request Board approval to allow NEPC to prepare an IPS statement for the 401(a) portion of the County 2011 Plan – *Just a recap real quick. I know everyone wants to get out of here. The County 2011 Plan has two parts (1) the Defined Benefit and (2) the Defined Contribution and the Defined Contribution has two parts (1) the 457(B); which is overseen by the New Castle County Deferred Compensation Committee and (2) the 401(a) piece; which is overseen by the New Castle County Pension Board. There was discussion of doing the IPS in-house, but due to time constraints and staffing issues within our department, we are asking that NEPC prepare a quote to provide an IPS for the 401(a) for the County 2011 Plan. A motion to move forward is requested.*

**A motion was made by Doug Merrill and seconded by Rich Piekarski to approve asking NEPC to provide a quote for the 401(a) County 2011 Plan IPS document.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

- Update (Frank Benevento) - Investment Policy Statement revision – *For the Board's IPS that is just the revision or update; which has been addressed over the last three or four Board meetings. This last revision was just a number correction. The revised IPS has gone out and we are requesting a motion to approve the revised IPS for the Pension Board.*

**OLD BUSINESS (Cont'd)**

**A motion was made by Doug Merrill and seconded by Rich Piekarski to approve the revised Pension Board IPS document.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

Brian – *I made a request for guidelines for our securities lending program, if I can get that for the next meeting.*

- (Margaret Belmundo, NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending September 30, 2017.

**ADJOURNMENT (12:01 p.m.)**

**A motion was made by Brain Maxwell and seconded by Daryl Brown to adjourn the meeting at 12:01 p.m.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**