

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM

MINUTES of November 15, 2017

The regular meeting of the Board of Trustees was held on November 15, 2017 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:30 a.m.

TRUSTEES PRESENT:

Vanessa S. Phillips, CHRO
Daniel McFadden, Chairperson
Douglas Merrill, FOP Lodge #5
Daryl Brown, Trustee
Brian Maxwell, CFO
Paul Frese, Trustee Non-Union Members
Rich Piekarski, Jr., Trustee, Local #3109
Robert Barczak, Trustee, Local #459
Saul Polish, Trustee, Local #3911

TRUSTEES ABSENT:

Michael Finnigan, Trustee, Retirees
Regis Yurcich, Trustee, Local #1607
Terry Stone, Trustee

OTHERS PRESENT:

Ken Porter, NCC/Finance
Bob Wasserbach, County Auditor

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

APPROVAL OF THE MINUTES (8:30 a.m.)

The minutes from the October 18, 2017 meeting are attached for approval.

A motion was made by Doug Merrill and seconded by Paul Frese to approve the minutes from the October 18, 2017 meeting.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

APPROVAL OF THE INVOICES (8:31 a.m.)

Alliance Bernstein & Co.	\$27,784.37	3 rd Quarter 2017
Eaton Vance	\$13,560.24	3 rd Quarter 2017
Income Research & Mgt.	\$10,475.57	3 rd Quarter 2017 (Inv #21207)
Income Research & Mgt.	\$4,015.61	3 rd Quarter 2017 (Inv #21208)
JP Morgan Asset Mgt.	\$37,360.95	3 rd Quarter 2017
Loomis Sayles	\$61,535.91	3 rd Quarter 2017
Mellon Capital	\$84,003.29	3 rd Quarter 2017
MFS	\$143,563.82	3 rd Quarter 2017
Nat'l Assoc. of Public Pension Attorneys	\$300.00	Membership dues
NEPC	\$2,056.58	3 rd Quarter Expenses
Northern Trust Co.	\$15,756.07	3 rd Quarter 2017
Peregrine Capital Mgt.	\$29,151.05	3 rd Quarter 2017
State Street Corp.	1,250.00	Deconverted Class Action Funds

INVOICES (Cont'd) (8:31 a.m.)

A motion was made by Doug Merrill and seconded by Brian Maxwell to approve the payment of invoices.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

COORDINATOR'S REPORT by Susan Lawler (8:310 a.m.)

- ❖ Gross Payroll and Employer Contributions for the month of September, 2017.
- ❖ Pension Trust Asset Summary – September 30, 2017
- ❖ Pension Payments – October, 2017
 - Payees for October 1,434
 - Active Participants 1,074
 - DelPen 371
 - Benefits total \$3,363,365.08

CAPITAL CALLS (8:31 a.m.)

- Lexington Partners \$82,741.00 October 26, 2017

DISTRIBUTION OF CAPITAL (8:31 a.m.)

- Lexington Partners \$61,485.00 October 31, 2017

APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:32 a.m.)

Service Retirements

(13845)	\$481.33	November 17, 2017	PenPln
(07469)	\$1,762.86	December 5, 2017	RetGen

DelPen Retirements (8:32 a.m.)

(07032)	November 2, 2017
(07004)	November 4, 2017

Lump Sum Benefit (8:320 a.m.)

(13846)	\$369.16	CPGen
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Refund Benefits (8:32 a.m.)

(13434)	\$444.33	CPGen
(13105)	\$1,705.66	CPEMS
(10661)	\$2,190.00	SCGPen

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

*THE MOTION WAS ADOPTED UNANIMOUSLY.

EXECUTIVE SESSION (8:33 a.m.)

- To approve the minutes of October 18, 2017. (In Re Tribune case). **Approval is requested.**
- **Employee 06293** has made application for a service-connected disability pension as a participant in the New Castle County Employees' Retirement System. If approved, the employee shall be entitled to a service connected disability benefit, in the amount of \$2,879.50 per month effective September 30, 2017. **Approval is requested.**

A motion was made by Brian Maxwell and seconded by Rich Piekarski to move into Executive Session.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

A discussion was held in Executive Session.

A motion was made by Saul Polish and seconded by Brian Maxwell to move out of Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

The meeting reconvened at 8:36 a.m.

A motion was made by Doug Merrill and seconded by Paul Frese to approve the minutes from the October 18, 2017 Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A motion was made by Saul Polish and seconded by Brian Maxwell to approve the service-connected disability pension application.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS (8:37 a.m.)

- (Frank Benevento) - Securities Lending Information - *We had a request to provide documentation on our securities lending with our custodial bank Northern Trust. We distributed the information on October 30th to the trustees. Did everyone have a chance to review or have any questions?*

A question and answer session was held on securities lending.

- (Kevin Leonard, NEPC) - Discussion on COHO Partners fee schedule – *The Board had voted to approve COHO pending our ability to work with them in getting them to lower the fees. We were successful in getting them to match the lowest fee in the search; which was Aristotle at 50 basis points. They were more than happy we didn't have to push that hard. They are excited to work with you and Frank has been working on the contract. We are looking to do the transition between Alliance over to COHO over the next couple of weeks.*

A discussion was held on COHO Partners.

NEW BUSINESS (8:42 a.m.)

- (Kevin Leonard, NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending October 31, 2017) - *A copy of the report was distributed for review and discussion.*
 - *Mellon Capital announced in 2018 to combine Mellon Capital Management Corporation (Mellon Capital), Standish Mellon Asset Management Company LLC (Standish) and The Boston Company Asset Management, LLC (The Boston Company), in 2018, to form a specialist multi-asset investment manager. The investment team will remain the same. NEPC will continue to monitor Mellon and there is no action required today.*
 - *Upcoming discussions will be on Private Equity and Private Debt Pricing Plan and the January 2018 Market Forecast.*
- (Frank Benevento) - NEPC's quote for preparing the IPS statement 401(a) – *We are going to table that item until the December Board meeting. There are further discussions we have to have with NEPC in order for them to provide that quote.*

Susan – Not on the agenda, but for purposes of planning, the December meeting is on the 20th. We are attempting to see who might be available or who may already know they won't be available. We do need a quorum of 7 members to conduct business. As soon as you know you will not be available, please let Rowena or I know so we can work around that. Kevin do you have any sense of when you want to bring the next group in and what investment managers the Board may be interested in seeing so we can plan going forward into 2018?

Kevin – Yes. *So I think obviously I'm not sure if you have anything at the beginning of the year, we want to create some time in January to talk about our 2018 outlook. January will talk about market forecast and February/March time period bring in some of the managers and work with you or Frank to bring in managers you haven't seen as of late.*

Susan – *That way it gives everybody a sense of the length of meetings and the complexity and that kind of thing.*

ADJOURNMENT (9:11 a.m.)

A motion was made by Brian Maxwell and seconded by Doug Merrill to adjourn the meeting at 9:11 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**