

**NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM  
MINUTES of June 19, 2019**

The regular meeting of the Board of Trustees was held on June 19, 2019 in the Government Center (Large Executive Conference Room), 87 Reads Way, New Castle, DE 19720.

**The meeting was called to order at 8:15 a.m.**

|   |   |
|---|---|
| <p><b><u>TRUSTEES PRESENT:</u></b><br/>         Daniel McFadden, Chairperson<br/>         Daryl Brown, Trustee<br/>         David Gregor, CFO<br/>         Douglas Merrill, FOP Lodge #5<br/>         Jacqueline Jenkins, CHRO<br/>         Paul Frese, Trustee Non-Union Members<br/>         Regis Yurcich, Trustee, Local #1607<br/>         Rich Piekarski, Jr., Trustee, Local #3109<br/>         Robert Barczak, Trustee, Local #459<br/>         Saul Polish, Trustee, Local #3911</p> | <p><b><u>TRUSTEES ABSENT:</u></b><br/>         Michael Finnigan, Trustee, Retirees<br/>         Terry Stone, Trustee</p> <p><b><u>OTHERS PRESENT:</u></b><br/>         Karen Brown, NCC/HR/Benefits<br/>         Bob Wasserbach, NCC Auditor<br/>         Lynne McIntosh, NCC/Audit</p> |
| <p><b><u>STAFF PRESENT:</u></b><br/>         Susan Lawler, Pension/Benefits Coordinator<br/>         Frank Benevento, Pension Program Analyst<br/>         Sanjay Bhatnagar, Asst. County Attorney I<br/>         Rowena P. Liles, Program Analyst</p>  | <p><b><u>INVITED GUESTS:</u></b><br/>         Kevin Leonard, NEPC</p>   |

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

The minutes from the May 15, 2019 meeting are attached for approval.

**A motion was made by Saul Polish and seconded by Paul Frese to approve the minutes from the May 15, 2019 meeting.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

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

None

**COORDINATOR'S REPORT by Frank Benevento (8:15 a.m.)**

- ❖ Gross Payroll and Employer Contributions for the month of April 2019.
- ❖ Pension Trust Asset Summary – April 2019
- ❖ Pension Payments – May 2019
  - Payees for May                    1,479
  - Active Participants                1,048
    - DelPen                                382
    - DelPen (ret)                        52
  - Benefits total                        \$3,608,246.28

**CAPITAL CALLS (8:16 a.m.)**

|                                |              |            |
|--------------------------------|--------------|------------|
| ➤ Blue Bay Direct Lending      | \$189,578.12 | 06/05/2019 |
| ➤ TSSP Opp Partners IV (A), LP | \$200,249.00 | 06/04/2019 |
| ➤ Northstar Mezzanine Partners | \$9,190.00   | 06/17/2019 |
| ➤ Vista Equity Partners        | \$106,102.00 | 06/26/2019 |

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

|                                |                |            |
|--------------------------------|----------------|------------|
| ➤ Crescent Direct Lending      | \$97,145.00    | 05/17/2019 |
| ➤ Lexington Partners           | \$115,194.00   | 05/31/2019 |
| ➤ Northstar Mezzanine Partners | \$71,282.00    | 06/05/2019 |
| ➤ Vista Equity Partners        | \$11,073.00    | 06/24/2019 |
| ➤ Brookfield Capital Partners  | \$1,065,244.35 | 06/17/2019 |

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

**Benefit Conversion (8:16 a.m.)**

| <u>EmplID</u> | <u>Original Monthly Benefit</u> | <u>New Monthly Benefit</u> | <u>Effective</u> |        |
|---------------|---------------------------------|----------------------------|------------------|--------|
| (01700)       | \$1,368.07                      | \$2,909.73                 | 07/07/2019       | RetGen |

**Service Retirements (8:16 a.m.)**

|         |            |            |                 |
|---------|------------|------------|-----------------|
| (05585) | \$1,259.74 | 04/10/2019 | PenPln (vested) |
| (05874) | \$1,857.15 | 06/01/2019 | PenPln          |

**DelPen Retirements (8:17 a.m.)**

|         |     |            |
|---------|-----|------------|
| (07940) | n/a | 05/20/2019 |
| (07963) | n/a | 06/29/2019 |

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

|         |          |            |        |
|---------|----------|------------|--------|
| (14378) | \$922.01 | 04/28/2019 | RetGen |
|---------|----------|------------|--------|

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

|         |             |            |        |
|---------|-------------|------------|--------|
| (13949) | \$513.72    | 06/01/2019 | CPEMS  |
| (09803) | \$21,700.89 | 06/01/2019 | RetAMD |
| (13427) | \$2,752.22  | 06/01/2019 | CPEMS  |

**A motion was made by Daryl Brown and seconded by Rich Piekarski to approve the benefit conversion, service retirements, survivor, and refund benefits.**

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

**A motion was made by Daryl Brown and seconded by David Gregor to move into Executive Session to discuss the request for reconsideration of denial of disability benefits.**

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

**EXECUTIVE SESSION (8:18 a.m.)**

- Employee request for reconsideration of denial of disability benefits.

**A discussion was held on the service connected disability denial of benefits.**

## The meeting reconvened at 8:40 a.m.

### **OLD BUSINESS (8:40 a.m.)**

- (Frank Benevento) - Actuarial Audit Proposals – Bolton, Cheiron and Gabriel, Roeder Smith & Co. – *We received the proposal submittals for our Actuarial Audit service request RFP. Today we are asking the Board to either move to have the responding firms scheduled to perform a presentation of their perspective proposals or move to contract with one of the responding firms based on the written proposal. Each proposal was submitted electronically for review. Are there any questions regarding a specific proposal?*

**A discussion was held on the proposals received.**

*It is the recommendation of administrative staff to go with Gabriel, Roeder, Smith & Company for actuarial audit services.*

**A motion was made by Saul Polish and seconded by David Gregor to move forward with accepting Gabriel, Roeder, Smith & Co's. (GRS) proposal for actuarial audit services upon successful negotiations.**

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

- (Frank Benevento) - Blackstone and Brookfield contract updates. *The Blackstone contract will be executed and funded on June 20<sup>th</sup> and we will meet the contract closing for the Brookfield Fund V on June 30<sup>th</sup>.*

### **NEW BUSINESS (8:50 a.m.)**

- (Frank Benevento) - NEPC Client Hub - Client Portal – *The Board was giving a demonstration of NEPC's new Client Hub. Any board member interested in having access should contact Frank.*
- (Frank Benevento) - Investment Managers (Contract Fulfillment) – *After discussions with other organizations the staff would like the Board to consider or begin discussions on hiring an or retaining an attorney the investment manager contract fulfillment.*

**A discussion was held on the retention of a firm to fulfill the investment manager contracts.**

*The administrative staff will work with Sanjay, Daryl and NEPC to come up with a plan.*

- (Kevin Leonard) - Discussion on potential replacements for Stone Harbor – *NECP provided an EMD LC Search Book to be reviewed by the Board. The candidates to interview to replace Stone Harbor are:*
  - *Colchester Global Investors Limited*
  - *Grantham Mayo Van Otterloo & Co. LLC*
  - *Investec Asset Management Limited*

*The Board would like Stone Harbor to come in to present at their August 21<sup>st</sup> meeting instead of Investec Asset Management Limited.*

- *NEPC will provide data on (post-mortem) terminated managers and how they are performing now.*

### **NEW BUSINESS (Cont'd)**

- (NEPC) - Discussion on a formal asset allocation recommendation.
  - *NEPC recommends Policy Mix 1B from the Policy vs Potential Mixes from the June Meeting Materials Book*

**A motion was made by Saul Polish and seconded by Daryl Brown to take the recommendation of NEPC to select 1B as our new Investment Policy Mix over a year to 18 months following more detailed information on the real estate piece.**

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

- (NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending May 31, 2019 - *A copy of the Flash Report was reviewed by the Board.*

### **ADJOURNMENT (10:36 a.m.)**

**A motion was made by Daryl Brown and seconded by David Gregor to adjourn the meeting at 10:36 a.m.**

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