

**NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM**  
**Minutes of May 20, 2015**

The regular meeting of the Board of Trustees was held on May 20, 2015 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:09 a.m.

<p align="center"><b><u>BOARD MEMBERS PRESENT:</u></b></p> <p>Christine Dunning, CHRO          Kenneth Porter, Trustee          Michael Coupe, CFO, Acting Chairperson          Michael Finnigan, Trustee, Retirees          Paul Frese, Trustee Non-Union Members          Rich Piekarski, Jr., Trustee, Local #3109          Robert Barczak, Trustee, Local #459</p>	<p align="center"><b><u>BOARD MEMBERS ABSENT:</u></b></p> <p>Daniel McFadden, Chairperson          Douglas Merrill, FOP Lodge #5          Regis Yurcich, Trustee, Local #1607          Saul Polish, Trustee, Local #3911          Terry Stone, Trustee</p>
<p align="center"><b><u>OTHERS PRESENT:</u></b></p> <p>David Boomershine, Boomershine Consulting Group          Bob Wasserbach, County Auditor          Joe Dudzinsky, Local 3109          Christine Piekarski, NCC/Finance          Sharon Lucernoni, NCC/Finance          Mark Wolanski, Local 3109          Linda Reed, NCC/Finance          Steve Cunliffe, NCC/Finance</p>	<p align="center"><b><u>STAFF PRESENT:</u></b></p> <p>Judi Mitchell, First Asst. County Attorney          Rowena P. Liles, Administrative Aide</p>

**8:09 a.m. APPROVAL OF THE MINUTES**

The minutes from the April 9, 2015 special meeting are attached for approval.

*Ken – There is a redundant paragraph on page 2. It's not wrong it just duplicated.*

**A motion was made by Ken Porter and seconded by Christine Dunning to approve the minutes from the April 9, 2015 special meeting.**

\*THE MOTION WAS PASSED UNANIMOUSLY.

**8:10 a.m. APPROVAL OF THE MINUTES**

The minutes from the April 15, 2015 regular meeting are attached for approval.

**A motion was made by Rich Piekarski and seconded by Ken Porter to approve the minutes from the April 9, 2015 special meeting.**

\*THE MOTION WAS PASSED UNANIMOUSLY.

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**8:10 a.m. APPROVAL OF THE INVOICES**

Alliance Bernstein & Co.	\$24,378.41	1 <sup>st</sup> Quarter 2015
Boomershine Consulting Group	\$37,770.00	March, 2015
Eaton Vance	\$15,402.46	1 <sup>st</sup> Quarter 2015
Income Research & Mgt.	\$41,784.06	1 <sup>st</sup> Quarter 2015
MFS	\$127,114.63	1 <sup>st</sup> Quarter 2015
NEPC	\$55,609.50	1 <sup>st</sup> Quarter 2015
Systematic Financial Mgt.	\$43,685.04	1 <sup>st</sup> Quarter 2015
Real Estate Mgt. Services Group	\$28,310.93	1 <sup>st</sup> Quarter 2015

**A motion was made by Mike Coupe and seconded by Ken Porter to approve the payment of invoices.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

**8:13 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS**

**Service Retirements**

Paul Mergenthaler	\$4,198.80	May 20, 2015
Andria Smith	\$7,418.36	June 3, 2015

**8:13 a.m. APPROVAL OF THE BENEFIT CONVERSION**

Maurice Jones	\$3,071.47	June 27, 2015
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**8:13 a.m. APPROVAL OF THE SURVIVOR BENEFITS**

Catherine Houston for James Houston	\$1,783.00	March 26, 2015
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**8:13 a.m. APPROVAL OF THE REFUND BENEFITS**

Carl Pace, III	17,473.61	RetGen
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**A motion was made by Mike Coupe and seconded by Paul Frese to approve the service benefits, conversion benefit, survivor benefit and refund benefit.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**

**8:15 a.m. COORDINATOR'S REPORT by Christine Dunning**

- ❖ Gross Payroll and Employer Contributions for Month of April 30, 2015 – *The total amount for the County's contribution was \$1,062,497.51. I can pass the document around if anyone wants to review it.*
- ❖ Pending County Council Resolution for the Fiscal Year 2016 Contribution Rate for Pension Plans – *On May 12, 2015 there was a resolution brought forth before Council our consultant did a presentation. Of course every year we have more people receiving pension benefits than active employees. The Pension Board, I believe back in March, after reviewing the report had made the recommendation and there is a resolution presented before Council and introduced that we increase our payroll contributions. Basically you are going now up to the recommended amount of 23.47% of covered payroll.*

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**COORDINATOR'S REPORT (Cont'd)**

*That is the new amount and Council still needs to vote on that, but I'm not sure which meeting that will be. That is the news for the resolution.*

- ❖ Pension Trust Asset Summary – March 31, 2105 and April 30, 2015. *The reports were distributed to the Board for review. The total amount reported for March is \$429,587,782 and the amount for April is \$430,159,507.00. I realize you have just had the report handed to you, but if you want to defer questions until later or take a few minutes to go through it.*

*Paul I think it is important to note that there are often times questions about the health of the plan itself and the balance of it. The balance as of the end of the month of April is the second highest it's been in the past 14 years. I think the pension is doing pretty good. It's recovered nicely.*

*Christine – You can credit some of the Board earlier decisions plus the consultant and different things you guys have done throughout the years.*

*Ken – In terms of investment return that is very encouraging when you look at the liabilities and we are still 76% funded ratio which is better than a lot of municipalities, but unfortunately the liabilities grow along with the assets.*

- ❖ Lexington Partners distribution received on April 30, 2015 in the amount of \$61,485.00 – *The distribution was received April 30<sup>th</sup> and the amount is \$61,485.00. The correspondence will be passed around for the Board's review.*

*Rich – Just to go back to the resolution was there a dollar figure associated with that to equate that percentage?*

*Christine – I will pass the resolution document around for your review.*

*Dave Boomershine – The 3.21% origin of that goes way back to the 1990's when the County police started participating under the State Plan. The original contribution amount for that period was 17.06%. The difference between the 17.06% and the current 13.85% is 3.21% is the difference between the two. The County also contributes that into the County Plan so it's like an additional contribution that helps out.*

- ❖ NCC Diversity Commission Letter to Boards & Commissions - *We will email the letter out to the members. We received this letter from the NCC Diversity Commission and after the 20<sup>th</sup> of May the Diversity Commission is forwarding each responsible staff person for the Board an email a survey which needs to be completed by each member. This is not just for this Board, but all New Castle County Boards that are receiving this survey from the Diversity Commission. We will be giving you further instructions in an email. I have a copy of the letter and will pass it around for the Board to see.*

**8:27 a.m. OLD BUSINESS**

- Update – HB#279 and Update – Age Limitation Legislation (Christine Dunning) – *Unfortunately, I don't have anything right now. I left a text message and do not anticipate any update on HB#279 and the other item. I'm just receiving a text as I'm speaking here. There might be the possibility of an Executive Order forthcoming and the Chief of Staff's plan is on hold. So we are on standby mode.*

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**OLD BUSINESS (Cont'd)**

*Mike F. – For both items the HB#279 and Age Limitation Legislation?*

*Christine – Well the Chief of Staff said that he was not in charge of the Age Limitation Legislation. He was only involved with the HB#279. That was only after speaking to him yesterday about it.*

*Mike C. – I'm getting ready to start doing some work on HB#279 with Dave Boomershine and the CAO. By the next meeting I may be able to give you some kind of update. I wanted to let you know there is some forward movement.*

*A brief discussion was held.*

- *New Internal Procedure to address Pension Related Class Action Settlements (Christine Dunning) – In reference to the discussions on the settlements we receive, the Office of Human Resources (thank Susan Lawler) drafted up Standard Operating Procedures on how we would deposit any proceeds from class action related to pension funds. Now once we get a notification that pension is due money related to a class action settlement the following wire transfers will be provided to the payers. So it's going directly in. This is our standard SOP #335. Hopefully this will dispel any issues since its going straight in to State Street.*

**8:31 a.m. NEW BUSINESS**

*Christine – The only thing I have is Susan mentioned at an old meeting that the possibility of the audio for the meetings becoming available. I know they met, but I haven't heard any update on that with the IS Department. Rowena were you a part of that?*

*Rowena – I will forward you the email.*

*Mike F. – So we will have an update on that at the next meeting?*

*Christine – Yes. I think what is was is to have all Boards & Commissions to have the minutes available on the website for public access. I would just like to remind the Board to be cordial and conduct all meetings in a professional manner.*

**8: a.m. ADJOURNMENT**

**A motion was made by Ken Porter and seconded by Mike Coupe to adjourn the meeting at 8:32 a.m.**

**\*THE MOTION WAS PASSED UNANIMOUSLY.**