

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of December 16, 2015

The regular meeting of the Board of Trustees was held on December 16, 2015 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:13 a.m.

BOARD MEMBERS PRESENT:

Christine Dunning, CHRO
Douglas Merrill, FOP Lodge #5
Michael Coupe, 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
Saul Polish, Trustee, Local #3911
Terry Stone, Trustee

BOARD MEMBERS ABSENT:

Daniel McFadden, Chairperson
VACANT, Trustee

OTHERS PRESENT:

Robert Weiner, County Council
Maria Scarpa, NCC/Finance
Ron Russell, NCC/Finance
Joe Dudzinsky, Local 3109
Christine Piekarski, NCC/Finance
Lynne McIntosh, County Audit
George Smiley, County Council

STAFF PRESENT:

Susan Lawler, Pension/Benefits Coordinator
Frank Benevento, Pension Program Analyst
Judi Mitchell, First Asst. County Attorney
Rowena P. Liles, Administrative Aide

INVITED GUESTS:

Kevin Leonard, NEPC (Teleconference)

The meeting was called to order at 8:13 a.m.

8:13 a.m. APPROVAL OF THE MINUTES

The minutes from the November 18, 2015 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Saul Polish to approve the minutes from the November 18, 2015 meeting.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:13 a.m. APPROVAL OF THE INVOICES

Boomershine Consulting Group	\$2,930.00	October, 2015
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A motion was made by Rick Piekarski and seconded by Terry Stone to approve the payment of the invoice.

***THE MOTION WAS PASSED UNANIMOUSLY.**

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OLD BUSINESS (Cont'd)

We are waiting on one issue regarding our emails and how we are going to keep that together, if it will just be one email for our group or if we will be going to be using separate provider. We are waiting for an answer from IT on that and they said they should get back to us today on that. I expect within the next day or two to have this whole order placed in and all the miscellaneous technical issues identified and resolved.

Mike F. – So they will all be sitting in our place in the January meeting.

Susan – We will notify you when they are available. We will label them for tracking purposes and there will be a form you have to sign acknowledging that you are being provided with this equipment, as a result of your seat on the Board, and making sure it is returned when you are no longer serving. The meeting yesterday with IT was great for a number of reasons Frank got to hammer out a bunch of different things with respect to software requirements and confirming those kinds of things and also as looking forward to, in our office, we'd discussed at one point having a retiree portal and having for trustees specifically prior records and agendas and everything out on a portal for your access. There has actually been a discussion in assuring Board members who are not employees we will get you an email whether it's a straight New Castle County email or whether we will have Pension Board email. We do of course recognize and want to make sure that whatever email systems we use we are part of the County system and we continue to be subject to FOIA requests. We are not trying to circumvent anything, but just to allow us to address everybody at one time if necessary and those kinds of thing. So that kind of result was an extra bonus coming out of the equipment purchase with some other IT things for our unit.

- *Update – Actuarial Services (Mike Finnigan) - We will have not have an update on the Actuarial Services.*
- *Outside Legal Counsel Memo dated July 16, 2014 (Saul Polish) – I just wanted to bring to light that we did have this letter from the Board to the County Executive. I know we had discussed it previously and some people may feel its beating a dead horse, but I think finally we have to put to rest the fact that we did send a letter that we were going to seek outside counsel with regards to the JP Morgan Settlement. I think we have a responsibility to deal with this letter. We voted on this without having this letter in front of us the previous time so I think we just have a responsibility to deal with this letter.*

A discussion was held on the memo sent to the County Executive to retain outside legal counsel. The Board agreed that there was no further action needed in this matter.

- *Clarification of vote outcome relating to Ordinance 15-093 (Judi Mitchell) – If you recall, some of you were not here, but at the last meeting Ordinance 15-093 came before the Board. It's the anti-DDS ordinance that Councilman Weiner introduced. Procedurally a motion was made to approve the ordinance and that motion didn't pass. At the end of last month's meeting another motion was made to table the ordinance because we thought we needed to reconsider it again at this upcoming meeting. After the meeting was over, I realized that I was incorrect in advising you that it was proper to table that motion that tabled that ordinance at the end of the meeting. Once we considered the ordinance at the last meeting what we should have done is just reported that vote to County Council. So from a procedural standpoint I didn't advise the Board correctly. After the last meeting, I sent an email to the Board members advising them from a procedural standpoint it was incorrect and I thought we needed to report the vote to County Council. The Chief Human Resources Officer did send a memo to County Council advising them of the vote, subsequent to her sending that it occurred to me also that we should really have had all of this discussion on the record because I didn't want it to be just things in email or conversations with people that weren't on the record.*

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OLD BUSINESS (Cont'd)

The Chief Human Resources Officer sent another memo to County Council at my request saying we would like to rescind our prior memo regarding the vote that was taken so the Board can be advised of this at the next Board meeting. So the matter is on the agenda for today for me to give you an update. Again like I just said we took the vote the motion at the end of the last Board meeting to table was improper and I should have advised of that. What we really need to do is just advise County Council of the vote that was taken. That is what I was prepared to tell you today. I spoke with Mr. Weiner this morning regarding the matter and Mr. Weiner has indicated and I will let him address you if he so desires that he does not plan to move forward with this ordinance and will possibly do something in the future on a similar subject. At this point just procedurally I don't think there is anything that the Board needs to vote on or do right now. I think we as the Board still need to report the vote that was taken at the last meeting to County Council; which we will do via another memo from the CHRO, as a practical matter it will have no effect because Mr. Weiner has no intention of moving forward with this matter. Mr. Weiner would you care to discuss this with the Board?

Councilman Weiner – I have nothing to add. I just want to thank the Board for its careful consideration and should I proceed forward, in the future as was stated, it would be with a different approach.

A discussion was held. As stated before another memo from the Chief Human Resources Officer will be sent to County Council to reflect the vote on Ordinance 15-093.

8:47 a.m. NEW BUSINESS

- *(Kevin Leonard) - The transition from State Street to Northern Trust has happened. I want to compliment your staff. They have done Yoden's work during this transition. I think I have told the Board that transitioning to a custodian is easy for you, but extremely difficult for your staff. Lots of moving pieces, paperwork and lots of last minute things. I just want to acknowledge that your staff has done a phenomenal job to make that process seamless. I'm sure that they will tell you that they hope you never have to change custodians again and they work for you moving forward. It's definitely not an easy thing. I want to compliment Northern Trust. They have gone above and beyond to really make sure everything goes smoothly. I think this is a win win for you. Obviously, at the end of the day, you've saved substantial fees. You are getting far superior service than you were getting and now the transition is behind us. I will pause there and answer any questions that anybody might have regarding the transition to Northern Trust?*

- *Review of Preliminary Investment Performance "FLASH" report for the period ending November 30, 2015 (Kevin Leonard) - A copy of the Preliminary Investment Performance "Flash" report for the period ending November 30, 2015 was distributed for review and discussion. The Weekly Update report will be sent out electronically.*

Saul – Kevin is there anything we can expect since the Feds announced they will raise interest rates? How will that affect our REIT's? Obviously it's good for housing, but how is that good for us as an investment?

A discussion was held on the possibility of interest rates increasing for REITS's.

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NEW BUSINESS (Cont'd)

Mike F. – For informational purposes only

- 1. We had capital calls from Northstar Mezzanine Partners & Crescent Direct Lending.*

Susan – Just as a follow-up

- 1. Judi is working on the contract for Brookfield so we hope to have that wrapped up.*
- 2. The 2016 calendar has gone out. We would encourage you, as you get a request, please RSVP accordingly so we know if there will be a quorum for the meetings.*
- 3. Congratulations to Doug Merrill on his retirement from County Service.*
- 4. With respect to the Northern Trust transition literally 98% of the credit of that transition on the staffing side belongs to Frank Benevento. It would not have occurred without Kevin, Frank and Judi. I know most of you have met him and already he's proved to be an invaluable asset to the department so I wanted to recognize him.*

9:11 a.m. ADJOURNMENT

A motion was made by Terry Stone and seconded by Mike Coupe to adjourn the meeting at 9:11 a.m.

***THE MOTION WAS PASSED UNANIMOUSLY.**