

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of January 20, 2016

The regular meeting of the Board of Trustees was held on January 20, 2016 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:05 a.m.

<p align="center"><u>BOARD MEMBERS PRESENT:</u></p> <p>Christine Dunning, CHRO Daniel McFadden, Chairperson Douglas Merrill, FOP Lodge #5 Michael Coupe, CFO Michael Finnigan, Trustee, Retirees Regis Yurcich, Trustee, Local #1607 Rich Piekarski, Jr., Trustee, Local #3109 Robert Barczak, Trustee, Local #459 Saul Polish, Trustee, Local #3911</p>	<p align="center"><u>BOARD MEMBERS ABSENT:</u></p> <p>VACANT, Trustee Paul Frese, Trustee Non-Union Members Terry Stone, Trustee</p>
<p align="center"><u>OTHERS PRESENT:</u></p> <p>Bob Wasserbach, County Auditor Maria Scarpa, NCC/Finance Lynn McIntosh, County Audit</p>	<p align="center"><u>STAFF PRESENT:</u></p> <p>Susan Lawler, Pension/Benefits Coordinator Frank Benevento, Pension Program Analyst Judi Mitchell, First Asst. County Attorney Rowena P. Liles, Administrative Aide</p>
<p align="center"><u>INVITED GUESTS:</u></p> <p align="center">Kevin Leonard, NEPC Will Ford, NEPC</p> <p align="center">Mitchell King, Blackrock Strategic Income Opportunities Fund (SIO) Shayan Hussain, Blackrock Strategic Income Opportunities Fund (SIO) Alex McKnight, GAM Unconstrained Bond Strategy Joseph Geiger, GAM Unconstrained Bond Strategy Kristin Hovencamp, GAM Unconstrained Bond Strategy Todd Vandam, Loomis Sayles Orr Shepherd, Loomis Sayles</p>	

8:06 a.m. APPROVAL OF THE MINUTES

The minutes from the December 16, 2015 meeting are attached for approval.

*** Paul Frese by email- I did want to make one request for an edit/update to the minutes. Under "New Business" at 8:47 AM. From a consistency standpoint, it should be noted that Kevin (Kevin Leonard) updated the Board about the transition from State Street to Northern Trust. We (the Board) understand who gave us the update, but someone from the public reading the minutes most likely would not.*

A motion was made by Doug Merrill and seconded by Saul Polish to approve the revised minutes from the December 16, 2015 meeting.

***THE MOTION WAS PASSED UNANIMOUSLY.**

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8:06 a.m. APPROVAL OF THE INVOICES

Boomershine Consulting Group	\$1,130.00	November, 2015
Cupps Capital Mgt.	\$26,037.95	4 th Quarter 2015
MFS	\$126,780.56	4 th Quarter 2015
Real Estate Mgt.	\$22,593.59	4 th Quarter 2015
State Street Corp.	\$9,508.63	November, 2015
Systematic Financial Mgt.	\$35,182.47	4 th Quarter 2015

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

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:06 a.m. COORDINATOR'S REPORT by Susan Lawler

- Revised SOP #335 – *We have revised SOP #335 to address deposits of proceeds from class action settlements that was previously created because of the class action issue with designation going to a State Street account. We've revised that so that the directions are for Northern Trust account, in the event of settlements.*
- Gross Payroll and Employer Contributions for the month of December 31, 2015.
- *One item that is not part of the agenda and I believe everyone may have received is the official resignation of Ken Porter who is now an employee of New Castle County. That position is currently vacant and is one that is appointed by County Council. They are aware of the vacancy and working on that. A copy of the resignation letter was distributed to trustees for their review.*

A brief discussion was held on the process to fill the vacancy.

8:09 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

Cheryl Bilal	\$540.70	January 23, 2016
Frances M. Evans	\$420.00	February 26, 2016

APPROVAL OF THE SURVIVOR BENEFITS

Donna Dill (P. Michael Dill)	\$1,716.70	December 19, 2015
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APPROVAL OF THE LUMP SUM BENEFITS

Ruth Anne Atkins (Roger Williams)	\$1,211.77
John R. Williams (Roger Williams)	\$1,211.77
Joseph S. Williams (Roger Williams)	\$1,211.77
Sandy Tipton (Toney Dorazio)	\$2,046.36

APPROVAL OF THE REFUND BENEFITS

Tomika Winfrey	\$3,045.00	CPGen
Anne E. Alderson	\$35,965.99	RetGen

A motion was made by Doug Merrill and seconded by Mike Finnigan to approve the service retirements, survivor, lump sum benefits and refund benefit payments.

***THE MOTION WAS PASSED UNANIMOUSLY.**

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8:10 a.m. OLD BUSINESS

- Update - Actuarial Services (Susan Lawler) – *That was initially Ken's and Terry's, but they are not here. (Rowena) When Terry sent an email confirming he wouldn't be in attendance, I asked him if he had an update and he said he did not. (Dan) I saw the same question was asked at the last meeting from the minutes. Let's put that back on the agenda. Who was on the sub-committee Ken, Terry and Rich? You guys have any meetings scheduled?*

Rich – We don't I think with Ken's situation in limbo it kind of held things up. I'll touch base with Terry to see how we want to move forward with this.

Dan – Okay. Even if you come back to us next month and say hey we need another member of the committee to help us we can figure that out next month.

8:11 a.m. NEW BUSINESS

Kevin introduced Will Ford an analyst from NEPC that has been working on the account for a number of years behind the scenes.

Saul – When I went to the NEPC conference in May I spent some time with Will and was impressed by what he knew especially with our situation.

- Income Research & Management personnel changes (Kevin Leonard) – *There have been some announced personnel changes at IR&M. The personnel changes at IR&M are not significant changes to the firm and will have no impact on the management of the firm or the portfolio.*
- Investment Manager Interviews
 - Blackrock Strategic Income Group presentation by Mitchell King and Shayan Hussain.

A motion was made by Regis Yurcich and seconded by Mike Finnigan to take a 5 minute break.

***THE MOTION WAS PASSED UNANIMOUSLY.**

The meeting reconvened at 9:20 a.m.

9:20 a.m. NEW BUSINESS (Cont'd)

- Loomis – Strategic Alpha presentation by Todd Vandam and Orr Shepherd.
- GAM Unconstrained Bond presentation by Alex McKnight, Joseph Geiger and Kristin Hovencamp.
- *Kevin distributed copies of NEPC's 2016 Outlook Assumptions and Actions for Clients, January 2016, Preliminary Flash Report – December 31, 2015 for review and discussion with the Board.*

Saul – Does the Board have a concern with filling our vacant position for trustee since County Council has now tabled the resolution?

Dan – Saul I'm always concerned when we have (my own personal opinion again) vacant spots. I think they should be filled and that's why we have them.

Mike F. – I think we should express the concern that we should really have somebody to fill the vacant position. Really it's up to County Council after that.

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Dan – From my perspective at least they are trying.

Susan – On one other thing for next month, if anybody is interested in any educational opportunities coming up in the year, please send me a note. If you are aware of something, that I'm not aware of, I will try to send out some of the programs that might be available. So we can get that voted on early and people getting registered, if necessary.

11:06 a.m. ADJOURNMENT

A motion was made by Mike Finnigan and seconded by Doug Merrill to adjourn the meeting at 11:06 a.m.

***THE MOTION WAS PASSED UNANIMOUSLY.**