

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of December 18, 2019

The regular meeting of the Board of Trustees was held on December 18, 2019 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:18 a.m.

<p><u>TRUSTEES PRESENT:</u> Daniel McFadden, Chairperson Daryl Brown, Trustee David Gregor, CFO Douglas Merrill, FOP Lodge #5 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 Terry Stone, Trustee</p>	<p><u>TRUSTEES & STAFF ABSENT:</u> Jacqueline Jenkins, CHRO Paul Frese, Trustee Non-Union Members Susan Lawler, Pension/Benefits Coordinator</p> <p><u>OTHERS PRESENT:</u> Michael Smith, NCC/Finance Bob Wasserbach, County Auditor Nicole Racine, Pension Plan Participant Mark Wolanski, Land Use, Local 3109 Kenneth Dunn, NCC/Executive Office</p>
<p><u>STAFF PRESENT:</u> Frank Benevento, Pension Program Analyst Grace Dehel, Pension Program Analyst Sanjay Bhatnagar, Asst. County Attorney I Rowena P. Liles, Program Analyst</p>	<p><u>INVITED GUESTS:</u> Kevin Leonard, NEPC Will Forde, NEPC (teleconference)</p>

APPROVAL OF THE MINUTES (8:18 a.m.)

The minutes from the November 20, 2019 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Saul Polish to approve the minutes from the November 20, 2019 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES (8:18 a.m.)

JP Morgan	\$42,543.56	3 rd Quarter 2019
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A motion was made by Rich Piekarski and seconded by Daryl Brown to approve the payment of invoices.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

COORDINATOR'S REPORT by Frank Benevento (8:19 a.m.)

- ❖ Gross Payroll and Employer Contributions for the month of October 2019.
- ❖ Pension Trust Asset Summary – October 2019
- ❖ Pension Payments – November 2019
 - Payees for November 1,501
 - Active Participants 1,070
 - DelPen 379
 - DelPen (ret) 60
 - Benefits total \$3,623,266.42

CAPITAL CALLS (8:18 a.m.)

- Blue Bay Direct Lending Fd III \$298,852.84 12/12/2019
- Brookfield Capital Partners \$718,644.34 12/18/2019
- Northstar Mezzanine Partners \$116,532.00 12/18/2019

DISTRIBUTION OF CAPITAL (8:20 a.m.)

- Vista Equity Partners \$9,597.00 11/22/2019
- Crescent Direct Lending \$76,032.00 11/07/2019
- Brookfield Capital Partners Fd IV \$52,560.58 12/02/2019

APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:20 a.m.)**Service Retirements**

(06028)	\$4,564.24	01/02/2020	RetGen
(05685)	\$3,395.96	01/01/2020	RetGen
(06473)	\$1,897.06	01/01/2020	RetGen
(06274)	\$4,481.62	01/02/2020	RetGen

DelPen Retirements

(07966)	n/a	12/02/2019	DelPen
(07747)	n/a	12/02/2019	DelPen
(07987)	n/a	12/16/2019	DelPen

APPROVAL OF THE BENEFIT CONVERSION (8:20 a.m.)**Benefit Conversion**

Pursuant to the provision of the New Castle County Employees' Retirement System, "New Castle County Code, 26.04.108(A)(5) benefits for the retiree named below will be converted from a disability pension to a service pension upon 20-year anniversary of the member's date of hire by the County or at age 55, whichever comes first.

EMP ID	Original Monthly Benefit	New Monthly Benefit	Effective	Plan
(01695)	1,928.90	3,929.60	12/04/2019	RetGen

APPROVAL OF THE SURVIVOR BENEFITS (8:20 a.m.)

(14648)	\$3,275.07	10/27/2019	RetGen
(14649)	\$928.51	11/15/2019	RetGen

APPROVAL OF THE LUMP SUM BENEFITS (8:20 a.m.)

(14650)	\$2,034.11	12/01/2019	RetGen
(14651)	\$2,309.79	12/01/2019	RetPol
(14652)	\$2,323.07	12/01/2019	RetGen

APPROVAL OF THE REFUND BENEFITS (8:20 a.m.)

(13492)	\$4,068.33	12/01/2019	CPGen
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A motion was made by Saul Polish and seconded by Daryl Brown to approve the service retirements, benefit conversion, survivor, lump sum and refund benefits.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS (8:21 a.m.)

➤ Frank Benevento - Updates

- o Pension Administration Software - *We began the discovery process during the first week of December. During discovery, our plan is to have the Business Analyst meet with Pension Staff Members 1 – 2 times per week. Our goal is to have a business requirement document completed by March and an RFP out for bid by April or May. Any questions? **(No action necessary)***
- o MetLife Investments - *I spoke with our MetLife account representatives last month to discuss our concerns about a few investment vehicles that were underperforming and what steps would be necessary to remove or replace these investments. Due to the amount of information and steps necessary to terminate and replace vehicles in our lineup, I would like to recommend we invite MetLife back in January or February to discuss in detail. With the Boards permission, I would like to also invite the County Attorney, who is a member of the Deferred Compensation Committee, to sit in on the discussion in an effort not to duplicate MetLife's services. Any questions?*
- o Stone Harbor - *I just wanted to update the Pension Board that the transition from the Stone Harbor commingled fund to the Stone Harbor collective fund was executed on November 7, 2019. Everything has been processed and is moving forward. Kevin has an update on his lineup as well. Any questions? **(No action necessary)***
- o Contract Fulfillment - *We received a total of six (6) outside counsel recommendation for investment manager contract fulfillment services. In the coming weeks, we will be requesting company background and price proposals from each agency. Once we receive the requested data, we will meet with Legal to narrow down our search and present our findings to the Pension Board. This is still an ongoing process. Any questions? **(No action necessary)***

Saul – *Will this be handled through the office or will we as a board be interviewing candidates?*

Frank – *The board will be privy to any decisions on which counsel to recommend. I'll try to recommend two vendors to contact and work on our projects as necessary.*

- o Actuarial Audit - *Our Actuarial Auditor (GRS) has received the necessary data from our current Actuary (Boomershine) and New Castle County. GRS is currently in the process of reviewing the data and replicating our valuation. The projected final report and presentation is currently in February 2020. A little bit of timing here which takes a little bit longer is a Level 1 full-scope audit. They are doing two audits 1) Audit of data submitted by New Castle County and 2) The data submitted by Boomershine presented to them as well to make sure there is no discrepancy between the two. I'll keep everyone posted on when the report is complete. Any questions? **(No action necessary)***

Regis – *Is Boomershine invited to the GRS presentation?*

Frank – *Yes. They do consult Boomershine with any questions during the audit proceedings. They will be present to answer any questions or defend any data that they presented in their prior valuations.*

OLD BUSINESS (Cont'd)

- (Frank Benevento) - *Request Board approval for the 2020 Pension Trustee/Staff Educational Requests - The Pension Board was distributed a list of projected Educational/Professional Development requests provided by Trustees and Staff. The list included 2020 projected costs and a history of expenses from 2012 – 2019. Any questions? (A motion is necessary to approve the list of projected Educational/Professional Development requests)*

A discussion was held on the Education/Professional Development Requests.

The board would like to revisit the issue of education after it is broken down by priority and value added before a blanket approval is given.

NEW BUSINESS (8:35 a.m.)

- Kevin Leonard, NEPC - *Review the Preliminary Investment Performance “Flash” report for the period ending November 30, 2019 and Weekly Market Update sheet.*
 - o *Eaton Vance and TA Realty XII will be invited to present in January 2019*
 - o *2020 Pacing Plan*
 - o *Consider Value-added manager*
- Will Forde, NEPC - *Private Debt manager considerations*
- Kevin Leonard, NEPC - *Value-add Real Estate manager consideration*
- Frank Benevento - *Legislation to Amend Chapter 26, Article 4 - Substitute No. 1 to Ordinance No. 19-116 for review and discussion.*

A discussion was held on Legislation Substitute No. 1 to Ordinance No. 19-116.

A motion was made by Terry Stone and seconded by Doug Merrill to allow County Council to move forward with whomever they choose to complete the actuarial study and see the fiscal impact of the ordinance before making a determination regarding Ordinance No. 19-116.

***THE MOTION WAS WITHDRAWN.**

The amended motion was made by Terry Stone and seconded by Doug Merrill to authorize the Board Attorney to respond to County Council stating the board see an actuarial study, to pre-approve the employers use of Boomershine Consulting, if they so choose, and given the timeframe of getting the study done to request an extension of the 90 day review on Ordinance No. 19-116 prior to a formal recommendation.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

Frank – Congratulations to Kevin Leonard of NEPC for making the CIO Magazines 2019 Knowledge Broker and to inform the board that Susan Lawler is retiring as of January 2, 2020 after 28 years of service.

ADJOURNMENT (10:29 a.m.)

A motion was made by Terry Stone and seconded by Mike Finnigan to adjourn the meeting at 10:29 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**