

**NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM
MINUTES of May 20, 2020**

The regular meeting of the Board of Trustees was held on May 20, 2020 by teleconference at
87 Reads Way, New Castle, DE 19720.

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

<p>TRUSTEES PRESENT: Daniel McFadden, Chairperson Daryl Brown, Trustee Douglas Merrill, FOP Lodge #5 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</p>	<p>TRUSTEES ABSENT: Jacqueline Jenkins, CHRO Michael Smith, CFO Terry Stone, Trustee</p> <p>OTHERS PRESENT: Lindsey Saienni, Financial Investment News</p>
<p>STAFF PRESENT: Frank Benevento, Pension Benefits Administrator Grace Dehel, Pension Program Analyst Sanjay Bhatnagar, Asst. County Attorney I Rowena P. Liles, Program Analyst</p>	<p>INVITED GUESTS: Kevin Leonard, NEPC Will Forde, NEPC Ben Schryber, Kennedy Lewis Inv Mgt.</p>

APPROVAL OF THE MINUTES

The minutes from the April 15, 2020 meeting are attached for approval.

A motion was made by Saul Polish and seconded by Daryl Brown to approve the minutes from the April 15, 2020 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES

Boomershine Consultants	\$19,035.00	Valuation/Benefits Statements (progress billing)
Coho Partners	\$22,958.14	1 st Quarter 2020
Eaton Vance	\$16,854.48	1 st Quarter 2020
IR&M	\$12,221.59	1 st Quarter 2020 (CBF II)
IR&M	\$4,419.04	1 st Quarter 2020 (TIPS Fund)
JP Morgan,	\$44,203.18	1 st Quarter 2020
Loomis Sayles	\$64,173.32	1 st Quarter 2020
Mellon	\$78,247.05	1 st Quarter 2020
MFS	\$114,769.17	1 st Quarter 2020
Real Estate Mgt.	\$7,215.15	1 st Quarter 2020
Systematic Financial Mgt.	\$23,323.64	1 st Quarter 2020

APPROVAL OF THE INVOICES (Cont'd)

A motion was made by Saul Polish and seconded by Daryl Brown to approve the payment of invoices.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

COORDINATOR'S REPORT by Frank Benevento

- ❖ Gross Payroll and Employer Contributions for the month of March 2020.
- ❖ Pension Trust Asset Summary – March 2020
- ❖ Pension Payments - April 2020
 - Payees for April 2020 1,505
 - Active Participants 1,074
 - DelPen 378
 - DelPen (ret) 66
 - Benefits total \$3,825,131.68

CAPITAL CALLS

- Crescent Direct Lending \$64,763.00 05/15/2020

DISTRIBUTION OF CAPITAL

- Backcast Partners \$45,277.00 04/15/2020

APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

(05676)	\$2,940.19	04/15/2020	PenPln
(08891)	\$1,614.16	04/04/2020	RetGen
(05353)	\$4,871.70	06/13/2020	RetGen
(06368)	\$1,103.86	05/30/2020	PenPln
(07953)	\$3,491.46	05/02/2020	RetGen

DelPen Retirements

(08350)	n/a	05/16/2020	DelPen
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Disability Retirement

(07776)	\$1,249.88	04/04/2019	RetGen
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APPROVAL OF THE SURVIVOR BENEFITS

(14720)	\$871.35	04/06/2020	RetGen
(14722)	\$500.35	04/11/2020	PenPln

APPROVAL OF THE LUMP SUM BENEFITS

(14721)	\$3,685.67	05/01/2020	RetGen
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APPROVAL OF THE REFUND BENEFITS

(13622)	\$1,820.87	05/01/2020	CPGen
(13833)	\$3,568.13	05/01/2020	CPGen
(12024)	\$8,191.10	05/01/2020	CPGen

APPROVAL OF THE APPLICATIONS FOR BENEFITS (Cont'd)

A motion was made by Daryl Brown and seconded by Mike Finnigan to approve the service retirements, disability retirement, survivor, lump sum and refund benefits.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS

➤ Updates – (Sanjay Bhatnagar)

- *By-laws – The proposed amendment was sent two weeks ago. I would like to propose that the amendment take place when we are back to normal in person, but the modification is a new Section 10 and clarification in Section 7. This will essentially give the chairman the option to conduct meetings by videoconference. The law is clear, and it is videoconference not teleconference like we are doing now. Right now, we are under the cover of the Governor's Emergency Declaration. This will be when things go back to normal and give us flexibility for meetings to be conducted by videoconferencing and that would be at the discretion of the chairman. We can discuss the boards thoughts on this amendment and revised it and bring it for a proper vote when we are face to face.*

Questions were posed to the Board Attorney on videoconferencing.

➤ Updates – (Frank Benevento)

- *Pension Software Procurement – In light of COVID-19, we continue to proceed and make progress with our pension software project. We meet once per week (via videoconference) with our contracted Business Analyst. We still have some discovery work to complete but have made great progress on clarifying our business requirements. From a project perspective we are approximately 40% complete. Some headwinds we anticipate are with IS. IS is currently migrating to a new Finance software program (effective July 1st) and resources necessary for our project will be secondary. In order for us to complete our project we have to work with IS to identify their requirements and incorporate them in our RFP. I will provide the Pension Board with a progress update at our July 15th Pension Board Meeting. Any questions? **(No action necessary)***
- *Post Retirement Adjustments Study for Police Officers – During our last Pension Board meeting an actuarial audit report of our annual valuation was presented by GRS. In the report, GRS concluded that there was one potential Level 1 finding and one potential material finding in Phase II. This was related to the Police COLA and how it is valued (and who is responsible for what portion of the cost of the COLA) and the documented assumptions describing how it is valued (and why). GRS recommended further research be performed to determine what changes are needed related to this finding.*

I have begun researching the project and determined I first have to answer two questions.

1. Who is responsible for the calculation?
2. How is it calculated (formula)?

I figured it would be best to start at the source (DE Office of Pensions). I contacted the current Pension Administrator and was unable to get an immediate answer to my questions (understandably).

OLD BUSINESS Cont'd

➤ Updates – (Frank Benevento)

The prior Administrator held the position for 23 years and this is the new Pension Administrator's first year processing the COLA. Once the Pension Administrator processes this year's COLA for NCC, they will provide me with an update on my inquiry. Once I have this information, I will provide my findings to the Pension Board to determine the best path forward. Any questions? **(No action necessary)**

▪ Investment Policy Statement - NCC's Board of Trustees bylaws and standing rules require that the Pension Board conduct a formal Asset Liability Study and revise or confirm it as appropriate no less frequently than at three (3) year intervals. The last Investment Policy Statement was completed and approved in 2017. I will be working closely with NEPC in the coming months to complete this requirement and present to the Board for approval. Any questions? **(No action necessary)**

NEW BUSINESS

➤ Kennedy Lewis Investment Management presentation by Ben Schryber.

A motion was made by Daryl Brown and seconded by Saul Polish to accept NEPC's recommendation to commit \$3 million dollars to Kennedy Lewis Investment Management.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

➤ Will Forde (NEPC) - *Review the Preliminary Investment Performance "Flash" report for the period ending April 30, 2020. A quick review of the asset allocations on pages 19 & 20 of the June meeting material. The Board had adopted Mix A so we would like to revisit that mix and take 6% from Loomis Sayles and increase Core Bonds.*

A motion was made by Daryl Brown and seconded by Rich Piekarski to increase our exposure in Core Bonds on a range of 4%.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A motion was made by Daryl Brown and seconded by Paul Frese to go out of the regular session and take 5 minutes before returning in Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

EXECUTIVE SESSION

Called to Order at 10:24 a.m. Rollcall Taken.

➤ The minutes from the April 15th Executive Session are attached.

A motion was made by Saul Polish and seconded by Doug Merrill to approve the minutes of the April 15, 2020 Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A motion was made by Saul Polish and seconded by Daryl Brown to move out of Executive Session to regular session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

The meeting reconvened at 10:27 a.m. Rollcall Taken.

OTHER ITEMS

Saul – *As a follow-up to last month's meeting, I had made note that Grace Dehel had been nominated for the Jefferson Award. Grace did receive the 2020 Jefferson Award and was also selected as the national award winner by the committee. So, congratulations to Grace.*

Regis – *What is the status on MetLife's process?*

Frank – *I will have more of an update at next month's meeting and we will vote on the contract extension for another year. The Deferred Compensation Committee was scheduled to meet prior to COVID-19, but two days before the meeting had to be cancelled because of COVID restrictions. We hope to have an update from the committee by next month's meeting and MetLife will come in August to give us their fiscal year-end report.*

ADJOURNMENT

A motion was made by Paul Frese and seconded by Saul Polish to adjourn the meeting at 10:32 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**