

**NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM
MINUTES of July 15, 2020**

The regular meeting of the Board of Trustees was held on July 15, 2020 by teleconference at
87 Reads Way, New Castle, DE 19720.

Rollcall Taken. The meeting was called to order at 8:16 a.m.

<p><u>TRUSTEES PRESENT:</u> Daniel McFadden, Chairperson Daryl Brown, Trustee Douglas Merrill, FOP Lodge #5 Jacqueline Jenkins, CHRO Michael Finnigan, Trustee, Retirees Michael Smith, CFO 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</p>	<p><u>TRUSTEES ABSENT:</u> None</p> <p><u>OTHERS PRESENT:</u> Bob Wasserbach, County Auditor</p>
<p><u>STAFF PRESENT:</u> Frank Benevento, Pension Benefits Administrator Grace Dehel, Pension Program Analyst Judy Mitchell, First Asst. County Attorney Rowena P. Liles, Program Analyst</p>	<p><u>INVITED GUESTS:</u> Kevin Leonard, NEPC</p>

APPROVAL OF THE MINUTES

The minutes from the June 17, 2020 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Saul Polish to approve the minutes from the June 17, 2020 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES

None

COORDINATOR'S REPORT by Frank Benevento

- ❖ Gross Payroll and Employer Contributions for the month of May 2020.
- ❖ Pension Trust Asset Summary – May 2020
- ❖ Pension Payments - June 2020
 - Payees for June 1,515
 - Active Participants 1,076
 - DelPen 374
 - DelPen (ret) 68
 - Benefits total \$3,739,096.21

COORDINATOR'S REPORT (Cont'd)

A motion was made by Terry Stone and seconded by Daryl Brown to approve Coordinator's Report as presented by Frank Benevento.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

CAPITAL CALLS

➤ Vista Equity Partners	\$473,089.00	07/08/2020
➤ Vista Equity Partners	\$29,315.00	07/13/2020
➤ Kennedy Lewis Inv Mgt	\$149,963.00	06/30/2020

DISTRIBUTION OF CAPITAL

➤ Vista Equity Partners	\$6,263.00	06/18/2020
➤ Lexington Partners	\$14,756.00	06/29/2020

APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

(05015)	\$300.00	06/13/2020	AltPln
---------	----------	------------	--------

A motion was made by Saul Polish and seconded by Terry Stone to approve the service retirement benefit.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS

- Update – (Frank Benevento) - Pension Software – *Back in May I said I would provide the Board with an update on our pension procurement for software. In light of Covid-19, we continue proceeding to make progress with the project. We continue to meet once a week via video conference 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 40% complete and our business requirement document is 70% complete. In the past two weeks, we've conducted two software product demonstrations with pension administration software providers PTG (Pension Technology Group) and LRS. Our next step include meetings with IS when convenient for each group. I previously distributed the draft business charter document for your review and comments. I wanted to get that out to you so you can see the output of our efforts. In order to procure software for our organization and our needs, there is a lot of discovery work that is necessary, in the business development of an RFP. This particular charter document in draft form is 70% complete outside of our IS requirements. **No action is necessary.***

Dan – *It's a pretty lengthy document so I would suggest we include this item under Old Business next month for review and discussion. We can still have a conversation on it today. When will the project be ready for implementation?*

Frank – *That's a great question. It may be working in my favor because NCC's Finance Dept. just converted to Munis on July 1st. I believe NCC has begun the process of procuring the same software for HRIS and Payroll system with that taking about a year and a half. We wouldn't want to go in front of either of these groups because it feeds into the pension administration software along with the payroll. I'm looking at a year and a half still. We just have to tie up some loose ends on our research and now we will be spending a great deal of time with IS in getting the technology needs and all the IS things I'm not familiar with.*

OLD BUSINESS (Cont'd)

They will be able to assist us with the RFP and will we spend a great amount of time on our data integrity. What's in our system (i.e. name, years of service, salary, beneficiaries) is that the same information in my hard file. So, we will be doing a lot auditing and making sure when we have this conversion, we are a hundred percent comfortable and positive that that information being uploaded into the system is accurate and complete. **No action is necessary.**

Dr. Jenkins – Frank has done a great job providing us with that information, but just to be clear, there are so many technical changes happening with our Finance Dept and HRIS that pension is third in line, so we are talking 18 to 24 months out.

NEW BUSINESS

- (Kevin Leonard) - Discussion of Brookfield Capital distribution of aggregate shares of GrafTech International – Kevin read the document from Brookfield for discussion and review by the Board. NEPC's recommendation is to go with Option #2 to have an account set-up through JP Morgan and instruct JP Morgan to sell the shares as soon as possible.

A discussion was held.

A motion was made by Terry Stone and seconded by Daryl Brown to accept to accept NEPC's recommendation for Option #2 for opening the JP Morgan account and moving forward. Frank will have a conversation with Kevin Leonard's assistance with JP Morgan to talk about selling them, if we go that way, and in the interim, we will have a conversation with Peregrine Capital Mgt. to see if they are interested in holding the shares. *THE MOTION WAS ADOPTED UNANIMOUSLY.

- (Kevin Leonard) - Review the Preliminary Investment Performance "Flash" report for the period ending June 30, 2020 – The final numbers will be prepared for the August 19th meeting.

Dan – Will we use Sands Capital funds to pay benefits or use for other purposes?

Kevin – Yes. We will take the funds from equity to get us back on target.

- Future discussion on Eaton Vance's performance
- Take funds from Loomis Sayles along with the equity portfolio, if needed
- Discussion on global asset allocation in the portfolio

Dan – Is there an update on the Deferred Compensation Committee?

Frank – Yes. The committee held their first meeting on July 9, 2020. Not to get into the details of the particular meeting. Next month we will have a presentation by MetLife on their annual report of earnings and performance through the second quarter of 2020 for our 457(B) and 401(a). I think it will be interesting to see one year later the performance of the three investments we did have concern with and any other investments that we do have through the first two quarters this year.

Dan – Since our last meeting Sanjay worked on the CY2019 Annual Report Memo and attachments sent to County Council. On behalf of the board, thank you and him for the work on that.

NEW BUSINESS (Cont'd)

Judy – Thank you. I want to inform the Board that Sanjay is no longer with the County and I will be replacing him as attorney to the board, on a temporary basis, until a replacement is found.

Dan – Welcome back Judy.

ADJOURNMENT

A motion was made by Daryl Brown and seconded by Terry Stone to adjourn the meeting at 9:18 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**