

# NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM

## MINUTES of January 19, 2022

The regular meeting of the Board of Trustees was held on January 19, 2022 via Zoom video conference in the Government Center, 87 Reads Way, New Castle, DE 19720.

**Rollcall Taken. The meeting was called to order at 8:21 a.m.**

<p><b><u>TRUSTEES PRESENT:</u></b>          Daniel McFadden, Chairperson          Daryl Brown, Trustee          Jacqueline Jenkins, CHRO          Jon Hall, Trustee, Local #459          Michael Finnigan, Trustee, Retirees          Michael Smith, CFO          Paul Frese, Trustee Non-Union Members          Regis Yurcich, Trustee, Local #1607          Rich Piekarski, Jr., Trustee, Local #3109          Saul Polish, Trustee, Local #3911          Terry Stone, Trustee</p>	<p><b><u>TRUSTEES ABSENT:</u></b>          Douglas Merrill, FOP Lodge #5</p> <p><b><u>OTHERS PRESENT:</u></b>          Theresa Baldwin, NCC/Finance          Glyn Birthwistle, Journalist with.Intelligence          Lindsay Saienni, Financial Investment News          Yvonne Howard, NCC/Human Resources</p>
<p><b><u>STAFF PRESENT:</u></b>          Frank Benevento, Pension Benefits Administrator          Grace Dehel, Pension Program Analyst          Daniel Mann, Pension Program Analyst          Mengting Chen, Assistant County Attorney I          Rowena P. Liles, Program Analyst</p>	<p><b><u>INVITED GUESTS:</u></b>          Will Forde, NEPC</p>

**APPROVAL OF THE MINUTES**

The minutes from the December 15, 2021 meeting are attached for approval.

**A motion was made by Terry Stone and seconded by Mike Finnigan to approve the minutes from the December 15, 2021 meeting.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**APPROVAL OF THE INVOICES**

CoHo	\$37,266.06	4 <sup>th</sup> Quarter 2021
NEPC	\$5,000.00	4 <sup>th</sup> Quarter 2021
Newton Investment Mgt.	\$71,531.44	4 <sup>th</sup> Quarter 2021
Peregrine Capital Mgt.	\$41,361.09	4 <sup>th</sup> Quarter 2021
Real Estate Mgt.	\$15,560.89	4 <sup>th</sup> Quarter 2021
Systematic Financial Mgt.	\$47,297.93	4 <sup>th</sup> Quarter 2021

**A motion was made by Daryl Brown and seconded by Terry Stone 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 November 2021.
- ❖ Pension Trust Asset Summary – November 2021
- ❖ Pension Payments - December 2021
  - Payees for December 1,535
  - Active Participants 947
    - DelPen 381
    - DelPen (ret) 83
  - Benefits total \$3,869,828.89

**CAPITAL CALLS**

- Mesirow Financial Inv Mgt. \$3,639,299.00 01/20/2022

**DISTRIBUTION OF CAPITAL**

- Northstar Mezzanine \$1,064,723.00 12/23/2021
- HarbourVest Partners IX Venture Fund L.P. \$866,677.00 12/30/2021
- Crescent Direct Lending \$69,945.00 12/29/2021
- Lexington Partners \$53,558.00 12/23/2021
- Sixth Street Partners \$95,917.00 12/22/2021
- Crayhill Principal Strategies Fd II LP \$14,612.00 12/29/2021
- Backcast Partners Mgt. LLC \$126,763.00 01/10/2022

**APPROVAL OF THE APPLICATIONS FOR BENEFITS**

**Service Retirements**

(06236)	\$4,529.67	01/09/2022	PenPln
(06236) xxxxxxxxxxxxxxxxxxxxxxxx	\$3,895.80	xxxxxxxxx	xxxxxxx
(07959)	\$537.58	01/11/2022	RetGen (vested)
(06186)	\$1,609.50	12/31/2021	PenPln

**DelPen Retirements**

(08980)	n/a	01/10/2022	DelPen
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**Survivor Benefits**

(15441)	\$1,387.55	11/25/2021	RetGen
(15442)	\$1,151.80	11/23/2021	RetGen
(15444)	\$1,011.55	12/19/2021	RetGen

**Lump Sum Benefit**

(15445)	\$6,789.97	01/01/2022	RetGen
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**APPROVAL OF THE APPLICATIONS FOR BENEFITS (Cont’d)**

**Refund Benefits**

(08453)	\$2,629.67	01/01/2022	CPGen
(14332)	\$2,712.37	01/01/2022	CPEMS
(14574)	\$2,332.45	01/01/2022	CPGen
(12644)	\$7,181.41	01/01/2022	CPGen

## **COORDINATOR'S REPORT (Cont'd)**

Regis – Question on the Coordinators Report under Active Participants the number went down by over 70 from last month is that correct?

Frank – During our Year End procedures within the departments of Finance and Payroll there was a routine run and a group of active participants approximately 75 members their pension deductions were not withheld. This report did not pick up those individuals. We resolved the reporting issue and moving forward. We resolved the issue with the group of individuals whose pension deductions were not deducted. The actual Active Participant number shown here would include the additional 75 sorry 77 participants. The total would now be 1,024 for December 2021, which will be corrected now from 947 to 1, 024.

### **A motion was made by Daryl Brown and seconded by Terry Stone to approve the corrected Coordinators Report.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

### **A motion was made by Terry Stone and seconded by Daryl Brown to approve the service retirements, survivor, lump sum, and refund benefits.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

## **OLD BUSINESS**

### **➤ Updates – (Frank Benevento)**

- Mesirow Financial contract - During our November 17, 2021 meeting, the Pension Board agreed to contract with private equity investment manager Mesirow Financial for \$7M upon successful contractual negotiations. We have successfully executed the contract and have met the December 17, 2021 close including our first initial capital call. Any questions? **(No action necessary)**
- Contract Fulfillment – Investment Managers - During our December 18, 2019 Pension Board meeting, we provided an update on our progress of utilizing outside counsel for investment manager contract fulfillment services including (Alternative Investments) contracts. At that time, we received a total of six (6) outside counsel recommendations. Due to a myriad of competing projects, this item had to be tabled and we are now revisiting for completion. Following our meeting on November 17, 2021, we have updated our contact information for outside counsel recommendations and in the coming weeks, we will begin requesting company background and price proposals from each agency for review. Once we review the requested data, we will work with our Pension Board attorney and County Attorney for recommendation. We will present our findings and recommendation to the Pension Board when complete. Any questions? **(No action necessary)**
- Member Handbooks - During our November 17, 2021 Pension Board meeting, the Pension Board agreed to seek proposals for review/updating of member handbooks for plans administered by the New Castle County Employees' Pension Program. We are currently in the process of assembling the necessary data/documents to seek proposal. We will provide an update on our February 16, 2022 Pension Board meeting. Any questions? **(No action necessary)**
- Pension Hardware/Software – During our November 17, 2021 Pension Board meeting, we informed the Pension Board of the necessity for updating the Pension Boards hardware, software, and accessories. We continue to work with our Procurement Department on pricing and technical aspects. Before we proceed further, I just wanted to get a feel from the Pension Board of their experience with the existing Surface Pro's and recommendation on Surface Pro's as a replacement. Just to get a feel from everyone who received a Surface Pro on the Pension Board did anyone have any negative experiences with the Surface Pros that they could highlight?

## **OLD BUSINESS (Cont'd)**

*Is there a consensus that the Pension Board was satisfied with the Surface Pro product that you've utilized over the last five years and would be content with the idea of replacing our Surface Pros with Surface Pros. Once we can narrow down the hardware, we can provide a proposed budget by our next regularly scheduled meeting on February 16, 2022. Any questions? (No action necessary)*

### **A discussion was held on the Pension Hardware/Software.**

- 2022 Education and Professional Development opportunities - This Old Business item was included in error. **(No action necessary)**
- Commission Recapture Program - During our June 17, 2020 Pension Board meeting we had a discussion regarding the Commission Recapture Program provided by our custodial bank Northern Trust. We have been informed by Northern Trust that they will no longer be participating in the Commission Recapture Program business. Their exit from the business was due to the changing landscape, reduced commissions, and lack of manager/broker participation. Northern Trust was one of the last holdouts in the industry. It would be my recommendation to no longer pursue the Commission Recapture Program due to the factors noted by Northern Trust and low number of separately managed accounts held by the NCC Pension Fund. Any questions? (A motion would be necessary to no longer participate in the Commission Recapture Program)

### **A discussion was held on the Commission Recapture program with Northern Trust.**

**A motion was made by Daryl Brown and seconded by Saul Polish to no longer participate in the Commission Recapture Program which has been terminated through our custodial bank Northern Trust.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**

## **NEW BUSINESS**

- Will Forde, NEPC - Review the Preliminary Investment Performance “Flash” report for the period ending December 31, 2021 – A review and discussion was held on the performance report for December 31, 2021.
- Will Forde, NEPC - Overview of 2022 Market Outlook/Assumptions.
  - Discussion on Asset Allocation, Hedge Funds and Sands Capital at next month's meeting.

## **COMMENTS**

None

## **ADJOURNMENT**

**A motion was made by Daryl Brown and seconded by Michael Smith to adjourn the meeting at 9:08 a.m.**

**\*THE MOTION WAS ADOPTED UNANIMOUSLY.**