

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of February 19, 2014

The regular meeting of the Board of Trustees was held on February 19, 2014 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

<p align="center"><u>BOARD MEMBERS PRESENT:</u></p> <p>Christine Dunning, Acting CHRO Michael Coupe, CFO 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 Terry Stone, Trustee VACANT, Trustee</p>	<p align="center"><u>BOARD MEMBERS ABSENT:</u></p> <p>Daniel McFadden, Chairperson Douglas Merrill, FOP Lodge #5 Saul Polish, Trustee, Local #3911 Marlaine White, Asst. County Attorney II</p>
<p align="center"><u>OTHERS PRESENT:</u></p> <p>Richard Krett, President, Local 3109 Ken Dunn, President, Local 3911 Christine Piekarski, NCC/Finance Bob Wasserbach, County Auditor Steven Cunliffe, NCC/Treasury</p>	<p align="center"><u>STAFF PRESENT:</u></p> <p>Tammi Martin, Pension and Benefits Administrator Judi Mtichell, First Asst. County Attorney Rowena P. Liles, Pension Board Secretary</p>
<p align="center"><u>INVITED GUESTS:</u></p> <p align="center">Kevin Leonard, NEPC (teleconference)</p>	

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

8:16 a.m. MINUTES

The minutes from the January 15, 2014 meeting are attached for approval.

Terry Stone made a motion to approve the minutes from the January 15, 2014 meeting.

*The motion was seconded by Michael Finnigan and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

8:17 a.m. INVOICES APPROVED

Alliance Bernstein & Co.	\$25,755.71	4 th Quarter 2013
Cornerstone Capital Mgt.	\$16,769.77	4 th Quarter 2013
Cupps Capital Mgt.	\$31,222.28	4 th Quarter 2013
Income Research & Mgt.	\$60,000.66	4 th Quarter 2013
Mellon Capital	\$86,154.14	4 th Quarter 2013
MFS Institutional Advisors	\$2,558.06	4 th Quarter 2013
NEPC	\$1,952.51	4 th Quarter Expenses
Real Estate Mgt.	\$22,655.48	4 th Quarter 2013
State Street Corp.	\$13,277.57	December, 2013

Terry Stone made a motion to approve the invoice payments.

*The motion was seconded by Michael Finnigan and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

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8:17 a.m. COORDINATOR'S REPORT by Tammi Martin

- ❖ Update – Investment Managers – *The Eaton Vance contract has been signed and sent out to the vendor for execution. Once that has been done, we will terminate GMO and transition those assets over to Eaton Vance. The Crescent contract Marlaine has been in contact with their attorneys. Hopefully we will have a better update next month with regards to that. The Northstar contract has been negotiated and Kevin will speak to the UBTI feeder fund issue. The last contract we have is from Sands which we hired in December, once the other contracts have been executed, Marlaine will start to review that one.*
- ❖ Pension Trust Asset Summary – *The books have not been closed for January. Once they are closed, the report will be sent out electronically.*
- ❖ Lexington Partners Distribution – *We received a distribution in the amount of \$61,485.00 on January 31, 2014.*

8:18 a.m. APPLICATIONS FOR BENEFITS APPROVED

Service Retirements

Reanee Lambert	\$405.77	March 4, 2014
Ruth A. Markle	\$2,098.90	February 4, 2014
Jane A. Paolo	\$3,838.90	January 27, 2014
Ann Lewis	\$626.19	February 1, 2014
Michael J. Bennett	\$5,062.63	March 15, 2014

Terry Stone made a motion to approve the service benefits.

*The motion was seconded by Michael Finnigan and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

8:19 a.m. Survivor Benefits

Earle Dodson	\$366.70	January 2, 2014
Barbara L. Comer	\$497.18	December 29, 2013
Jeannett C. Ogden	\$507.03	January 7, 2014

Rich Piekarski made a motion to approve the survivor benefits.

*The motion was seconded by Paul Frese and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

8:19 a.m. Refund Benefits

Shirley Dericco	\$330.00	SCGPen
James Black	\$280.00	SCGPen

Rich Piekarski made a motion to approve the refund benefits.

*The motion was seconded by Regis Yurcich and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

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8:19 a.m. OLD BUSINESS

None

8:23 a.m. NEW BUSINESS

➤ Requesting the Board's approval for Susan Lawler, Pension Program Analyst to attend the 2014 NCPERS Annual Conference & Exhibition in Chicago, IL from April 26, 2014 – May 1, 2014.

➤ **Regis Yurcich made a motion to approve Susan Lawler's attendance at the 2014 NCPERS Annual Conference & Exhibition in Chicago, IL from April 26, 2014 – May 1, 2014.**

*The motion was seconded by Paul Frese and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

Mike Coupe welcomed the Acting, CHRO Christine Dunning to the Board.

Christine had a question on how often the contracts are reviewed.

Tammi replied that the contracts aren't reviewed on a set schedule, but the fund investments are reviewed every month and based on performance our consultant may recommend a manager come in to present for the Board.

Kevin held a detailed discussion on the Northstar UBTI feeder funds with the Board. He will have further discussion with Marlaine and Northstar's legal counsel after Marlaine returns from her conference and will have information for the Board at the next meeting.

Regis asked if the UBTI apply to HarbourVest & TPG?

Kevin will reach out to the managers and come back to the Board with his findings.

Judi Mitchell informed the Board that Marlaine has done research and is comfortable with the Board moving forward with the vote for Northstar.

Michael Finnigan made a motion to move forward with the investment pending any negative information received from the NAPPA conference Marlaine is attending and to invest in the onshore fund, based on Marlaine's opinion.

* The motion was seconded by Terry Stone and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)

Michael Finnigan withdrew the motion above.

Kevin informed the Board that two investment managers underperformed Montag & Caldwell and Stone Harbor. He is not recommending termination of Stone Harbor, but would like the manager to come in at the March meeting to discuss performance.

The Board voted to rebalance the portfolio to give more money to Loomis Sayles from Income Research & Management in the coming weeks.

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NEW BUSINESS (Cont'd)

- Review the Preliminary Investment Performance "Flash" report for the period ending January 31, 2014 by teleconference with Kevin Leonard, NEPC.

Michael Finnigan made a motion to adjourn the meeting at 9:10 a.m.

* The motion was seconded by Regis Yurcich and approved.

For: (8) Barczak, Coupe, Dunning, Finnigan, Frese, Piekarski, Stone and Yurcich

Against: (0)