

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of April 20, 2016

The regular meeting of the Board of Trustees was held on April 20, 2016 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:06 a.m.

BOARD MEMBERS PRESENT:

Christine Dunning, CHRO
Daniel McFadden, Chairperson
Daryl Brown, Trustee
Douglas Merrill, FOP Lodge #5
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
Saul Polish, Trustee, Local #3911
Terry Stone, Trustee

OTHERS PRESENT:

Ed Milowicki, NCC/Executive Office
Bob Wasserbach, NCC Auditor
Christine Piekarski, NCC/Finance
Lynne McIntosh, NCC/Audit
Maria Scarpa, NCC/Finance
Linda Reed, NCC/Finance
James McDonald, NCC/Executive Office

BOARD MEMBERS ABSENT:

None

STAFF PRESENT:

Susan Lawler, Pension/Benefits Coordinator
Frank Benevento, Pension Program Analyst
Judi Mitchell, First Asst. County Attorney
Rowena P. Liles, Administrative Aide

INVITED GUESTS:

Kevin Leonard, NEPC
Kenneth Alberts, Gabriel, Roeder Smith & Co.
Brad Armstrong, Gabriel, Roeder Smith & Co.
Tom Lowman, Bolton Partners
Kris Seets, Bolton Partners
David Boomershine, Boomershine Consulting Group
Greg Stump, Boomershine Consulting Group

Dan – On behalf of the Pension Board I would like to welcome our new trustee Daryl Brown.

8:06 a.m. APPROVAL OF THE MINUTES

The minutes from the March 16, 2016 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Paul Frese to approve the minutes from the March 16, 2016 meeting.

***THE MOTION WAS PASSED UNANIMOUSLY.**

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8:07 a.m. APPROVAL OF THE INVOICES

Boomershine Consulting Group	\$8,280.00	February, 2016
Cupps Capital Mgt.	\$22,017.48	1 st Quarter 2016
Eaton Vance Investment Mgrs.	\$12,830.32	1 st Quarter 2016
Mellon Capital	\$95,428.47	3 rd Quarter 2015
MFS	\$118,501.27	1 st Quarter 2016
Mid-Atlantic Plan Sponsors	\$250.00	2016 Membership Dues
NEPC	\$52,303.14	4 th Quarter 2015
REMS	\$19,278.89	1 st Quarter 2016
Systematic Financial Mgt.	\$35,328.23	1st Quarter 2016
The Northern Trust Company	\$14,486.98	1 st Quarter 2016

A motion was made by Doug Merrill and seconded by Terry Stone to approve the payment of invoices.

*THE MOTION WAS PASSED UNANIMOUSLY.

8:07 a.m. COORDINATOR'S REPORT - Addendum to Agenda by Susan Lawler

- Gross Payroll and Employer Contributions for the month of March 31, 2016.
- I will ask Rich Piekarski to bring us up to date and make you guys aware we've had an issue with the Pension Payroll account.

Rich – I'm not sure if it's connected to the last pension payroll run or not, but apparently the information got compromised. There is some activity going on where people are producing checks using the Pension Payroll account. Basically you have some fraudulent activity going on, but rest assured there is no loss being incurred on the account because we have fraud protection measures through our banking services that is protecting us from that. We do have activity that is going on today and we are in the process of opening another account and closing this one so we can prevent this activity from happening. As I said there is no loss of pension funds, at this point, and we don't expect there to be any. WE have a lot of fraudulent protection measures on the current account and we will continue to have that on the new account. I just wanted to make everyone aware of what was going on.

A brief discussion was held on the information that was disclosed.

8:13 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

One of the applicants, Marie Richardson if you looked at the supporting documents, there is a revised document for Ms. Richardson. We were notified by Human Resources that she was entitled to a pay increase retroactive into her active employment; which resulted in a small recalculation of her benefit. Unfortunately, she was unavailable to sign the second application so we did an administrative revision and it is under \$3.00 dollars to her gross benefit.

Matthew J. Jamison	\$9,629.80	July 2, 2016	RetPol
Richard F. Seery, Jr.	\$2,506.35	May 3, 2016	RetGen
Howard J. Dickson	\$1,825.80	April 2, 2016	RetGen
Marie W. Richardson	\$2,059.01	April 2, 2016	RetGen
John H. Simmerman	\$2,705.10	April 2, 2016	PenPln
Sheila Whitehead (vested)	\$589.98	May 12, 2016	PenPln
Elvinis Anne Roberts (vested)	\$662.37	April 10, 2016	PenPln

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NEW BUSINESS (Cont'd)

A motion was made by Terry Stone and seconded by Saul Polish to approve the travel request for Vicki Workinger to attend the Benefit Communication and Technology Institute conference in Boston, MA on July 18-19, 2016.

***THE MOTION WAS PASSED UNANIMOUSLY.**

- Proposed Travel Expense Policy - Susan Lawler – *It is a proposed Travel Expense Policy that is an amendment from the County's approved policy; which moves to a Per Diem for meals and daily expenses away from a receipt required. It is just in response to different travelers of the Board that it could be very cumbersome using the receipt process and other than that the policy is exactly the same. Frank can answer any questions since he was primarily responsible for doing the updates. There were not questions or comments regarding the draft policy.*

A motion was made by Saul Polish and seconded by Mike Finnigan to approve the Travel Expense Policy for the Board.

***THE MOTION WAS PASSED UNANIMOUSLY.**

- Review the Preliminary Investment Performance "Flash" report for the period ending March 31, 2016 – Kevin Leonard, NEPC – *Distributed copies of the Preliminary Investment Performance Flash Report – March 31, 2016, Weekly Markets & Indicators as of April 15, 2016 for review and discussion.*
- *Entrust and Cupps Capital will be in next month to discuss their performance.*
 - *Asset Liability Study will look at the Hedge Fund roll and other approaches.*

A motion was made by Doug Merrill and seconded by Saul Polish to accept NEPC's report.

***THE MOTION WAS PASSED UNANIMOUSLY.**

A motion was made by Mike Coupe and seconded by Terry Stone to take a break.

***THE MOTION WAS PASSED UNANIMOUSLY.**

The meeting reconvened at 9:09 a.m.

9:09 a.m. NEW BUSINESS (Cont'd)

- Actuarial Services Presentations by the following:
- *Kenneth Alberts and Brad Armstrong of Gabriel, Roeder, Smith & Company.*
 - *Tom Lowman and Kris Seets of Bolton Partners.*
 - *Dave Boomershine and Greg Stump of Boomershine Consulting Group.*

Bob Wasserbach – *This is a little bit off topic, but since we have the experts in the room I thought I would ask. The Pension and New Castle County has the Pension Board and they also have the OPEB Board. In other public sectors or governmental entities have you ever see the OPEB responsibilities being handled by the Pension Board?*

Dave – *Actually I have not.*

A short discussion was held by the actuary and pension consultant.

The Board held a discussion on the Actuarial Services presentations.

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NEW BUSINESS (Cont'd)

Dan – *Ask the sub-committee what is the next step in the process?*

Terry – *To vote today or is more information necessary for the Board to make a decision.*

Mike F. – *We should ask all three vendors about exclusivity to the Pension Board; or have prior approval of the Pension Board before doing work for the administrative side for any actuary chosen.*

A motion was made by Mike Coupe and seconded by Doug Merrill to continue to accept services of Boomershine Consulting Group pending the outcome of contract negotiations.

***THE MOTION WAS PASSED UNANIMOUSLY.**

A motion was made by Saul Polish and seconded by Mike Coupe to approve travel of Daryl Brown to attend the NEPC Annual conference in Boston, MA in May, 2016, if he's available.

***THE MOTION WAS PASSED UNANIMOUSLY.**

Frank. – *We need to update the security on the Surface Pro's and some trustees still need to receive their equipment. Please see me after the meeting.*

12:01 p.m. ADJOURNMENT

A motion was made by Mike Finnigan and seconded by Terry Stone to adjourn the meeting at 12:01 p.m.

***THE MOTION WAS PASSED UNANIMOUSLY.**