

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of June 15, 2016

The regular meeting of the Board of Trustees was held on June 15, 2016 , 2016 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

BOARD MEMBERS PRESENT:

Christine Dunning, CHRO
Daniel McFadden, Chairperson
Douglas Merrill, FOP Lodge #5
Daryl Brown, Trustee (by telephone)
Michael Coupe, CFO
Michael Finnigan, Trustee, Retirees
Robert Barczak, Trustee, Local #459
Terry Stone, Trustee

BOARD MEMBERS ABSENT:

Paul Frese, Trustee Non-Union Members
Regis Yurcich, Trustee, Local #1607
Rich Piekarski, Jr., Trustee, Local #3109
Saul Polish, Trustee, Local #3911

OTHERS PRESENT:

Ken Porter, NCC/Finance
Christine Piekarski, NCC/Finance
Lynne McIntosh, NCC/Audit

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
David Boomershine, Boomershine Consulting Group
Greg Stump, Boomershine Consulting Group

The meeting was called to order at 8:09 a.m.

8:09 a.m. APPROVAL OF THE MINUTES

The minutes from the May 18, 2016 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Doug Merrill to approve the minutes from the May 18, 2016 meeting with the corrections to attendance.

*THE MOTION WAS PASSED UNANIMOUSLY.

8:05 a.m. APPROVAL OF THE INVOICES

Boomershine Consulting Group	\$1,540.00	April, 2016
Mellon Capital	\$90,005.59	1 st Quarter 2016
NEPC	\$1533.89	1st Quarter Expenses
SHI International Corp.	\$434.20	Equipment Purchase
SHI International Corp.	\$43.59	Equipment Purchase

Susan – The second invoice on the agenda for Boomershine Consulting Group is going to be paid by New Castle County and not the responsibility of the Pension Trust. It's been eliminated from the invoices total.

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

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8:10 a.m. COORDINATOR'S REPORT by Susan Lawler

- ❖ Gross Payroll and Employer Contributions for the month of May 31, 2016.

8:10 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

Steven DiVirgilio	\$5,686.93	April 14, 2016	RetPol
<i>Susan – Steven DiVirgilio had previously been on the agenda in May listed as a participant in the State plan for Police and he is not. He reappears this time for the County plan for Police.</i>			
Robert W. Abbott	\$4,870.61	June 7, 2016	RetPol

DELPEN Retirements (For Informational Purposes Only)

<u>Name</u>	<u>Effective</u>
Ronald Breitigan, II	May 21, 2016

SURVIVOR BENEFITS

Pauline D. Renai (<i>Joseph Renai</i>)	\$852.41	April 30, 2016	RetGen
Gary Reaves (<i>Emage C. Reaves</i>)	\$1,391.63	May 17, 2016	RetGen

REFUND BENEFITS

James Boyer	\$1,111.95	June 1, 2016	CPGen
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A motion was made by Terry Stone and seconded by Mike Finnigan to approve the service retirements, survivors and refund benefits.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:11 a.m. NEW BUSINESS

- Confirming vote to terminate Crestline Investors Inc.

A motion was made by Terry Stone and seconded by Mike Finnigan to terminate the relationship with Crestline Investors, Inc.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:14 a.m. OLD BUSINESS

- Small Cap Growth Investment Manager Selection – *Kevin the Board had discussion last month on the Small Cap Growth Managers. Cupps Capital Management made a presentation to the Board last month. We provided a list of managers which was also reviewed. The Board voted to interview Small Cap Growth Managers at the July 20th meeting.*

Dan – What is the decision point here for this month?

Susan – I think it's just a carry forward of Old Business recognizing that it will be carried over into July.

Terry – No there is one more. The pension staffing is that something you would be talking about with this small group?

Susan – No. Nor am I prepared to present what I feel would be necessary to support a request, but thank you.

Dan – If there is something like that we could get it on the agenda.

Susan – It failed to be carried forward for Old Business.

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8:16 a.m. NEW BUSINESS (Cont'd)

- Discussion on Hedge Funds in the portfolio – *Kevin distributed a copy of the Hedge Fund Education booklet. A discussion was held on Hedge Funds in the portfolio, current allocation and what to do with the funds from Crestline Investors now that they will be terminated. He is not recommending to clients to get out of having Hedge Funds. After the discussion, the Board agreed to keep the allocation at 5%, but will discuss in August other preferred like Hedge Funds. Kevin will work with pension staff in regards to Crestline Investors termination and distribution of funds in the account.*
- Review the Preliminary Investment Performance “Flash” report for the period ending May 31, 2016 – *Kevin Leonard – Distributed copies of the Preliminary Investment Performance “Flash” report for the period ending May 31, 2016. A review and discussion was held.*
- Discussion on Boomershine Consulting Group Police COLA study – *Dave Boomershine and Greg Stump presented information on the Police COLA Study due every three years and the actuarial model projection for the Board. The projection model will be reviewed once a year, after the Annual Actuarial Valuation reporting.*

A motion was made by Doug Merrill and seconded by Terry Stone to accept the actuary’s report presented by Dave Boomershine on the Police COLA’s and no adjustments need to be made, at this time, for Police.

*THE MOTION WAS PASSED UNANIMOUSLY.

- Discussion by Greg Stump of Boomershine Consulting Group actuarial projection model.

CAPITAL CALLS

➤ Northstar Mezzanine Partners	\$185,231.00	June 14, 2016
➤ Lexington Partners	\$28,984.00	June 22, 2016
➤ HarbourVest Partners	\$131,492.00	June 20, 2016

DISTRIBUTION OF CAPITAL

➤ Lexington Partners	\$40,990.00	May 27, 2016
➤ TPG Opportunities	\$198,983.00	June 10, 2016

10:13 a.m. ADJOURNMENT

A motion was made by Mike Finnigan and seconded by Doug Merrill to adjourn the meeting at 10:13 a.m.

*THE MOTION WAS PASSED UNANIMOUSLY.