

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of May 16, 2018

The regular meeting of the Board of Trustees was held on May 16, 2018, 2018 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:19 a.m.

<p><u>TRUSTEES PRESENT:</u> Deloris Arrington, Acting CHRO Daniel McFadden, Chairperson Douglas Merrill, FOP Lodge #5 Daryl Brown, Trustee Brian Maxwell, CFO Michael Finnigan, Trustee, Retirees Regis Yurcich, Trustee, Local #1607 Rich Piekarski, Jr., Trustee, Local #3109 Robert Barczak, Trustee, Local #459 Terry Stone, Trustee</p>	<p><u>TRUSTEES ABSENT:</u> Paul Frese, Trustee Non-Union Members Saul Polish, Trustee, Local #3911</p> <p><u>OTHERS ABSENT:</u> Frank Benevento, Pension Program Analyst</p> <p><u>OTHERS PRESENT:</u> Bob Wasserbach, County Auditor Christine Piekarski, NCC/Finance Karen Smalls, NCC/Finance</p>
<p><u>STAFF PRESENT:</u> Susan Lawler, Pension/Benefits Coordinator Sanjay Bhatnagar, Asst. County Attorney I Rowena P. Liles, Program Analyst</p>	<p><u>INVITED GUESTS:</u> Kevin Leonard, NEPC</p>

APPROVAL OF THE MINUTES (8:19 a.m.)

The minutes from the April 21, 2018 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Doug Merrill to approve the minutes from the April 21, 2018 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES (8:19 a.m.)

CoHo Partners, LTD	\$25,543.87	1 st Quarter 2018
IRM	\$4,184.68	1 st Quarter 2018
IRM	\$9,554.59	1 st Quarter 2018
J.P. Morgan Asset Mgt.	\$38,258.34	4 th Quarter 2017
Loomis Sayles	\$60,962.60	1 st Quarter 2018
Mellon Capital	\$82,222.47	1 st Quarter 2018
MFS	\$141,283.96	1 st Quarter 2018
NEPC	\$2,126.88	1 st Quarter 2018
Systematic Financial Mgt.	\$39,527.38	1 st Quarter 2018
The Northern Trust Co.	\$14,103.84	1 st Quarter 2018

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

*THE MOTION WAS ADOPTED UNANIMOUSLY.

COORDINATOR'S REPORT by Susan Lawler (8:20 a.m.)

- ❖ Gross Payroll and Employer Contributions for the month of March, 2018.
- ❖ Pension Trust Asset Summary – March, 2108
- ❖ Pension Payments – April, 2018
 - Payees for April 1,447
 - Active Participants 1,060
 - DelPen 377
 - Benefits total \$3,456,577.44

CAPITAL CALLS (8:20 a.m.)

- Northstar Mezzanine Partners \$121,710.00 April 27, 2018
- HarbourVest Partners \$19,476.00 May 14, 2018

DISTRIBUTION OF CAPITAL (8:20 a.m.)

- Brookfield Capital Partners \$578,554.46 April 27, 2018
- Lexington Partners \$48,000.00 April 27, 2018
- Crescent Direct Lending \$136,002.00 May 9, 2018

APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:20 a.m.)

(07806)	\$1,792.21	05/23/2018	RetGen
(09344)	\$983.52	05/05/2018	RetGen
(08963)	\$1,646.77	05/02/2018	RetGen

DelPen Retirements (8:20 a.m.)

(07107) 06/19/2018

APPROVAL OF THE SURVIVOR BENEFITS (8:20 a.m.)

(05329)	\$1,273.58	04/14/2018	RetGen
(05544)	\$1,001.80	04/20/2018	PenPln

APPROVAL OF THE LUMP SUM BENEFITS (8:20 a.m.)

(13956)	\$1,311.44	05/01/2018	RetGen
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A motion was made by Doug Merrill and seconded by Mike Finnigan to approve the service retirements, survivor and lump sum benefits.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

EXECUTIVE SESSION (8:21 a.m.)

A motion was made by Daryl Brown and seconded by Rich Piekarski to move into Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

- To approve the minutes of December 20, 2017 and April 18, 2018 Executive Session.
- Discussion on service-connected disability pension applications.

A discussion was held on the service-connected disability applications.

A motion was made by Daryl Brown and seconded by Terry Stone to move out of Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

The meeting reconvened at 8:26 a.m.

A motion was made by Terry Stone and seconded by Doug Merrill to approve the recommendation of the pension department to deny the service-connected disability applications based on not meeting the plan criteria.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A motion was made by Daryl Brown and seconded by Terry Stone to approve the minutes of December 20, 2017 Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A motion was made by Terry Stone and seconded by Doug Merrill to approve the minutes of April 18, 2018 Executive Session.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

Introduction of the new Chief Human Resources Officer was made to the Pension Board of Trustees

OLD BUSINESS (8:28 a.m.)

- (Kevin Leonard, NEPC) - Update – on future class action filings. *There are two firms NEPC would like the Board to consider; which are (1) ISS and (2) FRT. No action is needed today, but Kevin will work with pension staff, to make a selection and an analysis's from both companies and bring back to the board. He will also inquire about a discount if Northern Trust is not doing class actions.*
- *Kevin informed the Board regarding the checks in the amount of \$31,400 received from State Street for prior class action suit distributions. They have been presented to Northern Trust for deposit.*
- *NEPC recommends the termination of Entrust Capital Mgt. and going with a preferred Hedge Fund manager. Kevin will work with pension staff on the liquidity window.*

A motion was made by Daryl Brown and seconded by Terry Stone to accept NEPC's recommendation to terminate Entrust Capital Management and retrieve the money from the Capital Diversified Fund Ltd., but keep the Gramercy position until such time it can be liquidated at a reasonable price.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

- *NEPC's recommendations are:*

Hedge Funds

- *Pinehurst Partners Fund*
- *Blackstone Partners Fund*
- *Grosvenor Institutional*

- (Kevin Leonard, NEPC) - Private Equity/Private Debt – A discussion was held and NEPC recommends the following:

Private Debt

- *Bluebay Asset Mgt.*
- *Monroe Capital Private Credit Fund II*

Private Equity

- *Brookfield (Special Situations) Capital Partners V*
- *Thoma Bravo Fund XIII*
- *Vista Equity Partners Fund VII*

NEW BUSINESS (9:50 a.m.)

- (Kevin Leonard, NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending April 30, 2108 – *The flash report is not available, at this time.*

Educational Conference/Professional Development

- Requesting board approval for Frank J. Benevento to attend the – ***National Pension Education Association*** 2018 Annual Conference – Tucson, AZ, 10/20/18-10/24/18 (Susan Lawler).
- Requesting board approval for Sanjay Bhatnagar to attend the – National Association of Public Pension Attorneys 2018 Legal Education Conference – Savannah, GA, 06/26/18-06/29/18 (Susan Lawler).

NPEA – Joined membership in 2018

Please see attached detail of Educational Conference/Professional Development breakdown.

A motion was made by Daryl Brown and seconded by Mike to approve Frank J. Benevento to attend the – *National Pension Education Association* 2018 Annual Conference in Tucson, AZ, 10/20/18-10/24/18 and Sanjay Bhatnagar to attend the – National Association of Public Pension Attorneys 2018 Legal Education Conference in Savannah, GA, 06/26/18-06/29/18.

(9) Yeas and (1) Opposed

***THE MOTION WAS ADOPTED.**

ADJOURNMENT (8:00 a.m.)

A motion was made by Daryl Brown and seconded by Terry Stone to adjourn the meeting at 9:55 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**