

# NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of September 19, 2018

The regular meeting of the Board of Trustees was held on September 19, 2018 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

**The meeting was called to order at 8:17 a.m.**

<p><b><u>TRUSTEES PRESENT:</u></b>                  Daniel McFadden, Chairperson                  Daryl Brown, Trustee                  David Gregor, CFO                  Deloris Arrington, CHRO                  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</p>	<p><b><u>TRUSTEES ABSENT:</u></b>                  Douglas Merrill, FOP Lodge #5                  Terry Stone, Trustee</p>
<p><b><u>STAFF PRESENT:</u></b>                  Susan Lawler, Pension/Benefits Coordinator                  Frank Benevento, Pension Program Analyst                  Sanjay Bhatnagar, Asst. County Attorney I                  Rowena P. Liles, Program Analyst</p>	<p><b><u>INVITED GUESTS:</u></b>                  Will Forde, NEPC                  Bob McGann, Blackstone Partners Fund                  Ralph Vasami, Corbin: Pinehurst Partners Fund                  Craig Bergstrom, Corbin: Pinehurst Partners Fund</p>

**APPROVAL OF THE MINUTES (8:17 a.m.)**

- The minutes from the August 15, 2018 meeting are attached for approval.

**A motion was made by Daryl Brown and seconded by Mike Finnigan to approve the minutes from the August 15, 2018 meeting.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

- The minutes from the August 15, 2018 Executive Session are attached for approval.

**A motion was made by Daryl Brown and seconded by Mike Finnigan to approve the minutes from the August 15, 2018 Executive Session.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**APPROVAL OF THE INVOICES (8:17 a.m.)**

NEPC	\$56,833.177	2 <sup>nd</sup> Quarter Fees
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**A motion was made by Daryl Brown and seconded by Mike Finnigan to approve the payment of invoices.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**COORDINATOR'S REPORT by Susan Lawler (8:18 a.m.)**

- ❖ Gross Payroll and Employer Contributions for the month of July, 2018.
- ❖ Pension Trust Asset Summary – July, 2108

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

### ❖ Pension Payments - August, 2018

- Payees for August 1,456
- Active Participants 1,050
  - DelPen 371
- Benefits total \$3,570,860.35

### **CAPITAL CALLS (8:18 a.m.)**

- Northstar Mezz Partners \$150,442.00 08/27/2018

### **DISTRIBUTION OF CAPITAL (8:18 a.m.)**

- Brookfield Capital Partners \$28,156.35 08/20/2018
- TPG OPP Partners II (A), L.P. \$292,430.00 08/24/2018
- Lexington Partners \$22,246.00 08/30/2018

### **APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:18 a.m.)**

#### **Service Retirements**

(\*the amount shown on last month's agenda of \$5,390.70 was incorrect).

*(05691)	\$5,399.70	08/09/2018	RetGen
(05805)	\$9,817.25	12/05/2018	RetPol
(06584)	\$3,619.05	08/18/2018	RetGen
(11173)	\$630.77	09/01/2018	RetGen

#### **DelPen Retirements (8:18 a.m.)**

(07764)		09/16/2018	
(07713)		09/19/2018	

### **APPROVAL OF THE SURVIVOR BENEFITS (8:19 a.m.)**

(05672)	\$920.16	06/19/2018	RetGen
(14186)	\$1,028.48	09/01/2018	RetGen

### **APPROVAL OF THE LUMP SUM BENEFITS (8:19 a.m.)**

(\*the amount shown on last month's agenda of \$791.76 was incorrect).

*(05774)	\$791.78	08/01/2018	RetGen
(14187)	\$791.77	09/01/2018	RetGen
(14201)	\$1310.02	09/01/2018	RetGen

### **APPROVAL OF THE REFUND BENEFITS (8:19 a.m.)**

(11189)	\$17,448.22	09/01/2018	RetAMD
(13186)	\$2,096.58	09/01/2018	CPEMS
(12328)	\$7,345.50	09/01/2018	CPEMS

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

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

### **OLD BUSINESS (8:19 a.m.)**

- Update – (Frank Benevento) - IPS- County 2011 Plan 401(a) – *This document has to do with the Investment Policy Statement for the county 2011 Plan Deferred Compensation portion of the plan that the Pension Board is responsible for this is the 401(a) portion of the Defined Contribution.*

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

(Frank Benevento) - *Late last year or early this year the board agreed to hire NEPC to assist in the creation of an IPS (Investment Policy Statement) for the 401(a) portion of the plan. The final draft was sent electronically for review and today we are looking for approval of the IPS draft document. The Pension Board has its own IPS that we maintain minimally every three to five years. For the 401(a) it will be similar. We will maintain and review it every three to five years also.*

**A brief question and answer session was held.**

**A motion was made by Daryl Brown and seconded by Mike Finnigan to approve the final draft of the IPS County 2011 Plan 401(a) document.**

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

*Susan gave an update to the board on the addition of staff to the pension section referring to Ordinance No. 18-080 adopted by County Council on September 11, 2018.*

## **NEW BUSINESS (8:29 a.m.)**

- Will Forde (NEPC) gave a recap of the 2018 accomplishments.
- Investment Manager candidate interviews
  - A presentation by Bob McGann of Blackstone Partners Fund
  - A presentation by Ralph Vasami and Craig Bergstrom of Corbin: Pinehurst Partners Fund

**A motion was made by Rich Piekarski and seconded by Daryl Brown to approve the selection of Blackstone Partners Fund to replace EntrustPermal in our Hedge Fund portfolio with a \$9.5 million allocation.**

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

- (Will Forde, NEPC) – *We sent a redemption into EntrustPermal a few months ago and have gotten back a chunk of those assets already. There is a small piece of the portfolio that is an investment in a fund. The Gramercy Fund that is invested in Peruvian bonds. It is somewhat of a liquid holding. NEPC recommends to liquidate the position now.*

**A motion was made by Daryl Brown and seconded by Mike Finnigan to take the liquidation option of the fund, per the recommendation of NEPC.**

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

- (Will Forde, NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending August 31, 2108. *A copy of NEPC’s September Meeting Materials and PIP “Flash” Report were distributed for review and discussion.*
- Request from the Office of the County Executive to provide preliminary information related to a Limited Opening of the Plans with potential conversion and closing of the 2011 plans.

**A discussion was held.**

## **ADJOURNMENT (10:16 a.m.)**

**A motion was made by Daryl Brown and seconded by Mike Finnigan to adjourn the meeting at 10:16 a.m.**

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