

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of November 14, 2018

The regular meeting of the Board of Trustees was held on November 14, 2018 in the Government Center James H. Gilliam (Multi-purpose Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:14 a.m.

<p><u>TRUSTEES PRESENT:</u> Daniel McFadden, Chairperson Daryl Brown, Trustee Douglas Merrill, FOP Lodge #5 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</p>	<p><u>TRUSTEES ABSENT:</u> David Gregor, CFO Deloris Arrington, CHRO</p> <p><u>OTHERS PRESENT:</u> Christine Piekarski, NCC/Finance Bob Wasserbach, County Auditor</p>
<p><u>STAFF PRESENT:</u> Frank Benevento, Pension Program Analyst Bob Goff, Asst. County Attorney I Rowena P. Liles, Program Analyst</p>	<p><u>INVITED GUESTS:</u> Will Forde, NEPC Paul Garvey, MFS Chris Sunderland, MFS Elizabeth McManus, Mellon Capital Joseph Miletich, Mellon Capital</p>

APPROVAL OF THE MINUTES

The minutes from the October 17, 2018 meeting are attached for approval.

A motion was made by Terry Stone and seconded by Doug Merrill to approve the minutes from the October 17, 2018 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES

Boomershine Consulting Grp.	\$650.00	Experience Study
Boomershine Consulting Grp.	\$760.00	Experience Study
CoHo Partners LTD	\$25,050.64	3 rd Quarter 2018
Income Research Mgt.	\$9,578.62	3 rd Quarter 2018
Income Research Mgt.	\$4,224.01	3 rd Quarter 2018
JP Morgan Asset Mgt.	\$40,937.54	3 rd Quarter 2018
Loomis Sayles	\$62,392.49	3 rd Quarter 2018
MFS	\$131,045.98	3 rd Quarter 2018
NEPC	\$596.20	3 rd Quarter Expenses

A motion was made by Daryl Brown and seconded by Mike to approve the payment of invoices.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

COORDINATOR'S REPORT by Frank Benevento

- ❖ Gross Payroll and Employer Contributions for the month of September, 2018.
- ❖ Pension Trust Asset Summary – September, 2108
- ❖ Pension Payments – October, 2018
 - Payees for October 1,458
 - Active Participants 1,047
 - DelPen 369
 - DelPen(ret) 45
 - Benefits total \$3,511,667.79

CAPITAL CALLS

- None

DISTRIBUTION OF CAPITAL

- Northstar Mezz Partners \$96,286.00 10/23/2018
- HarbourVest \$160,979.00 10/31/2018
- Lexington Partners \$33,684.00 10/31/2018

APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

(09762)	\$1,279.85	10/20/2018	RetGen
(09345)	\$1,055.18	01/01/2019	RetGen
(05987)	\$1,740.98	12/29/2018	PenPln
(06270) vested	\$1,228.38	10/05/2018	PenPln
(07864)	\$2,805.63	12/04/2018	RetGen
(08216)	\$1,903.28	11/07/2018	RetGen
(09753)	\$975.36	12/18/2018	RetGen

DelPen Retirements

(06995)		01/09/2019	
(07739)		11/13/2018	

APPROVAL OF THE SURVIVOR BENEFITS

(14238)	\$988.98	10/07/2018	
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APPROVAL OF THE LUMP SUM BENEFITS

(*the amount shown on last month's agenda of \$2,620.04 was incorrect).

*(14217)	\$1,310.02	10/01/2018	RetGen
(14239)	\$2,871.66	11/01/2018	RetGen
(14240)	\$1,982.51	11/01/2018	RetGen
(14241)	\$1,982.51	11/01/2018	RetGen

APPROVAL OF THE REFUND BENEFITS

(13454)	\$2,670.42	11/01/2018	CPGen
(12628)	\$5,830.51	11/01/2018	CPEMS
(13261)	\$2,046.15	11/01/2018	CPGen
(12924)	\$2,671.94	11/01/2018	CPGen
(12592)	\$3,515.61	11/01/2018	CPEMS

A motion was made by Doug Merrill and seconded by Terry Stone to approve the service retirements, survivor, lump sum and refund benefits.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS

- Frank - Limited partnership agreements (contracts) and Limited partner (BlueBay) document request (contract) – *I just wanted to quickly update everyone on our contractual negotiations with newly approved (June 20, 2018) limited partnerships Vista Equity (PE), TSSP (PE) and Blue Bay (PD). To date successful contract negotiations have been completed and executed for private equity investment managers Vista Equity Partners and TSSP Opportunities Partners. In order to successfully complete our negotiations with our private debt limited partner BlueBay Asset Management, our SMO's (Senior Managing Officers) are being asked to provide certified documentation (copy of driver's license). This would include Board Chair, Vice Board Chair, Board Administrative Manager (CHRO) and Board CFO. The request is also being made for certified documentation for our signatories. The documentation that is being requested is not negotiable and is required to participate in this fund offering. Failure to provide the documentation will exclude NCCEPP from participating in the fund or at best only allow NCCEPP to participate as a "restricted" Limited Partner. The request is in line with European (Non-US) investments. The documentation is all based on anti-money laundering rules and regulations.*
- Frank - MetLife – Revenue sharing report - *At our August 15th, 2018 Pension Board meeting, third party administrator (MetLife) presented their annual plan review of our 457(b) and 401(a) deferred compensation plans. After the review, the question was asked if MetLife could provide an estimate of revenue sharing and how much is used to offset the revenue requirement. The revenue calculations were provided via email to trustees.*
- Frank - 2019 Education and Professional development opportunities – *An email was sent to trustees with the organizations with paid due memberships. Susan attended the NPEA conference this year. Please review the websites and have your education/training selections to Rowena or myself by December 7th for approval at the December 19th board meeting.*
Frank - 2018 IFEBP Conference – *2018 IFEBP Conference – I just wanted to quickly highlight one topic "disability pensions" that was discussed at the conference. Appears many of our peers are updating their plan documents relating to disability pension determination and capitalizing on Social Security's exhaustive determination rulings. I do not want to go in great depth today, but would like to begin discussing the matter in December.*
- Frank - Antivirus Installation (Surface Pro) - *Antivirus software installation (Surface Pro) – Anyone who has not had the new antivirus software installed on their Surface Pro, please do so no later than our December board meeting.*

NEW BUSINESS

- (Frank) - Boomershine Consulting Group proposal for GASB 67/68 revision - *We received a proposal from our actuary Boomershine Consulting Group for revisions to our required accounting disclosures GASB 67/68 for period ending 06/30/18. At our August 15th, 2018 Pension Board meeting, the Board approved an amendment to our services agreement with Boomershine to provide for accounting disclosures (GASB 67/68) services for the remainder of our contract. During the preparation of this year's disclosures, estimated valuations were used when preparing the disclosures as final audited values are typically not available until the following quarter end. This year, the estimated valuations were low enough to warrant revised disclosures for Finance. These disclosures are vital step for Finance in finalizing their Comprehensive Annual Financial Report (CAFR) for the Board. Our service contract specifically states that the Pension Board must approve all work for New Castle County (plan sponsor) before commencing. Due to the important nature and timing of the revision, we conditionally approved the commencement of the revision and now ask the Pension Board to formally approve. This would require a motion to approve for record. This expense will be allocated to the County (Plan Sponsor) and not the Pension Board (Fiduciary).*

NEW BUSINESS (Cont'd)

A motion was made by Daryl Brown and seconded by Mike Finnigan to approve the GASB 67/68 revisions prepared by Boomershine Consulting Group.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

- Investment Manager Portfolio review
 - MFS presentation by Paul Garvey and Chris Sunderland.
 - Mellon Capital presentation by Elizabeth McManus and Joseph Miletich.
- (Will Forde, NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending October 31, 2108. *The report was distributed for review and discussion.*
 - NEPC’s revised recommendation for rebalancing is as follows:
 - Redemptions
 - \$2M taken from Systematic (Small Cap Value)
 - \$2M taken from Peregrine (Small Cap Growth)
 - \$7M taken from REMS (REITS)
 - Contributions
 - \$4M given to Parametric (Emerging Equity)
 - \$2M given to IR+M (Core/TIPs)
 - \$5M raised as cash for fund expenses

ADJOURNMENT

A motion was made by Daryl Brown and seconded by Mike Finnigan to adjourn the meeting at 10:37 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**