

# NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of February 27, 2019

The regular meeting of the Board of Trustees was held on February 27, 2019 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

**The meeting was called to order at 8:16 a.m.**

<p><b><u>TRUSTEES PRESENT:</u></b>                  David Gregor, CFO                  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                  Stephanie Tickle, Acting CHRO</p>	<p><b><u>TRUSTEES ABSENT:</u></b>                  Daniel McFadden, Chairperson                  Daryl Brown, Trustee                  Terry Stone, Trustee</p> <p><b><u>OTHERS PRESENT:</u></b>                  Bob Wasserbach, County Auditor                  Lynne McIntosh, NCC Audit</p>
<p><b><u>STAFF PRESENT:</u></b>                  Frank Benevento, Pension Program Analyst                  Grace Dehel, Pension Program Analyst                  Sanjay Bhatnagar, Asst. County Attorney I                  Rowena P. Liles, Program Analyst</p>	<p><b><u>INVITED GUESTS:</u></b>                  Margaret Belmondo, NEPC                  Scott Pike, Income Research &amp; Mgt.                  Neal Gombeski, Income Research &amp; Mgt.</p>

**APPROVAL OF THE MINUTES (8:16 a.m.)**

The minutes from the January 16, 2019 meeting are attached for approval.

**A motion was made by Paul Frese and seconded by Saul Polish to approve the minutes from the January 16, 2019 meeting.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**Introduction of NEPC representative Margaret Belmondo and Stephanie Tickle the Acting Chief Human Resources Officer.**

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

Boomershine Consulting Group	\$1,873.75	Valuation (Progress Billing)
CoHo Partners, LTD	\$22,540.02	4 <sup>th</sup> Quarter 2018
Eaton Vance	\$15,481.21	4 <sup>th</sup> Quarter 2018
Income Research & Mgt.	\$4,186.77	4 <sup>th</sup> Quarter 2018 (TIPS)
Income Research & Mgt.	\$10,122.34	4 <sup>th</sup> Quarter 2018
Loomis Sayles	\$62,291.94	4 <sup>th</sup> Quarter 2018
Mellon	\$81,643.29	4 <sup>th</sup> Quarter 2018
MFS	\$119,737.88	4 <sup>th</sup> Quarter 2018
NEPC	\$1,922.35	4 <sup>th</sup> Quarter Expenses

**APPROVAL OF THE INVOICES (Cont'd)**

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

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**COORDINATOR'S REPORT by Frank Benevento (8:17 a.m.)**

- ❖ Gross Payroll and Employer Contributions for the month of December 2018.
- ❖ Pension Trust Asset Summary – December 2018
- ❖ Pension Payments - January 2019
  - Payees for January 1,469
  - Active Participants 1,039
    - DelPen 386
    - DelPen (ret) 49
  - Benefits total \$3,579,648.16

**CAPITAL CALLS (8:17 a.m.)**

- Blue Bay Direct Lending \$795,124.63 01/25/2019
- Vista Equity Partners \$272,149.00 02/13/2019
- Northstar Mezzanine Partners \$83,250.00 02/19/2019
- Vista Equity Partners \$21,566.00 02/28/2019

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

- Crescent Direct Lending \$54,401.00 01/30/2019
- Lexington Partners \$40,990.00 01/31/2019
- HarbourVest Partners \$87,016.00 01/31/2019

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

**Service Retirements**

(06256)	\$3,756.43	02/28/2019	RetPol (vested)
(09591)	\$1,269.28	01/05/2019	RetGen
(10679)	\$1,129.83	02/02/2019	RetGen
(06457)	\$2,931.26	03/01/2019	RetGen

**APPROVAL OF THE SURVIVOR BENEFITS (8:18 a.m.)**

(14307)	\$150.00	01/19/2019	AltPln
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**APPROVAL OF THE LUMP SUM BENEFITS (8:18 a.m.)**

(14302)	\$1,260.95	02/01/2019	RetGen
(14303)	\$64,785.48	02/01/2019	RetGen
(14304)	\$952.41	02/01/2019	RetGen
(14305)	\$2,196.30	02/01/2019	RetGen
(14308)	\$952.41	02/01/2019	RetGen
(14310)	\$952.41	02/01/2019	RetGen

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

(11236)	\$7,417.22	02/01/2019	RetAMD
(11188)	\$17,993.59	02/01/2019	RetAMD

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

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

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

(Frank) Update - County 2011 Plan - 401(a) contract with Brighthouse - MetLife. *As a reminder, the New Castle County Pension Board is responsible for the 401(a) component of the County 2011 Pension Plan. The current contractual services agreement with MetLife/Brighthouse for the 401(a) component expires June 30, 2019. It is fully expected that the County will be negotiating an additional 1 (one) year extension to the services agreement with MetLife/Brighthouse for the County's 457(b) deferred compensation plan and it would be my recommendation to negotiate an additional 1 (one) year extension for the County 2011 Plan's 401(a) portion. No motion is necessary today.*

(Frank) - Discussion on Actuarial Audit - *A discussion was held during our August 2018 Pension Board meeting discussing the due diligence of the fiduciary to perform an actuarial audit once every five years. The decision was to wait until after the Annual Review and Actuarial Valuation to perform the audit. The Review and Valuation is scheduled to be presented at our March 20<sup>th</sup> Pension Board meeting. I have a phone call scheduled for Thursday with NEPC to discuss preparing a proposal to assist New Castle County in preparing an RFP for a level one, or full-scope actuarial audit. An update will be provided at our March Pension Board meeting. No motion is necessary today.*

#### **NEW BUSINESS (8:21 a.m.)**

- Investment Manager Presentation by Scott Pike, CFA and Neal Gombeski, CFA.
- (Margaret Belmondo, NEPC) - Review the Preliminary Investment Performance "Flash" report for the period ending January 31, 2109 – *A copy of the January 31, 2019 flash report was distributed review and a brief discussion was held. Also distributed for reference was NEPC's 4<sup>th</sup> Quarter 2018 Investment Summary booklet.*
- (Margaret Belmondo, NEPC) Parametric – EME discussion on departure of Head of Investment Strategy representative. *A brief discussion was held. NEPC views the change as significant and will put the three funds on watch status and update the board as needed.*

Frank – *I will forward the question to Daryl and Dan just as a secondary and see if there were any concerns on their part. I'll send NEPC's response to both Dan and Daryl.*

#### **ADJOURNMENT (9:12 a.m.)**

**A motion was made by Doug Merrill and seconded by David Gregor to adjourn the meeting at 9:12 a.m.**

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