

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of March 20, 2019

The regular meeting of the Board of Trustees was held on March 20, 2019 in the Government Center (Large Executive Conference Room), 87 Reads Way, New Castle, DE 19720.

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

<p><u>TRUSTEES PRESENT:</u> Daniel McFadden, Chairperson Daryl Brown, Trustee David Gregor, CFO 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 Terry Stone, Trustee</p>	<p><u>TRUSTEES ABSENT:</u> Douglas Merrill, FOP Lodge #5</p> <p><u>OTHERS PRESENT:</u> Christine Piekarski, NCC/Finance Bob Wasserbach, County Auditor</p>
<p><u>STAFF PRESENT:</u> Susan Lawler, Pension/Benefits Coordinator Frank Benevento, Pension Program Analyst Grace Dehel, Pension Program Analyst Sanjay Bhatnagar, Asst. County Attorney I Rowena P. Liles, Program Analyst</p>	<p><u>INVITED GUESTS:</u> Will Forde, NEPC Gregory Stump, Boomershine Consulting Group</p>

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

The minutes from the February 27, 2019 meeting are attached for approval.

A motion was made by Saul Polish and seconded by Paul Frese to approve the minutes from the February 27, 2019 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

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

Boomershine Consulting Group	\$12,475.00	Date & Valuation
Boomershine Consulting Group	\$4,730.00	Compensation Statements
JP Morgan Asset Mgt.	\$41,649.78	4 th Quarter 2018
NEPC	\$53,887.33	4 th Quarter 2018 (Fees)

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

*THE MOTION WAS ADOPTED UNANIMOUSLY.

CAPITAL CALLS (8:18 a.m.)

➤ None

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

➤ Vista Equity Partners	\$100,743.00	02/19/2019
➤ BlueBay Direct Lending	\$46,952.96	03/08/2019
➤ Northstar Mezzanine Partners	\$434,180.00	02/28/2019
➤ Lexington Partners	\$18,445.00	02/28/2019
➤ Crescent Direct Lending	\$168,385.00	03/01/2019
➤ Brookfield Cap Partners Fd IV	\$219,726.42	03/12/2019

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

Service Retirements (8:18 a.m.)

(05932)	\$3,209.12	04/18/2019	RetGen
(10276)	\$130.00	02/01/2019	SCGPen

Lump Sum Benefit (8:18 a.m.)

(09152)	\$4,528.19	03/01/2019	RetGen
(01725)	\$2,453.27	03/01/2019	RetGen

Refund Benefits (8:18 a.m.)

(11954)	\$4,450.92	03/01/2019	CPGen
(06752)	\$1,058.32	03/01/2019	PenPln
(13954)	\$857.40	03/01/2019	CPGen

COORDINATOR'S REPORT by Susan Lawler (8:19 a.m.)

- ❖ Gross Payroll and Employer Contributions for the month of January 2019.
- ❖ Pension Trust Asset Summary – January 2019
- ❖ Pension Payments – February 2019
 - Payees for February 1,479
 - Active Participants 1,046
 - DelPen 386
 - DelPen (ret) 48
 - Benefits total \$3,672,401.02

NEW BUSINESS (8:20 a.m.)

- Greg Stump, Boomershine Consulting Group - Annual Actuarial Valuation Report. *A copy of the Pension Plan Review March 2019 booklet was distributed for review and discussion. The full Actuarial Valuation Report books will be sent later.*

A motion was made by Daryl Brown and seconded by Mike Finnigan to accept the Pension Plan Review March 2019 report presented by Boomershine Consulting Group

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

A motion was made by Rich Piekarski and seconded by Daryl Brown to approve the recommended County contribution rate exclusive of the School Crossing Guards at 36.68% of payroll, and for the School Crossing Guards dollar amount at \$106,000 recommended by Boomershine Consulting Group.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

- Will Forde, NEPC - Stone Harbor Emerging Market Debt departure of Pablo Cisillini and Parametric Portfolio Associates departure of Timothy Atwell.

A discussion was held on the firm's departures.

NEW BUSINESS (Cont'd)

NEPC recommends both managers be put on watch list.

The upcoming NEPC Workplan for 2019 is:

- Loomis Sayles presenting in April 2019
 - Revisit the asset allocations
 - List of replacement candidates for Stone Harbor Investment Partners
 - Approve Asset Allocation
 - Research to recommend PE & PD options
 - Private Equity & Debt Candidate review
 - Quarter 1 Performance Report
 - Hold for Private Equity Interviews
 - Hold for Private Debt Interviews
 - Quarter 2 Performance Report
- NEPC - Review the Preliminary Investment Performance “Flash” report for the period ending February 28, 2109 – *The flash report was distributed for review.*
- Sanjay Bhatnagar - Annual review of Pension Board of Trustees By-laws. It’s the code requirement that all board annually review the By-laws to determine if there are any changes. I believe Rowena sent the By-law to see if any of the board members had changes. I didn’t see that any changes needed to be made. A motion would only be required if anybody were to anticipate they be changed. We are looking to satisfy the requirement. *The board had no changes to the By-laws.*

Susan – *There was one typographical error that was addressed but didn’t have a substantive change to the By-laws so it was corrected.*

OLD BUSINESS (9:42:18)

- Frank Benevento - Discussion on Actuarial Audit. *A discussion was held during our August 2018 Pension Board meeting regarding 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 was presented today. Our next step is to procure an actuarial auditor who can perform a level one actuarial audit. In a level one, or full-scope, actuarial audit, the reviewing actuary fully replicates the original actuarial valuation, based on the same census data, assumptions, and actuarial methods used by the plans consulting actuary. In addition, the reviewing actuary examines the consulting actuary’s methods and assumptions for the reasonableness and internal consistency.*

A discussion was held on procurement procedures.

ADJOURNMENT (9:53 a.m.)

A motion was made by Mike Finnigan and seconded by Saul Polish to adjourn the meeting at 9:53 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**