

# NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of July 17, 2019

The regular meeting of the Board of Trustees was held on July 17, 2019 in the Government Center (Large Executive or Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

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

<p><b><u>TRUSTEES PRESENT:</u></b>                  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</p>	<p><b><u>TRUSTEES ABSENT:</u></b>                  Douglas Merrill, FOP Lodge #5                  Jacqueline Jenkins, CHRO                  Terry Stone, Trustee</p> <p><b><u>OTHERS PRESENT:</u></b>                  Lynne McIntosh, NCC/Audit</p>
<p><b><u>STAFF PRESENT:</u></b>                  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><b><u>INVITED GUESTS:</u></b>                  Margaret Belmondo, NEPC</p>

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

The minutes from the Jun 19, 2019 meeting are attached for approval.

**A motion was made by Saul Polish and seconded by David Gregor to approve the minutes from the June 19, 2019 meeting.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**APPROVAL OF THE INVOICES (8:00 a.m.)**

Boomershine Consulting Group	\$1,002.50	May 2019
Eaton Vance	\$21,506.38	2 <sup>nd</sup> Quarter 2019
NEPC	\$56,490.31	1 <sup>st</sup> Quarter 2019
NEPC	\$1,490.46	1 <sup>st</sup> Quarter Expenses
Loomis Sayles	\$64,085.99	2 <sup>nd</sup> Quarter 2019
Mellon	\$89,029.79	2 <sup>nd</sup> Quarter 2019
Peregrine Capital Mgt.	\$30,549.17	2 <sup>nd</sup> Quarter 2019
Real Estate Mgt.	\$10,149.07	2 <sup>nd</sup> Quarter 2019

**A motion was made by Saul Polish and seconded by Mike Finnigan to approve the payment of invoices.**

\*THE MOTION WAS ADOPTED UNANIMOUSLY.

**COORDINATOR'S REPORT by Frank Benevento (8:20 a.m.)**

- ❖ Gross Payroll and Employer Contributions for the month of May 2019.
- ❖ Pension Trust Asset Summary – May 31, 2019
- ❖ Pension Payments - June 2019
  - Payees for June 2019 1,478
  - Active Participants 1,052
    - DelPen 379
    - DelPen (ret) 54
  - Benefits total \$3,614,037.91

**CAPITAL CALLS (8:20 a.m.)**

- Vista Equity Partners \$166,962.00 07/16/2019
- Blue Bay Asst Mgt. \$241,126.36 07/19/2019

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

- Crescent Direct Lending \$73,830.00 06/20/2019
- HarbourVest Partners \$282,801.00 06/27/2019

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

**Service Retirements**

(07528)	\$1,700.62	07/06/2019	RetGen
(07950)	\$3,418.39	07/13/2019	RetGen

**DELPEN Retirements (8:20 a.m.)**

(07559)	n/a	07/01/2019	DelPen
(06538)	n/a	07/15/2019	DelPen

**APPROVAL OF THE SURVIVOR BENEFITS (8:21 a.m.)**

(14546)	\$1,604.33	06/12/2019	RetGen
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**APPROVAL OF THE LUMP SUM BENEFITS (8:21 a.m.)**

(14544)	\$3,064.30	07/01/2019	RetGen
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Saul – Question as to why there were no benefit calculations with the agenda provided. How do we know the calculations are okay?

Frank – We will review what was distributed to the board and send the calculations out after the meeting. (Rowena reviewed the agenda that was sent out and the calculations were distributed electronically for the Board's review before the meeting ended).

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

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

### **OLD BUSINESS (8:22 a.m.)**

- Update (Frank Benevento) – Investment Managers – Contract Fulfillment - *At our June 19<sup>th</sup> Pension Board meeting we held a brief discussion on hiring or retaining an outside attorney for investment manager contract fulfillment. After reviewing New Castle County Code and New Castle County Employees' Pension Board of Trustees Bylaws and Standing Rules, it has been determined that "The County Attorney, in matters judged by the County Attorney to be outside her/his areas expertise, may recommend, with the approval of the Board, outside Counsel". The Pension Board Attorney, Sanjay Bhatnagar, has discussed this matter with our new County Attorney, Wilson Davis, and has agreed with the Board to pursue outside counsel for investment manager contract fulfillment. The first step in this process will be to pull together a short list of qualified firms and seek rates for these services. Next, I will ask NEPC to provide a list of qualified firms and ask Trustee Daryl Brown for a list of firms for consideration. Once we can narrow our search down to about 3 qualified firms, we will forward the information to the County Attorney for review and recommendation.*

### **NEW BUSINESS (8:24 a.m.)**

- Margaret Belmondo (NEPC) – *Gave a brief overview of the Emerging Market Debt class and the three managers presenting.*
- Presentations by Investment Managers
  - Presentation by Janhavi Kumar, MBA from Colchester Global Investors Limited
  - Presentation by Roy DiNicola and Ritirupa Samanta from Grantham Mayo Van Otterloo & Company LLC
  - Presentation by John Madden and David Oliver from Stone Harbor Investment Partners

**A discussion was held on the presentations and the next steps in the process.**

*The Board has agreed to*

1. *Continue to watch Stone Harbor*
2. *Transition from Stone Harbor Co-Mingled Fund to their Collective Trust*
3. *Track Colchester and GMO's performance along with Stone Harbor*

*NEPC will*

1. *Check the basis points with Colchester and GMO*
  2. *Provide attributions between Colchester and GMO*
  3. *See if the asset flows have stabilized with Stone Harbor*
- Review the Preliminary Investment Performance "Flash" report for the period ending June 30, 2019 – (NEPC).

### **ADJOURNMENT (11:19 a.m.)**

**A motion was made by Saul Polish and seconded by Daryl Brown to adjourn the meeting at 11:19 a.m.**

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