

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of August 21, 2019

The regular meeting of the Board of Trustees was held on August 21, 2019 in the Government Center (Large Executive Conference Room), 87 Reads Way, New Castle, DE 19720.

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

<p><u>TRUSTEES PRESENT:</u> Daniel McFadden, Chairperson Daryl Brown, Trustee David Gregor, CFO Douglas Merrill, FOP Lodge #5 Jacqueline Jenkins, CHRO Michael Finnigan, Trustee, Retirees Paul Frese, Trustee Non-Union Members Regis Yurcich, Trustee, Local #1607 Robert Barczak, Trustee, Local #459 Saul Polish, Trustee, Local #3911</p>	<p><u>TRUSTEES & STAFF ABSENT:</u> Terry Stone, Trustee Rich Piekarski, Jr., Trustee, Local #3109 Susan Lawler, Pension/Benefits Coordinator Rowena P. Liles, Program Analyst</p> <p><u>OTHERS PRESENT:</u> Wilson Davis/NCC Law Dept</p>
<p><u>STAFF PRESENT:</u> Frank Benevento, Pension Program Analyst Grace Dehel, Pension Program Analyst Sanjay Bhatnagar, Asst. County Attorney I</p>	<p><u>INVITED GUESTS:</u> Kevin Leonard, NEPC (teleconference) Will Forde, NEPC (teleconference) Jennifer Fullmer, MetLife Elise Ornstein, MetLife (teleconference)</p>

APPROVAL OF THE MINUTES

The minutes from the July 17, 2019 meeting are attached for approval.

A motion was made by Mike Finnigan and seconded by Paul Frese to approve the minutes from the July 17, 2019 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

Saul Polish – *I have a comment directly related to the approval previous minutes however, with the distribution of the agenda for today, I noticed that we did not have the calculations for the pension disbursements. I emailed the admin and Frank got back to me because Rowena and Susan were off. We discussed it at the last meeting, and we received the calculations prior to the meeting ending. I'm being informed now that the previous CHRO Vanessa Phillips in late 2017 or early 2018 at some point there was conversation going away from having the distribution of the calculations. I know we talked about having the names removed and going with the employee numbers, but we were still getting the calculations because we don't have any way of knowing if we are approving something that is legitimate. I'm not saying there is anything amiss within the pension office, but there has been sometimes that we've seen some problems that we've had to question. It's been mentioned to me that possibly the reason we are not doing it now is because of FOIA requests because that would be FOIAble so that information may be out there for somebody to request, but I don't know how we can continue to go month to month prove an agenda with numbers on it that really don't mean anything to us.*

Saul Polish (Cont'd) - *We might as well quit because we are not doing our fiduciary responsibility, we are not ensuring the Trust that these numbers are correct and who they are going to. Sanjay I'm not sure if that is a question for you.*

Sanjay – *It would just be the employees name and the amount they received?*

Frank – *Back in late 2017 early 2018 our CHRO at the time and current CAO requested that we remove individuals' names from the agenda and calculations from distribution. Since then they have not been distributed or listed on the agendas.*

A brief discussion was held, and the pension staff and board attorney will come back in September with the findings on what can be listed legally on the agendas.

APPROVAL OF THE INVOICES

Coho Partners	\$24,691.36	2 nd Quarter 2019
IR&M	\$11,756.04	2 nd Quarter 2019 (CBFII Portfolio)
IR&M	\$4,353.68	2 nd Quarter 2019 (Tips Fund)
JP Morgan Asset Mgt.	\$42,353.67	2 nd Quarter 2019
MFS	\$124,258.00	1 st Quarter 2019
MFS	\$128,309.78	2 nd Quarter 2019
NEPC	\$2,030.61	2 nd Quarter 2019 (Expense Summary)
Systematic Financial Mgt.	\$31,689.21	2 nd 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

- ❖ Gross Payroll and Employer Contributions for the month of June 2019.
- ❖ Pension Trust Asset Summary – June 2019
- ❖ Pension Payments - July 2019
 - Payees for July 1,483
 - Active Participants 1,058
 - DelPen 377
 - DelPen (ret) 57
 - Benefits total \$3,594,268.65

CAPITAL CALLS

- None

DISTRIBUTION OF CAPITAL

➤ HarbourVest Partners	\$130,524.00	07/30/2019
➤ Lexington Partners	\$41,018.00	07/31/2019
➤ Crescent Direct Lending	\$110,098.00	08/07/2019
➤ Vista Equity Partners	\$34,354.00	08/09/2019
➤ Crescent Direct Lending	\$138,399.00	08/16/2019

APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

(11156)	\$110.00	09/12/2019	SCGPen
(05434)	\$4,234.11	08/08/2019	RetGen
(05637)	\$350.00	09/07/2019	SCGPen
(08348)	\$1,641.03	08/15/2019	RetGen

DelPen Retirements

(07985)	n/a	08/12/2019	DelPen
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APPROVAL OF THE BENEFIT CONVERSION

(01694)	\$3,742.61	08/23/2019	RetGen
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APPROVAL OF THE LUMP SUM BENEFITS

(14566)	\$2,580.23	08/01/2019	RetGen
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APPROVAL OF THE REFUND BENEFITS

(12836)	\$8,597.66	08/01/2019	CPGen
(13841)	\$1,386.65	08/01/2019	CPEMS
(09654)	\$14,526.73	08/01/2019	CPGen

Paul – *In the County contribution to the Pension Trust, at one time Susan had explained to me that the two spikes in the administration costs in October and January could you help me Frank and remind me of what those two spikes meant.*

A brief discussion was held.

Frank will research those spikes in the numbers and get back to the board

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

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS

- Update – (Frank Benevento) - *We received a total of six (6) outside counsel recommendations for investment manager contract fulfillment services. In the coming weeks, we will be requesting company background and price proposals from each agency. Once we review the requested data, we will meet with Legal to narrow down our search and expect to present our findings at our October 16, 2019 Pension Board Meeting.*

A discussion was held on the contract fulfillments.

- (Frank Benevento) - Stone Harbor – Transition from Commingled Fund to Collective Trust - *We received the transition documentation approximately two (2) weeks ago from Stone Harbor’s legal team. We are currently in the process of reviewing and completing the necessary contractual documentation for the transition. We will keep the Pension Board updated on our progress with the execution of the documents.*

OLD BUSINESS (Cont'd)

A motion was made by Mike Finnigan and seconded by Doug Merrill to approve the transition from the existing Stone Harbor Commingled Fund to the Collective Fund investment.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

NEW BUSINESS

- MetLife presentation by Jennifer Fullmer and Elise Ornstein

A question and answer session was held on the MetLife information.

A motion was made by Mike Finnigan and seconded by Paul Frese to take a break.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

The meeting reconvened

- Kevin Leonard and Will Forde (NEPC) - Review the Preliminary Investment Performance “Flash” report for the period ending July 31, 2019.
 - Be prepared to add Colchester to the report so we can report back on the potential of moving Northstar over to Private Debt allocation

ADJOURNMENT

A motion was made by Daryl Brown and seconded by Mike Finnigan to adjourn the meeting at 10:23 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**