

NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM MINUTES of September 18, 2019

The regular meeting of the Board of Trustees was held on September 18, 2019 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:17 a.m.

<p><u>TRUSTEES PRESENT:</u> Daniel McFadden, Chairperson David Gregor, CFO Jacqueline Jenkins, CHRO 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> Daryl Brown, Trustee Douglas Merrill, FOP Lodge #5 Michael Finnigan, Trustee, Retirees Paul Frese, Trustee Non-Union Members</p> <p><u>STAFF ABSENT:</u> Susan Lawler, Pension/Benefits Coordinator</p> <p><u>OTHERS PRESENT:</u> Bob Wasserbach, County Auditor</p>
<p><u>STAFF PRESENT:</u> 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 (teleconference)</p>

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

The minutes from the August 21, 2019 meeting are attached for approval.

A motion was made by Saul Polish and seconded by David Gregor to approve the minutes from the August 21, 2019 meeting.

*THE MOTION WAS ADOPTED UNANIMOUSLY.

APPROVAL OF THE INVOICES (8:18 a.m.)

Boomershine Consulting Group	\$720.00	GASB 67/68 (progress billing)
Boomershine Consulting Group	\$355.00	Auditor Assistance
NEPC	\$57,668.74	2 nd Quarter 2019 - Fees
Northern Trust Co.	\$14,702.31	Product Services (07/01-09/30/2018)
Northern Trust Co.	\$16,627.99	Product Services (10/01-12/31/2018)

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

*THE MOTION WAS ADOPTED UNANIMOUSLY.

COORDINATOR'S REPORT by Frank Benevento (8:18a.m.)

- ❖ Gross Payroll and Employer Contributions for the month of August 2019.
- ❖ Pension Trust Asset Summary – August 2019
- ❖ Pension Payments - August 2019
 - Payees for August 1,489
 - Active Participants 1,062
 - DelPen 382
 - DelPen (ret) 58
 - Benefits total \$3,617,438.77

Frank – *There was a question at last month's meeting regarding the spikes in the Pen 80 report in October and January. The spike in October is due to the annual fiduciary insurance; which is \$69,000.00 and in January it was from the severance payout of former employee Mary Evans (Compensation Pension Systems Coordinator) and the Pension Board covers 80% of her salary.*

A brief discussion was held.

CAPITAL CALLS (8:00 a.m.)

➤ Vista Equity Partners	\$90,036.00	09/09/2019
➤ Brookfield Capital Partners V	\$816,932.88	09/17/2019
➤ TSSP Opp Partners IV (A), L.P.	\$188,009.00	09/18/2019

DISTRIBUTION OF CAPITAL (8:00 a.m.)

➤ Vista Equity Partners	\$37,246.00	08/26/2019
➤ Lexington Partners	\$36,891.00	08/29/2019
➤ Northstar Mezzanine Partners	\$185,083.00	09/12/2019

APPROVAL OF THE APPLICATIONS FOR BENEFITS (8:00 a.m.)

Service Retirements

(08979)	\$2,468.78	11/01/2019	RetGen
(10069)	\$1,738.86	09/07/2019	RetGen
(06575)	\$2,316.96	11/01/2019	RetGen

DelPen Retirements

(06439)	n/a	08/26/2019	DelPen
---------	-----	------------	--------

APPROVAL OF THE SURVIVOR BENEFITS (8:09 a.m.)

(14581)	\$627.23	07/22/2019	RetGen
---------	----------	------------	--------

APPROVAL OF THE LUMP SUM BENEFITS (8:00 a.m.)

(14582)	\$2,309.79	09/01/2019	RetPol
(14588)	\$4,834.56	09/01/2019	RetGen
(14589)	\$1,465.67	09/01/2019	RetGen

APPROVAL OF THE REFUND BENEFITS (8:09 a.m.)

(08238)	\$20,666.24	09/01/2019	PenPln
---------	-------------	------------	--------

Saul – *Question of the refund for Mr. DeMatteis he termed back in 2018 and it took a year was it because of the process?*

Frank – *Each individual who is entitled to a reimbursement is notified no less than two weeks after termination. They can request a withdrawal at any point, one day after or ten years.*

David – *I have a question about Mr. Nord's application date of hire says January 7, 2002 and pension service date was July 7, 1999 why the difference?*

Grace – *People are allowed to purchase prior service from other agencies.*

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

***THE MOTION WAS ADOPTED UNANIMOUSLY.**

OLD BUSINESS (8:44 a.m.)

➤ None

Regis – *I would like to make a comment. I think we need to take some action on the MetLife report they identified at least three funds that were underperforming in a one-year period, on the 401(a) side. I believe we are responsible for the administration of that and we should at least offer some comment to the Deferred Compensation Board that we are very concerned about those three funds.*

A brief discussion was held.

Frank – *Will ask to be invited to the next Deferred Compensation Board meeting to represent the Pension Board and make sure the fund performance matter is discussed.*

The Board recommends he come back next month to report the outcome of the discussion.

NEW BUSINESS (8:29 a.m.)

➤ Will Forde (NEPC) - *Review the Preliminary Investment Performance "Flash" report for the period ending August 31, 2019 – (NEPC).*

Regis – *A question on the MFS market value went down?*

Will – *This is in part because we have been funding the benefit payments and other expenses from the MFS mandate. As they continue to do well, we been trying to harvest some of those gains and get them off the table. That is why you are seeing that market value goes down when it was a positive month.*

- *We have moved Northstar Mezzanine Partners Fund to your Opportunistic Debt Composites and will continue to do that going forward.*
- *Periodically we will be back to the Board on the two candidates that you discussed to potentially replace Stone Harbor the Emerging Market Debt Manager. Along with some high-level thoughts on their investment strategy, performance expectations and portfolio construction.*

NEW BUSINESS (Cont'd)

Dan – *Will to the flow of assets out of Stone Harbor we know it was a while that you couldn't pick up P&I without seeing an article about them, but that seems to have slowed down. Is that a fair assessment or am I just not reading the right periodicals?*

○

Will – *Yes, I think that is fair in terms of you not hearing as much negative news about the firm. I would like to get an update on what asset flows have actually been through August. That is something that I can follow-up on to make sure you are not hearing that much negative news about them.*

Dan – *That would be a good data point to have.*

ADJOURNMENT (8:42 a.m.)

A motion was made by Terry Stone and seconded by David Gregor to adjourn the meeting at 8:42 a.m.

***THE MOTION WAS ADOPTED UNANIMOUSLY.**