

NEW CASTLE COUNTY EMPLOYEES' PENSION PROGRAM
Minutes of October 19, 2016

The regular meeting of the Board of Trustees was held on October 19, 2016 in the Government Center (Manager's Conference Room), 87 Reads Way, New Castle, DE 19720.

The meeting was called to order at 8:07 a.m.

BOARD MEMBERS PRESENT:

Christine Dunning, CHRO
Daniel McFadden, Chairperson
Douglas Merrill, FOP Lodge #5
Michael Coupe, 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

BOARD MEMBERS ABSENT:

Daryl Brown, Trustee
Terry Stone, Trustee

OTHERS PRESENT:

George Smiley, County Council
Ken Porter, NCC/Finance
Bob Wasserbach, County Auditor

STAFF PRESENT:

Susan Lawler, Pension/Benefits Coordinator
Frank Benevento, Pension Program Analyst
Judi Mitchell, First Asst. County Attorney
Rowena P. Liles, Program Analyst

INVITED GUESTS:

Kevin Leonard, NEPC
Will Forde, NEPC
Margaret Belmondo, NEPC

8:07 a.m. APPROVAL OF THE MINUTES

The minutes from the September 21, 2016 meeting are attached for approval.

A motion was made by Saul Polish and seconded by Doug Merrill to approve the minutes from the September 21, 2016 meeting.

***THE MOTION WAS PASSED UNANIMOUSLY.**

8:08 a.m. APPROVAL OF THE INVOICES

Alliance Bernstein L.P.	\$24,736.64	3 rd Quarter 2016
Eaton Vance	\$15,223.73	3 rd Quarter 2016
Int'l Foundation of Emp Ben Plans	\$1,455.00	Annual Dues
MFS	\$127,043.88	3 rd Quarter 2016
Northern Trust Co.	\$16,724.87	3 rd Quarter 2016
Peregrine Capital Mgt.	\$2,964.80	September, 2016
REMS	\$21,060.23	3 rd Quarter 2016
State Street Bank & Trust	\$10,755.65	October, 2015
Systematic Financial Mgt.	\$39,058.59	3 rd Quarter 2016
The Voice of Public Pensions (NCPERS)	\$250.00	Annual invoice

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

***THE MOTION WAS PASSED UNANIMOUSLY.**

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8:08 a.m. COORDINATOR'S REPORT by Susan Lawler

- ❖ Gross Payroll and Employer Contributions for the month of September 30, 2016.

8:08 a.m. APPROVAL OF THE APPLICATIONS FOR BENEFITS

Service Retirements

Frank Ruberto, Jr.	\$4,611.51	November 1, 2016	RetGen
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Survivor

Sheila Sullivan	\$1,239.38	August 26, 2016	RetPol
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Lump Sum

Charles D. Morris (<i>Edwin Morris</i>)	\$1805.33	RetGen	
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Refunds

Brian Hall	\$7,737.66	CPEMS	
Charles Britton	\$4,522.11	CPGen	
Lindsey Warren	\$4,632.77	RetAMD	

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

*THE MOTION WAS PASSED UNANIMOUSLY.

DISTRIBUTION OF CAPITAL

- | | | |
|--------------------------------|--------------|--------------------|
| ➤ TPG Opportunities Partners | \$201,475.00 | September 27, 2016 |
| ➤ Crescent Direct Lending | \$90,672.00 | September 28, 2016 |
| ➤ Lexington Partners | \$56,664.00 | September 30, 2016 |
| ➤ Northstar Mezzanine Partners | \$34,471.00 | October 5, 2016 |

8:09 a.m. OLD BUSINESS

- Update (Susan Lawler) – Pension Section staffing – *We are still not anywhere on the Pension Section staffing. Again that is just our hope that at some point we will be able to add additional staff to the Pension Office. That is a work in progress.*
 - Dan – *You will update us when appropriate?*
 - Susan – *Yes.*
 - Christine – *How many retirees are we up to now?*
 - Susan – *1,350 retirees and 1,500 active employees in 10 pension plans.*
 - Christine – *I don't know when, but I imagine in a year or two, we will get to a point where our pensioners will outweigh our active employees.*
- Discussion and vote on changing 2017 meeting schedule - (Susan Lawler) – *The third item of Old Business is the discussion on changing the 2017 meeting schedule. That was simply an inquiry from staff as to 1) whether or not Board members are comfortable at keeping the meeting at 8:00 o'clock. I know that outsiders have difficulty in accessing the building. As we get into the winter months that could prove problematic. I didn't know whether the 8:00 o'clock schedule was a little tight for some people and we wanted to move to 8:15 or 8:30. I just wanted to throw that out there for discussion and 2) whether we would contemplate not having an August meeting, as many boards do take a hiatus and August tends to be a little difficult in getting a quorum sometimes. And again, it's just for discussion; we are not bound to an 8:00 o'clock start. I didn't know if the Board had any interest in looking into the matter.*

The Board held a discussion. It was decided by the Board to change the meeting start time to 8:15 a.m., on a trial basis for the months of November, December and January and then revisiting the issue.

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OLD BUSINESS (Cont'd)

- Update (Judi Mitchell) – Boomershine Consulting Group contract status – *I have not heard from Dave and I was supposed to contact him, but I will before the next meeting.*
Dan – *I will give Dave a call to see if I can expedite the process and report back to the Board next month.*

8:25 a.m. NEW BUSINESS

- NEPC's Pacing Plan for 2016 – (Kevin Leonard, NEPC). *An introduction was made of Margaret Belmondo the new Public Fund team member with NEPC. A copy of the October 2016 Meeting Materials was distributed for discussion and review.*
 - NEPC is making the recommendation to not move into the HarbourVest Venture Capital Fund.
 - \$6 million dollars to growth/buyouts allocation for vintage year 2016 funds.
 - Consider a co-investment fund focused on growth/buyout deals
 - Lower fees (1% management and 10% incentive fee) relative to fund of funds
 - Globally diversify across 30-40 deals across different industries
 - Increase allocation to Private Equity Debt
 - Private Equity Debt Fund benchmarking information was provided, as an answer, to a Board members request last month
- Review the Preliminary Investment Performance "Flash" report for the period ending September 30, 2016 – (Kevin Leonard, NEPC).

A motion was made by Saul Polish and seconded by Paul Frese to authorize NEPC to fund ½ of the allocation to Blackrock Strategic Income Group.

*THE MOTION WAS PASSED UNANIMOUSLY.

- Request the Board's approval for Vicki Workinger to attend the 26th Annual Health Benefits Conference & Expo on January 30 – February 1, 2017 in Clearwater Beach, FL.

A motion was made by Mike Finnigan and seconded by Saul Polish to approve the travel request for Vicki Workinger to attend the 26th Annual Health Benefits Conference & Expo on January 30 – February 1, 2017 in Clearwater Beach, FL.

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Christine – Frank is working on having MetLife come in the future to do a presentation in regards to the County 2011 Pension Plan.

9:40 a.m. ADJOURNMENT

A motion was made by Saul Polish and seconded by Mike Finnigan to adjourn the meeting at 9:40 a.m.

*THE MOTION WAS PASSED UNANIMOUSLY.