

**NEW CASTLE COUNTY GOVERNMENT EMPLOYEES' PENSION PROGRAM  
MINUTES of October 21, 2020**

The regular meeting of the Board of Trustees was held on October 21, 2020 by teleconference in the Government Center, 87 Reads Way, New Castle, DE 19720.

**Rollcall Taken. The meeting was called to order at 8:18 a.m.**

<p><b>TRUSTEES PRESENT:</b> Daniel McFadden, Chairperson Daryl Brown, Trustee Douglas Merrill, FOP Lodge #5 Michael Finnigan, Trustee, Retirees Regis Yurcich, Trustee, Local #1607 Rich Piekarski, Jr., Trustee, Local #3109 Robert Barczak, Trustee, Local #459 Saul Polish, Trustee, Local #3911</p>	<p><b>TRUSTEES ABSENT:</b> Jacqueline Jenkins, CHRO Michael Smith, CFO Paul Frese, Trustee Non-Union Members Terry Stone, Trustee Vacancy (Local 459)</p> <p><b>OTHERS PRESENT:</b> Lindsey Saienni, Financial Investment News</p>
<p><b>STAFF PRESENT:</b> Frank Benevento, Pension Benefits Administrator Grace Dehel, Pension Program Analyst Judy Mitchell, First Asst. County Attorney Rowena P. Liles, Program Analyst</p>	<p><b>INVITED GUESTS:</b> Will Forde, NEPC Kurt Livermore, Acadian Asset Mgt. Tom Obaseki, Acadian Asset Mgt. Alissa Howard, RBC Global Asset Mgt. Phil Langham, RBC Global Asset Mgt. Zeena Dahaleh, RBC Global Asset Mgt. Nick Dutter, ABS Investment Mgt. Guilherme Valle, ABS Investment Mgt.</p>

**APPROVAL OF THE INVOICES**

Frank – *There were 10 invoices totaling \$422,567.97. If there are no questions approval is requested.*

Saul – *Point of order on the agenda. We haven't approved the minutes from the last meeting.*

**APPROVAL OF THE MINUTES**

The minutes from the September 16, 2020 meeting are attached for approval.

**A motion was made by Saul Polish and seconded by Daryl Brown to approve the minutes from the September 16, 2020 meeting.**

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

**APPROVAL OF THE INVOICES**

Coho Partners	\$27,982.43	3 <sup>rd</sup> Quarter 2020
Eaton Vance	\$16,532.40	3 <sup>rd</sup> Quarter 2020
Loomis Sayles	\$56,037.41	3 <sup>rd</sup> Quarter 2020
MFS	\$128,648.39	3 <sup>rd</sup> Quarter 2020
NEPC	\$53,357.07	1 <sup>st</sup> Quarter 2020
NEPC	\$58,073.93	2 <sup>nd</sup> Quarter 2020

**APPROVAL OF THE INVOICES (Cont'd)**

NEPC	\$1,084.30	1 <sup>st</sup> Quarter Expenses
Peregrine Capital Mgt.	\$33,481.08	3 <sup>rd</sup> Quarter 2020
Real Estate Mgt.	\$9,199.74	Valuation as of 09/30/20
Systematic Financial Mgt.	\$28,170.59	3 <sup>rd</sup> Quarter 2020

**A motion was made by Saul Polish and seconded by Daryl Brown 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 August.
- ❖ Pension Trust Asset Summary – August 2020
- ❖ Pension Payments - September 2020
  - Payees for September 1,506
  - Active Participants 1,076
    - DelPen 389
    - DelPen (ret) 68
  - Benefits total \$3,716,257.87

**CAPITAL CALLS**

- Kennedy Lewis \$300,000.00 09/28/2020
- Kennedy Lewis \$198,891.00 10/28/2020

**DISTRIBUTION OF CAPITAL**

- Northstar Mezzanine Ptnrs VI LP \$54,297.00 09/25/2020
- Lexington Partners \$21,686.00 09/29/2020
- Backcast Partners Mgt LLC \$93,121.00 10/15/2020

**APPROVAL OF THE APPLICATIONS FOR BENEFITS**

**Service Retirements**

(09822)	\$1,995.98	10/03/2020	RetGen
(06104)	\$4,942.86	10/03/2020	PenPln
(06104) age 62 reduction	\$4,534.24	xxxxxxxxxxxxxx	xxxxxxx
(05832)	\$2,775.20	11/20/2020	RetGen
(06114)	\$3,088.72	11/07/2020	RetGen
(06404)	\$124.34	09/13/2020	PenPln (vested)

**Benefit Conversion**

*Pursuant to the provision of the New Castle County Employees’ Retirement System, “New Castle County Code, 26.04.108(A)(4) benefits for the retiree named below will be converted from a service-connected disability pension to a service pension coincident with his 65<sup>th</sup> birthday.*

(01388)	\$4,549.65	10/19/2020	RetGen
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**DelPen Retirements**

(06548)	n/a	11/02/2020	DelPen
(08101)	n/a	11/04/2020	DelPen

### APPROVAL OF THE SURVIVOR BENEFITS

(14860)	\$1,652.23	08/25/2020	RetGen
(14859)	\$49.65	08/13/2020	PenPln

### APPROVAL OF THE LUMP SUM BENEFITS

(09459)	\$23,560.89	10/01/2020	RetGen
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### APPROVAL OF THE REFUND BENEFITS

(11881)	\$5,292.28	10/01/2020	CPGen
(14333)	\$1,173.29	10/01/2020	CPEMS
(14330)	\$1,100.27	10/01/2020	CPEMS

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

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

### OLD BUSINESS

#### ➤ Updates

- Frank Benevento - Pension Software - We have narrowed down our pension software solution to two preferred providers (PTG & LRS). This week we received thorough product demonstration from each provider. In the coming weeks we will be finalizing our RFI and business charter document to distribute to each vendor for price proposals. New Castle County has begun to proceed with transitioning HRIS and Payroll with the same software solution Finance transitioned to back in July of this year (Munis/Tyler). The projected go-live goal date for HRIS and Payroll is October 1, 2021. The projected go-live goal date for our Pension Software Solution is January 1, 2022. If the Pension Board agrees, we would like to bring in each vendor for a brief product demonstration at our next regularly scheduled meeting on November 18, 2020. Any questions? **(No action necessary)**
- Frank Benevento - MetLife annual presentation follow-up – During our last meeting on September 16<sup>th</sup>, we discussed we held a discussion on our 401(a) plan review and fiduciary governance on terminating underperforming investment options identified by the Board. I previously distributed a copy of our 401(a) Investment Policy Statement (IPS) for reference. Articles VIII & IX specifically discuss terminating asset classes and investment options and ensuing mapping.

#### READ ARTICLE VIII - TERMINATING ASSET CLASSES AND INVESTMENT OPTIONS

The Board has full discretion to include or terminate an investment option or manager at any time, in accordance with manager service agreements and/or recordkeeping limitations, as it deems necessary or advisable to maintain the best interests of the Plan and its participants. Terminated investment options may be closed to future contributions and/or be disinvested of the accumulated value of past contributions through mapping as described below.

#### READ ARTICLE IX - MAPPING

If an investment option ceases to be available under the Plan, the Board will designate the investment option into which the amounts received from or

## **OLD BUSINESS (Cont'd)**

### **READ ARTICLE IX - MAPPING (Cont'd)**

*directed into the former investment will be invested. The method of mapping will be reviewed on a case-by-case basis. Available mapping methods may include, but are not be limited to, a similar fund mapping and/or age appropriate target date fund mapping.*

*We also have Dan Beaton from NEPC's Defined Contribution Team on today's call who has kindly joined us today to assist with any additional questions and has also provided the Pension Board with a brief presentation (previously distributed) on services provided by the NEPC Defined Contribution Team. I recommend requesting a proposal from NEPC's Defined Contribution Team on assisting the Pension Board with fiduciary governance with the 401(a) plan.*

- **Review Fee Structure**
- **Replacement Search**
- **Mapping**

*The chairman recommends this item be placed on the November 18, 2020 agenda for discussion.*

## **NEW BUSINESS**

➤ Investment Manager presentations by the following:

- Acadian Asset Mgt. presentation by Kurt Livermore and Tom Obaseki
- RBC Global Asset presentation by Alissa Howard, Phil Langham and Zeena Dahaleh
- ABS Investment Mgt. by Nick Dutter and Guilherme Valle

**A motion was made by Doug Merrill and seconded by Daryl Brown to hire ABS for the Emerging Markets mandate.**

**\*THE MOTION WAS AMENDED.**

**An amended motion was made by Doug Merrill and seconded by Daryl Brown to terminate Eaton Vance/Parametric in favor of hiring ABS Investment Mgt. for a \$10 million dollar mandate.**

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

➤ Will Forde, NEPC - Review the Preliminary Investment Performance "Flash" report for the period ending September 30, 2020.

## **ADJOURNMENT**

**A motion was made by Daryl Brown and seconded by Dan McFadden to adjourn the meeting at 20/57 a.m.**

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