

**RETIREMENT BOARD MINUTES  
COUNTY OF DELAWARE, PENNSYLVANIA  
MEETING OF MARCH 27, 2019**

TO: Retirement Board DATE: June 26, 2019

FROM: Joanne Phillips, Board Secretary and County Controller

PRESENT: Board Chairman and Council President John P. McBlain; Board Secretary and Controller Joanne Phillips; Treasurer Charlene Mangano; Executive Director Marianne Grace; Councilwoman Colleen P. Morrone, Councilman Michael F. Culp, investment advisors Rick Courtney and Michael Courtney of RBC Wealth Management (RBC); and Board Solicitor Francis J. Catania

ABSENT: Councilman Culp excused himself from the meeting after it was started for personal reasons. There were no other absences.

1. Meeting was called to order at 2:00 p.m.
2. Motion made to approve the minutes of the January 16, 2019 meeting. Councilwoman Morrone made the motion and Treasurer Mangano seconded the motion. The motion passed. **(4-0 vote)**
3. The Treasurer's Report was submitted and will be delivered to the County Clerk by Treasurer Mangano.
4. No public comments were received or submitted.
5. New Business:
  - (a) Private Equity- RBC invited representatives from Taurus Private Markets to attend the meeting to educate the Board on issues relating to private equity investments. In connection with a possible review of the Plan assets, the Board may consider this type of investment. Private equity may provide for additional diversification. Taurus works with Allegheny County, which holds approximately \$19mm in private equity (\$940mm fund), and certain other governmental funds. Representatives from Taurus provided a comprehensive presentation and lead a discussion with the Board about private equity in general. The Board discussed structure, timing, valuation and expected returns for these types of investments. The Board may consider making an investment in this area in the future, provided that the Fund investment policy allows for that type of asset allocation.
  - (b) RBC Report - Rick Courtney
    - Mr. Courtney reported that as of February 28, 2019, the market value of the Fund was \$520,0976,606 and was up YTD by 9.6%. Fortunately, the

market had rebounded and the Plan recovered almost \$44 million in the first quarter of 2019 from the end of December 2018. There was a discussion that the Controller's office had worked with RBC and utilized the County's contribution to fund pension payments in January and February to allow assets to recover from the challenging 2018 4<sup>th</sup> quarter. Mr. Courtney reviewed his 1st quarter report. A copy of the report is filed with the minutes.

- Mr. Courtney expressed the view that it is important for the Board to evaluate asset allocation at the next meeting and to evaluate whether we need to move some of our assets into different investments to rebalance the portfolio. Specifically, domestic equity managers will be reviewed and the funds that are not performing up to expectations may be utilized for generating pension payments or have some of the assets moved into other investments.
- Mr. Courtney inquired whether we would like him to continue to look at private equity further and talk about it again at a later meeting. A motion to continue discussing these investments was made by Councilwoman Morrone and Treasurer Mangano seconded the motion. The motion passed. **(4-0 vote)**

- (c) Annuity Investments- Controller Phillips reported on a meeting she held with James Hannon, representing Allstate Financial Services LLC to discuss the five Prudential annuities that are part of the Plan's investments. The annuities were acquired around 2010. Mr. Hannon explained that the Board has an option to trigger annuity payments or convert the annuities to cash at certain times. The Fund receives a 4% guaranteed return yearly on each annuity. The death benefit for each is \$650,000 to \$750,000 and the total value of the investment is \$3.5 mm.

6. Old Business:

- (a) Solicitor Catania – Investment fund contract amendments

- Solicitor Catania said that there are 14 contracts for the Retirement Program. Ten contracts went out for signature and three have been circulated and returned. Mr. Catania has one contract for Wells Fargo Advisors that he will send to the Controller's Office.
- Controller Phillips inquired whether the Solicitor advises that the Board have the Plan pursue claims in class action suits. Some suits can have significant returns but also require participation. All agreed that if we do not have to be the lead plaintiff it is worth being involved, and lead plaintiff status should be carefully considered. In the past, the Controller has had to make investments of time. Ms. Phillips made a motion to continue to be involved with the class action case in U.S. Express as

requested by outside counsel Laura Stein from Robbins Geller. Treasurer Mangano seconded the motion. The motion passed. **(4-0 vote)**

- (b) In other business Ms. Phillips reported on a meeting held with personnel from the County's IT Department, the Controller's Office, and a company called Pension Technology Group (PTG). PTG visited to present their retirement program technology and to demonstrate the services that can be provided to retirees and Plan members. The Controller's Office would like to explore options and technology for expanding self-service options. The County group decided to explore possible functions that can be available through SAP.
7. Motion to adjourn the meeting was made by Ms. Phillips and seconded by Treasurer Mangano. The motion passed. **(4-0 vote)**
  8. The meeting adjourned at 4:00 p.m. **Next meeting is scheduled for June 26<sup>th</sup> 2 p.m.**