

MINUTES

DEKALB COUNTY PENSION BOARD

January 7, 2010

The DeKalb County Pension Board held a meeting on January 7, 2010 in the Finance Department conference room. The following members were present: Michael Bell, James Butler, Andrella Kenner, Christopher Prickett, Joe Stone, and Ed Wall. Others present: John Carr and Weston Lewis of Callan Associates, Eric Atwater and Rocky Joyner of The Segal Company, Gordon Burkette, Nathan Fowler, Jelani Hooks, Louis McGregor, Michelle Thomas, and Paul Wright.

Ed Wall, Chairman of the Pension Board, called the meeting to order.

Andrella Kenner motioned, Christopher Prickett seconded, and the Board approved the minutes of the November 18, 2009 Pension Board meeting.

Ed Wall brought to the Board's attention the amendment made to the December 10, 2009 minutes stating the County's increase to their historical $\frac{2}{3}$ share of the total pension contributions over the next 30 years in order to fund the early retirement incentive's payout in lieu of annual leave. Rocky Joyner from the Segal Company advised they would determine the actual number of employees that took the Early Retirement Incentive when the window closes, determine the liability associated with the Annual Leave payout, then amortize it over a 30-year period. The board agreed with the wording of the amended minutes.

Andrella Kenner motioned, Christopher Prickett seconded, and the Board approved the minutes of the December 10, 2009 Pension Board meeting.

Ed Wall asked Michelle Thomas for the County's legal opinion in regards to the annual leave's being funded through the pension fund and if it was permitted. Michelle stated she has looked into the issue and could not find anything that would prohibit the payout from the pension fund.

The Board then discussed the election of Pension Board Officers. Ed Wall made a motion to nominate the Chairman of the Pension Board. Chris Prickett nominated Ed Wall as Chairman and Andrella Kenner seconded. The nomination for Vice-Chairman was tabled until the March meeting. Ed nominated Andrella Kenner for Secretary and Jelani Hooks for Clerk. Christopher Prickett motioned, James Butler seconded, and the Board closed the nominations. Christopher Prickett motioned, Andrella Kenner seconded, and the Board adopted the candidates as presented.

Christopher Prickett motioned, Andrella Kenner seconded, and the Board approved ratification of payment of the following invoices:

| Vendor | Service | Period | Amount |
|--------------------------|-----------------------------|-------------------|-------------|
| Denver Investments | Investment Management | 6/1/09 - 9/30/09 | \$43,771.83 |
| James D. Kiley, M.D. | Disability Examinations (3) | December 16, 2009 | 1,050.00 |
| Daniel L. Kingloff, M.D. | Disability Examination | November 10, 2009 | 855.00 |
| Daniel L. Kingloff, M.D. | Disability Examination | December 14, 2009 | 782.65 |
| The Segal Company | Consulting Services | 9/1/09 - 11/30/09 | 8,375.00 |

John Carr of Callan Associates reviewed the 4th quarter 2009 investment results. Ed Wall noted

that the Board was not informed in advance of the resignations of Greg Bauer and John Krimmel, who formerly serviced the pension fund. Mr. Carr apologized, and went on to explain that Callan was “caught off guard” by their resignations. He also indicated that the new consulting team would consist of Paul Troup, a 20-year employee of Callan, and Weston Lewis.

The Equity market rally through December was the tenth straight month of positive returns on the S&P 500. The market had rebounded 65% off the March 2009 low. Ed Wall stated that the fund was off 28% in 2008 and expects a 25% increase for 2009. John Carr stated that the markets rebounds make it possible to see those high returns. Mazama’s 4th quarter results trail the benchmark by approximately 3% but had a good December and are still underperforming year-to-date. The EAFE index returned 32.5% for 12 months, Emerging Markets was up 79% from the low in March, the DOW was up 26%, and Fixed Income was up 6%. The pension plan earned \$250 million in 2009.

The Board then decided which money managers would fund retiree payments for the 1st quarter, 2010. Tattersall will pay the benefits for January. Paul Wright recommended that the fund take the remaining upcoming benefits from Tattersall. Christopher Prickett motioned, Andrella Kenner seconded, and the Board approved Tattersall’s funding retiree payments from February through April.

The Board then reviewed the early retirement incentive programs and contribution projections by The Segal Company. They agreed that both incentive options would be presented as one package to the Board of Commissioners (BOC) and that the employees would be eligible for only one of the options. Mike Bell stated there has been discussion of the Early Retirement Options to the BOC in the Budget Committee meetings and that it is imbedded in the CEO’s budget on December 15. The CEO is recommending the options, but there has been no hard documentation on what the options are and the impact they will have. He is waiting on the County administration and the Pension Board’s recommendation before presenting the options to the BOC at their January 26, 2010 meeting.

The Board’s consensus on the early retirement incentive program was that a 50% take rate is obtainable. The Segal Company advised that the incentive programs are designed for individuals that have longer service to take it. The program is fair and designed intently not to create additional cost. Rocky Joyner stated that a reduction in force (RIF) costs more than the retirement window, person for person. James Butler suggested that the County hire a financial planner to assist potential retirees with early retirement choices. Christopher Prickett indicated that employees need to be advised that this is completely a personal choice to take the early retirement and that their decisions need to be thought out carefully. The Pension Board agreed that individuals should seek their own financial advisors for counseling.

The Board then discussed disability pensions. It was decided that the rules regarding disability pensions needed to be modified. Employees must be vested in the pension plan before qualifying for disability. Christopher Prickett motioned, James Butler seconded, and the Board approved a recommendation to adopt the Home Rule Ordinance to change the vesting for a disability pension as well as the definition of a disability pension.

Andrella Kenner motioned, Christopher Prickett seconded, and the Board approved requests

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from the following employees to repay contributions withdrawn from the pension plan, so as to receive credit for prior service. All requests were submitted in the required timeframe after being rehired.

- Jonathon M. Banks, an employee of Police Services
- Antonius M. Evans, an employee of Police Services
- Yucatan R. Faulcon, an employee of Sanitation
- Chadrick M. Murkey, an employee of Watershed Management
- Quentavious D. Price, an employee of Sanitation

Andrella Kenner motioned, James Butler seconded, and the Board approved requests from the following employees to pay contributions for employment on leave without pay, so as to receive accredited service for that employment. Mr. Hall is requesting to purchase service for time served in the military.

- David Hall, an employee of Watershed Management
- Preston L. Stephens, an employee of Finance

Christopher Prickett motioned, Andrella Kenner seconded, and the Board denied a disability pension for Wanda G. Atkinson.

Christopher Prickett motioned, Andrella Kenner seconded, and the Board approved one-year disability pensions for Margaret Devereaux and Romas Hicks.

James Butler motioned, Ed Wall seconded, and the Board approved entering Executive Session to discuss disability.

Christopher Prickett motioned, James Butler seconded, and the Board approved a one-year disability pension for Evelyn J. McDonald.

Christopher Prickett motioned, Andrella Kenner seconded, and the Board denied a disability pension for Glenda Moreno.

James Butler inquired about the web-based pension estimator. He stated that with the early retirement options passing, it would be beneficial if an employee could log on and estimate their pension benefit. Jelani Hooks stated he spoke with Rhett Smith of Information Systems to determine what requirements would be needed to create an online estimator and to schedule an initial meeting on January 14, 2010.

Ed Wall mentioned that the Home Rule amendment be changed to allow for Board members to be reimbursed for expenses incurred for Pension Board service, excluding attending Pension Board meetings.

Because there was no further business, the Board adjourned the meeting.



Jelani K. Hooks

Clerk, The Pension Board of DeKalb County