

MINUTES

DEKALB COUNTY PENSION BOARD SPECIAL CALLED MEETING

February 10, 2011

The DeKalb County Pension Board held a special call meeting on February 10, 2011 in the Board of Commissioners Multi-Purpose Room. The following members were present: Thomas Brown, Joel Gottlieb, Anthony McBride, Benita Ransom, Robert Robertson (via telephone), Bemetra Simmons, Ed Wall, and Gale Walldorff. Others present: Eric Atwater and Jeff Johnson of The Segal Company, Weston Lewis and Paul Troup of Callan Associates, Patricia Keesler of Benefits Law Group, Jelani Hooks, Larry Jacobs, Louis McGregor, Commissioner Stan Watson, and Paul Wright.

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

Anthony McBride read the oath of office to become a member of the Pension Board.

Thomas Brown read the oath of office to become a member of the Pension Board.

Gale Walldorff asked if voting during the February meeting was appropriate. Ed Wall stated that it was a special call meeting and once the new members are sworn in, it is ok to proceed.

Benita C. Ransom read the oath of office to become a member of the Pension Board. Ed Wall informed Ms. Ransom that she was an ex officio member of the Board and as such, she may talk and comment, but cannot vote.

Ed Wall spoke to the new Board members about how the fees are calculated, charged, and how the Board obtains new money managers. Joel Gottlieb stated that the fees account for about 25-35 basis points on the Fund's assets. As the asset changes, the fees go up or down. Thomas Brown wanted to know the relationship between Callan Associates and the money managers.

Robert Robertson motioned, Bemetra Simmons seconded, and the Board approved the ratification of payment of the following invoices.

Vendor	Service	Period	Amount
Decatur Capital Management	Investment Management	10/1/2010 - 12/31/2010	\$10,170.82
Earnest Partners	Investment Management	10/1/2010 - 12/31/2010	\$91,958.00
Edgar Lomax Company	Investment Management	10/1/2010 - 12/31/2010	\$28,814.25
Frontier Capital Management	Investment Management	10/1/2010 - 12/31/2010	\$79,663.52
Montag & Caldwell	Investment Management	10/1/2010 - 12/31/2010	\$113,190.54
State Street	Custodial Supervision	7/1/2010 - 9/30/2010	\$34,335.73

Paul Troup and Westin Lewis of Callan Associates presented 4th Quarter market results. Paul Troup stated that three things affect the results in the Plan: 1) Georgia State law, and the Dekalb County Pension Ordinance, 2) manager strategy, and 3) the investment environment. In virtually all investment environments, state law and the pension code normally do not have an effect. For 2010, Russell 2000 Growth Index had a 29% rate of return. This index represents the smallest growth stocks in the New York Stock Exchange.

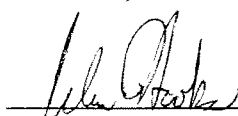
Small cap managers had the best opportunity to build wealth. The EAFE index is the only international exposure that the Fund has. The S&P ranks stocks by quality, with AAA being the best quality. All the stocks in the Russell Growth were either high or low quality. Low quality stocks had a 27% return, high quality stocks had a 25% return. At the end of December, the target was 60% domestic equity, 10% international equity, and 30% in fixed income. Thomas Brown wanted to know if the target asset allocation is established by the Board. Mr. Troup stated that it was, and by Georgia law, the Fund is allowed to go up to 75% equity. Only 13% of all public funds in the country had better returns than Dekalb County for the year ending December 2010, and only 33% of all public funds in Georgia had better returns than Dekalb County. The domestic equity portfolio had a 17.55% rate of return, fixed income had a rate of return of 8.11%, and international equity had a rate of return of 9.8%. Joel Gottlieb pointed out the rates of return to Mr. McBride.

Paul Troup proceeded to show each of the managers and what they do. Jennison and Montag & Caldwell manage large cap growth stocks for the Fund. Collectively, the Fund experienced a 14.66% rate of return. Earnest Partners posted a 13.07% return and underperformed the Russell 2000 Value index by 2.29%. For the last 12 months, 97% of their peers had better performance than Earnest did. Since their inception, 71% of their peers have had better performance. Tattersall bought a lot of AAA mortgage backed securities, which lost value in 2008. Ms. Walldorff noted that the Plan pays about \$6 million a year in fees. The Board stated it was about \$3.5 million. She also wanted to know if we are getting a good value for our money. Ms. Simmons wanted to know how is our 35 basis points in line with other public funds of similar size. Paul Troup stated that it is very competitive. Benita Ransom inquired as to if the investment committee is open to the other pension board members. Ed Wall confirmed that it was.

The Board then reviewed the revised meeting dates. The only change included the addition of the February 10, 2011 meeting. Thomas Brown motioned, Robert Robertson seconded, and the Board approved the change.

The Board then listened to comments from Board members. Ms. Walldorff wanted to ask the attorney to review the terms of the loan the Pension Board made to the County during the Early Retirement. Joel Gottlieb stated that the contribution rate to the Fund is 17%. This includes a .25% premium over what the actuaries calculated, which was 16.75%. This will help to offset the debt from the County to the Pension Fund. Mr. McBride inquired on how he could receive a copy of those documents. Ed Wall informed him that the minutes are approved before they are posted. Ms. Ransom inquired about educational sessions for Board members. Robert Robertson agreed on how something needs to be put in place regarding formal training. Mr. Robertson also requested the financial reports for pension administration. Mr. Hooks stated it will be available at the March meeting.

Because there was no further business, Gale Walldorff motioned, Bemetra Simmons seconded, and the Board adjourned the meeting.



Jelani K. Hooks

Clerk, The Pension Board of DeKalb County