

Minutes
DeKalb County Pension Board

January 16, 2025

The DeKalb County Pension Board met on January 16, 2025 at the Marriott Courtyard Hotel in Decatur. The following members were present: Lorraine Cochran-Johnson, Mike Goff, Tracy Hutchinson, David Littlefield, Dianne McNabb, Benita Ransom, Robert Robertson, and Edmund Wall. Others present: Malichi Waterman of Segal Consulting, Drew Beiger and Brad Penter of Callan LLC, Terri Taylor of Benefits Law Group, Bob Killorin of Faruqi and Faruqi, Rachelle Christion, Larry Jacobs, and Kenny Pinkerton.

Mr. Wall called the meeting to order.

Mr. Wall paid tribute to board member Mr. McMullan, who passed away recently. A moment of silence was observed in his honor.

Mr. Wall swore in Mr. Littlefield and Mrs. Cochran-Johnson to the pension board for the next four years. Mr. Robertson asked when Mr. Wall's seat was up for reelection. Mr. Wall's indicated that his term ends on March 1st.

The Board approved the meeting minutes from July 11, 2024, with one change. Mr. Robertson noted on page 3 that retiree healthcare costs went up \$90, which resulted in a 500% increase. Mr. Littlefield motioned, Ms. Hutchinson seconded, and the Board approved the change.

Mr. Littlefield motioned, Mr. Robertson seconded, and the Board approved the following expenses.

Vendor	Service	Period	Current Charges	Year to Date Charges
Benefits Law Group	Legal Consulting	Nov / Dec 2024	\$400.00	\$0
Callan, LLC	Investment Consultant	4Q 2024	26,875.00	\$0
Decatur Printing	COLA Letters	4Q 2024	1,154.37	\$0
ISSI	Software Support	4Q 2024	2,500.00	\$0
Koenig Law Group	Legal Consulting	4Q 2024	2,910.00	\$0
Decatur Marriott	Hotel Expenses	4Q 2024	1,452.29	\$0
Segal Consulting	Actuarial Consulting	4Q 2024	45,000.00	\$0
Total			\$80,291.66	\$0

Mr. Penter reviewed the investment materials. The S&P returned a little more than 2% for the quarter and was up 25% for the year. The stocks known as the Magnificent Seven returned 61% for the year and represented 35% of the index. Small caps returns were flat for the quarter. International stocks performed poorly for the quarter, dropping 8%. Bonds were down around 3% for the quarter and up 1.25% for the year. The 10-year interest rate

rose to 4.6%. Overall, it was a great year for equity markets but modest returns for fixed income. Interest rates remain high.

Mr. Penter led a discussion on the risk and returns for 2025. He noted that the 10 year projection for large cap, small cap, and international funds were all projected to be 7.25% to 7.45% while fixed income was projected at 4.75%. These projections are based on interest rates, stock dividends, earnings growth, and inflation projections. Mr. Wall reiterated the goal of being fully funded in 19 years.

Mr. Penter discussed the likelihood of achieving certain returns over the next 10 years. There is a 25% chance of getting at least a 9.43% return over the next 10 years. But there is also a 25% chance of a return of 4.47% or lower. These projections only represent passive management, while the county employs active management. Ms. Hutchinson asked about the impact of the newly elected president. Mr. Penter stated that elections results are not factored into their analysis. Mr. Wall acknowledged that interest rates may not be reduced in 2025.

Mr. Penter stated the plan has \$1.77 billion in assets as of year-end, down slightly from the 3rd quarter report. The plan is allocated with 60% in U.S. equity, 25% in bonds, and 15% in international equity. The 4th quarter results were relatively flat. The plan assets were up 15.2% for the year. Mr. Penter stated that the plan returned 9.5% for the last five years. Callan does not recommend changes to the investment mix at this time.

Mr. Beiger suggested taking \$7 million from Jennison, \$5 million from Loomis, and \$4.7 million from the S&P 500 Index fund to fund benefit payments. Mr. Littlefield motioned, Ms. Cochran-Johnson seconded, and the Board approved.

Mr. Waterman explained Segals role for the new board member. He provided a brief re-cap of the Experience Study. Mr. Wall requested a final discussion of the study results for the next board meeting.

Mr. Wall reviewed the status of everyone's education hours. He suggested that everyone just take the course and notify us for your credit. Mr. Penter indicated that they can also use Callan's array of courses for credit. The annual Callan College is available.

Ms. Hutchinson inquired about Cornelius Rogers selecting the prior service for credit, which Mr. Pinkerton stated he is not eligible for that service but he is eligible for the recent service. Mr. Littlefield motioned, Mr. Robertson seconded, and the Board approved the following buy backs:

Girte' Leah Davis, CEO's Office
Eliasar Gonzalez, Solicitor General's office
Cornelius Rodgers, Watershed office
Anna Ruiz, Public Defender's office
Tony Smith, Sr., Roads and Drainage office
Jennifer Young, Sheriff's office

Mr. Robertson indicated his continuing support of the board chair and his commitment to nominate the chair for another 4 year term.

Ms. Hutchinson explained that her office received several calls regarding the recent COLA. If there is another targeted COLA, Mr. Jacobs committed to sending explanatory letters to the ineligible retirees. Ms. Cochran-Johnson expressed support for using communication technology to reach a broader audience.

Mr. Wall outlined the steps necessary for replacing Mr. McMullen. The Board of Commissioners will replace him. Mr. Wall stated that Mr. McMullen's son had contacted him about serving in this role.

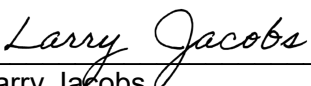
Mr. Wall addressed questions regarding the plans performance from retiree Mr. David Holcomb. Mr. Wall expects the retiree payments to increase to \$195 million in 2025. Mr. Holcomb also stated that Mr. Pinkerton came to their board meeting at Toco Hills library and gave an outstanding presentation.

Attorney Lasseter asked the Board to reconsider their decision to deny J&S Benefits for the former wife of Mr. Tony Hall. His petition is based on whether Mr. Hall was competent to make a pension election. Pension Board Attorney Teri Taylor will communicate the Boards position to Mr. Lasseter.

Mr. Wall indicated that the Board would go into to Executive session. Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved going to Executive session.

The Board took no action on the estate of Mr. Tony Hall.

With no further business, Mr. Wall adjourned the meeting.



Larry Jacobs
Deputy Finance Director