

Minutes

DeKalb County Pension Board

March 13, 2025

The DeKalb County Pension Board met on March 13, 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 briefly spoke about his role as Chairman of the pension board. Mr. Robertson affirmed Mr. Wall's many years of service to the board and nominated him for a new four-year term. Mr. Littlefield motioned, Ms. Hutchinson seconded, and the Board approved Mr. Wall to continue serving as Chairman of the DeKalb County pension board.

Ms. McNabb motioned, Mr. Robertson seconded, and the Board approved the January 16, 2025, minutes.

Mr. Littlefield motioned, Ms. Hutchinson seconded, and the Board approved the plan's quarterly expenses.

Vendor	Service	Period	Current Charges	Year to Date Charges
Advent Capital Mgt.	Investment Mgt.	4Q 2024	\$107,935.78	\$0
Earnest Partners	Investment Mgt.	4Q 2024	137,122.25	0
The Edgar Lomax	Investment Mgt.	4Q 2024	69,183.16	0
Frontier Capital Mgt.	Investment Mgt.	4Q 2024	186,529.53	0
GAMCO Asset Mgt.	Investment Mgt.	4Q 2024	140,391.00	0
Income Research + Mgt.	Investment Mgt.	4Q 2024	54,057.15	0
Jennison Associates	Investment Mgt.	4Q 2024	116,480.01	0
Loomis Sayles	Investment Mgt.	4Q 2024	148,234.88	0
Segall Bryant & Hamill	Investment Mgt.	4Q 2024	80,172.18	0
		Subtotal	\$1,040,105.94	\$0
Benefits Law Group	Legal Consulting	1Q 2025	\$3,920.00	\$3,920.00
DeKalb County Pension	Pension Cost	4Q 2024	151,089.13	0
ISSI	Software Support	4Q 2024	53,573.10	0
Koenig Law Group	Legal Consulting	1Q 2025	1,350.00	1,350.00
Decatur Marriott	Hotel Expenses	1Q 2025	1,399.46	1,452.59
Segal Consulting	Actuarial Consulting	1Q 2025	8,625.00	8,625.00
State Street	Custodial Fee	4Q 2024	43,596.12	0
		Subtotal	\$263,552.81	\$15,347.59
Total			\$1,303,658.75	\$15,347.59

Mr. Beiger presented details on the economic environment. Consumer spending was down. Manufacturing and construction have been weaker than expected. Consumer expectations have declined since the November election. Investment sentiment has decreased about 10%. The Federal Reserve has a little room to cut rates in the next couple of months. Wholesale prices came in flat despite the fact that they were expected to increase. Mr. Wall said the S&P Index is down about 5% since January 1st driven by selloffs across the magnificent seven stocks. The plan was up 15% during 2024. Year-to-date, the portfolio is down around 1%-1.5%. International stocks have done well in this 1st quarter, which helped the fund. There is ongoing discussion about the tariffs and how that may hinder market performance.

Mr. Penter stated that as of 12/31/2024 the plan has \$1.77 billion in assets. Year-to-date, the plan is down to \$1.73 billion. Large caps were down 5%, small caps were down 9% year to date, non-US markets were up 8.3%, and bonds were up 2.3%. In 2024, the fund had very good absolute returns and relative to the benchmark. There was a larger discussion about Gabelli's portfolio positioning, succession planning, and long-term performance. Mr. Wall suggested scheduling an investment committee meeting with Gabelli and Callan to discuss these issues. He asked Mr. Pinkerton and Mr. Jacobs to set a date for an investment committee meeting in March or April.

Mr. Wall noted that there is \$100 million in revenue coming into the plan and \$189 million in expenses each year. This leaves approximately \$89 million shortfall. Mr. Wall asked Mr. Jacobs to provide a report showing the expected contributions to the plan through the end of the year. Mr. Jacobs stated that the amount needed can fluctuate based on the State Street starting cash balance. Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved a drawdown amount of \$17 million from Advent Capital to fund benefit payments.

Mr. Waterman led the discussion on the experience study. Mr. Waterman outlined the assumption changes to be considered. If adopted, the changes could reduce the annual contributions to about \$77 million. He then showed the impact of including a .5% or 1% COLA assumption. The estimated contributions would be \$86 million and \$96 million respectively. Mr. Wall suggested that a 1% automatic COLA would be too expensive. Ms. McNabb suggested that the pension board should not make a COLA assumption and prefers the county Board of Commissioners to approve any increases. Mr. Waterman showed a COLA increase chart and stated that they generate only about a .6% increase in the past 25 years. Mr. Robertson stated that in his 19 years as a retiree, they have had only 8% in COLA increases. He advocates for automatic COLA's. Ms. McNabb expressed support for some kind of regular COLA. Mr. Wall indicated that he would meet with Commission members on this item. Mr. Robertson agrees that we should present the full 1% increase to the county Board of Commissioners.

Mr. Robertson motioned, CEO Cochran-Johnson seconded, and the Board approved the various demographic and economic assumption changes, including mortality, withdrawal, disability, retirement, marriage percentage, payroll growth, salary scale, and administrative expenses. These changes would result in a decrease in recommended contributions of about \$4.4 million. No action was taken on COLA funding.

Mr. Wall discussed the continuing education hours for board members. He stated that the upcoming Investment Committee meeting with Callan will provide 2 hours.

Mr. Littlefield motioned, Mr. Robertson seconded, and the Board approved the following employees to repay contributions:

Trevor Forrester, Watershed office
Markel Jones, Watershed office


Mr. Robertson recommended that we provide a separate Zoom number for the Executive Session for security and confidentiality.

Ms. Hutchinson expressed that she plans to review the projections before the next board meeting. She also expressed that she is going out to promote the website. She would also like to post the pension plan summary in breakrooms and other common areas to promote the plan.

Mr. Wall said that job seekers are looking for the highest possible salary. If they can't get that here, they are likely to look elsewhere. Mr. Jacobs says the retirement plan is presented at each new employee orientation. He went on to say that younger employees are more interested in starting pay and less interested in retirement plans.

Ms. Cochran-Johnson motioned, Mr. Robertson seconded, and the board moved to the Executive Session.

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



Larry Jacobs
Deputy Finance Director