

Minutes

DeKalb County Pension Board

September 11, 2025

The DeKalb County Pension Board met on September 11, 2025 at the Emory Conference Center Hotel in Decatur. The following members were present: Tracy Hutchinson, Dianne McNabb, Robert Robertson, and Edmund Wall. Others present: Drew Beiger and Weston Lewis of Callan LLC, Terri Taylor of Benefits Law Group, Malichi Waterman of Segal Consulting, Rachelle Christion, Larry Jacobs, and Kenny Pinkerton.

Mr. Wall called the meeting to order. Mr. Eric Atwater was then sworn in as the newest member of the pension board.

Mr. Robertson suggested that the Pension Board take a moment of silence to recognize David Rose, a DeKalb Police officer, and Preston Fant, a DeKalb Firefighter, who both lost their lives recently in the line of duty. Mr. Wall agreed and the Board took a moment of silence to honor their service.

Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved the July 10 meeting minutes.

Vendor	Service	Period	Current Charges	Year to Date Charges
Advent Capital Mgt.	Investment Mgt.	2Q 2025	\$92,103.93	\$107,491.88
Earnest Partners	Investment Mgt.	2Q 2025	131,906.99	125,659.30
The Edgar Lomax Company	Investment Mgt.	2Q 2025	72,958.01	72,418.30
Frontier Capital Mgt.	Investment Mgt.	2Q 2025	172,464.63	176,105.14
GAMCO Asset Mgt.	Investment Mgt.	2Q 2025	148,352.00	139,586.00
Income Research + Mgt.	Investment Mgt.	2Q 2025	55,369.47	54,761.23
Jennison Associates	Investment Mgt.	2Q 2025	113,581.37	112,882.67
Loomis Sayles	Investment Mgt.	2Q 2025	150,620.11	131,844.37
Segall Bryant & Hamill	Investment Mgt.	2Q 2025	82,715.49	81,927.33
		Subtotal	\$1,020,072.00	\$1,002,676.22
Benefits Law Group	Legal Consulting	3Q 2025	\$3,280.00	\$6,600.00
Berwyn Group	Certified Deaths	2Q 2025	9,000.00	0
Caduceus Occupational Med	Disability	3Q 2025	2,500.00	0
Callan, LLC	Search Vendors	3Q 2025	30,000.00	0
DeKalb County Pension	Pension Cost	2Q 2025	158,427.96	140,111.15
Decatur Marriott	Hotel Expenses	3Q 2025	1,416.75	2,852.05
Marsh & McLennan	Fiduciary Ins.	2Q 2025	0	67,010.00
ISSI	Software Support	2Q 2025	3,712.50	55,973.10
ISSI	Implementation Fee	2Q 2025	2,300.00	18,350.00
Koenig Law Group	Legal Consulting	3Q 2025	5,590.72	3,858.36
Nichols, Cauley, and Assoc.	Plan Audit	2Q 2025	0	12,000.00
Segal Consulting	Actuarial Consulting	2Q 2025	8,625.00	17,250.00
State Street	Custodial Fee	2Q 2025	45,242.81	44,777.21
		Subtotal	\$270,095.74	\$368,781.87
Total			\$1,290,167.74	\$1,371,458.09

Mr. Robertson motioned, Mr. Atwater seconded, and the Board approved the expenses.

Mr. Beiger started off by reviewing the investment returns as of June 30. The overall market performance remains strong. Interest rates remain unchanged but there is talk about lowering them in September. Consumer spending remains strong. Some weakness in the recent jobs report. Markets remain strong as 80% of the S&P 500 stocks beat expectations. International fund returns were up. Investors believe that interest rates will fall, possibly by 0.25%. Inflation was up slightly by 0.2%.

Mr. Lewis advised that the fund was overweight in terms of domestic equity compared to fixed income. He recommended a rebalance to get closer to the established target amounts. The fund outperformed the benchmarks in the 2nd quarter. He mentioned that the manager effect had a positive impact on the plan. Mr. Wall summarized by saying that sticking to the plan paid off in a big way. The DeKalb plan ranks in the top 3 for domestic equity returns. The plan also does not use AI in picking stocks, etc. and has built its returns on the solid performance of the existing managers.

Mr. Atwater asked a question about alternative investments. Mr. Lewis responded by saying that they have reviewed a number of investments recently, the last one being real estate. Mr. Wall briefly explained the investment policy. Mr. Robertson stated that he is not a fan of alternatives or private equity.

Mr. Wall asked about real estate investing. Mr. Lewis said that real estate includes multi-family housing, industrial housing, offices, etc. He advised that management fees are very high and that liquidity could be an issue.

Mr. Lewis touched on the returns in the fund. He pointed out that Marathon has had soft performance since being hired but really turned things around in the 2nd quarter with their diversified portfolio. The lesson learned is that patience has paid off, in a big way for the board. Egar Lomax was down due to buying dividend paying stocks but there are no concerns for them. Earnest Partners under-performed in the second quarter. They invest in quality companies and are expected to rebound.

Mr. Beiger discussed the process for selecting a new fund manager to replace Gabelli. After interviewing the finalist, the investment committee recommends selecting Artisan Partners, which has an Atlanta office and has fees of 35 basis points. Mr. Robertson motioned, Ms. Hutchinson seconded, and subject to the Board's attorney working out the agreement, the Board approved moving all Gabelli assets to Artisan Partners.

Mr. Lewis discussed the transition of assets from Gabelli to Artisan. He discussed in detail a chart showing PGM Global, Russell Investment, and State Street displaying their cost for this transition. Mr. Lewis provided the cost estimate for the transition. Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved PGM Global as the transition manager.

Callan recommended taking \$14 million from the S&P 500 Index fund for benefit payments. Ms. Hutchinson motioned, Mr. Atwater seconded, and the Board approved the funding of \$14 million for benefit payments.

Mr. Beiger proposed moving \$30 million from stocks to bond funds to rebalance. Mr. Wall expressed concern about moving money from high performing stocks to bonds which typically have lower returns. Mr. Beiger responded that over the long term equities are expected to outperform bond funds. Mr. Wall stated that the market is very expensive right now. Mr. Lewis explained that the market continues to go up in value because of the high returns. Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved moving \$10 million each from Jennison, Loomis, and Frontier and allocating \$15 million each to Segal Bryant & Hamil and Income Research to rebalance.

Mr. Jacobs provided a summary of where we are on our pension system. He stated that since the switch to the Bridgeway system our service level has gone down. As a result, we are asking the Board to consider another platform. He stated that Deloitte did provide a higher quote to us back in 2000 when we were searching for a vendor. He went on to ask if the board would allow them to make a presentation at the November meeting. Mr. Robertson suggested putting performance metrics in any contract going forward.

Mr. Waterman gave a summary of the actuarial results. The recommended contribution is 21.69% of projected payroll for fiscal 2026 and represents a decrease from 23.70% from last year. The contribution is equal to the total normal cost plus a closed 18-year level percent of pay amortization of the unfunded liabilities. The plan's funded ratio increased from 58.01% to 58.68% in 2025. On a funded basis, the ratio increased from 59.97% to 64.60%. The market rate of return for 2024 is 14.81%. On an actuarial basis, the plan returned 8.15% vs. 6.75%. Mr. Atwater asked if five year smoothing could be considered. Mr. Waterman will look into this option.

The 2% COLA implemented in August 2024 for retirees and beneficiaries increased the actuarial accrued liability by \$36.5 million and the cost by \$2.9 million. The recommended contribution for 2026 is \$83,210,607. Market value of assets totaled \$1,779,691,109 while the unfunded actuarial accrued liability was reported as 1,138,402,421. This improved the actuarial funded ratios to 58.7% and the ratio on the market value of assets to 64.6. Mr. Atwater wants Segal to provide him with a summary of the liabilities between benefits earned in Group 2 versus Group 3.

The board found the packet missing the work history documentation of five people who requested prior service after being rehired. Mr. Pinkerton will follow-up sending these sheets to the board members after the meeting. Mr. Robertson stated to clarify the point by adding that the forms are approved pending review of the documents. Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved five people to purchase prior service pending approval of their documents.

Mr. Robertson motioned, Ms. Hutchinson seconded, and the Board approved paying Mr. David Knudson's disability benefit for another year.

Mr. Robertson brought forward a proposal to grant full pension benefit payments to those persons who die in the line of duty, effective January 1, 2025. Ms. Taylor agrees with providing this benefit but does not agree with the effective date due to the anti-gratuity clause in the Georgia constitution after termination of employment. Mr. Wall instructed Mr. Waterman to run the cost estimates for doing this. He also mentioned this provision to Ms. Cochran-Johnson and she is 100% for doing it. He stated that Ms. Taylor will draft a memo of the items to be approved, Mr. Waterman will run the numbers on the cost, and Mr. Wall will draft a letter to the Board of Commissioners and send it out to everyone for approval. Mr. Robertson motioned, Mr. Atwater seconded, and the Board will write a letter to the BOC to request a death benefit for employees who die in the line of duty, effective January 1, 2025.

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



Larry Jacobs
Deputy Finance Director