

# Minutes

## DeKalb County Pension Board

**November 14, 2024**

The DeKalb County Pension Board met on November 14, 2024 at the Marriott Courtyard Hotel in Decatur. The following members were present: Tracy Hutchinson, Mike Goff, David Littlefield, Dianne McNabb, Benita Ransom, Robert Robertson, and Edmund Wall. Others present: Malichi Waterman of Segal Consulting, Drew Beiger, Weston Lewis, and Brad Penter of Callan LLC, Bob Killorin of Faruqi and Faruqi, Rachelle Christion, Larry Jacobs, and Kenny Pinkerton.

Mr. Wall called the meeting to order.

Mr. Wall asked that corrections be made to the July 2024 meeting minutes and to present those changes at the January meeting.

Mr. Littlefield noted that a duplicate invoice for Nichols, Cauley, and Associates was presented for approval at the November meeting. Mr. Robertson requested that the year-to-date amounts be added to the chart. Mr. Littlefield motioned, Mr. Goff seconded, and the Board approved the 3<sup>rd</sup> quarter charges.

Vendor	Service	Period	Amount
Advent Capital Mgt.	Investment Mgt.	3Q 2024	\$104,232.75
Earnest Partners	Investment Mgt.	3Q 2024	137,700.41
The Edgar Lomax	Investment Mgt.	3Q 2024	70,832.56
Frontier Capital Mgt.	Investment Mgt.	3Q 2024	182,264.83
GAMCO Asset Mgt.	Investment Mgt.	3Q 2024	138,933.00
Income Research + Mgt.	Investment Mgt.	3Q 2024	54,624.29
Jennison Associates	Investment Mgt.	3Q 2024	114,113.49
Loomis Sayles	Investment Mgt.	3Q 2024	143,222.98
Segall Bryant & Hamill	Investment Mgt.	3Q 2024	80,822.64
		<b>Subtotal</b>	1,026,746.95
Benefits Law Group	Legal Consulting	Sept / October	\$2,840.00
Callan, LLC	Asset Allocation	3Q 2024	55,000.00
Callan, LLC	Investment	3Q 2024	26,875.00
Caduceus Medicine	Disability Exam	3Q 2024	1,500.00
DeKalb County Pension	Pension Admin	3Q 2024	136,423.88
Koenig Law Group	Legal Consulting	3Q 2024	7,370.00
Segal Consulting	Actuarial Consulting	3Q 2024	8,375.00
State Street	Custodial Fee	3Q 2024	43,596.12
		<b>Subtotal</b>	281,980.00
<b>Total</b>			<b>\$1,308,726.95</b>

Mr. Beiger provided a summary of the financial markets. All asset classes saw strong performance in the 3<sup>rd</sup> quarter. The S&P 500 was up 5.9%, internationals were up 7.8%, small caps were up 9.3%, and fixed income was up 5.2%, making it the second-best quarter in 30 years. The federal reserve cut interest rates a quarter point with another anticipated rate cut in December. The federal reserve is targeting interest rates at 3.0% to 3.25% in 2025.

Mr. Penter discussed the plan's performance. He mentioned that the plan assets hit a high-water mark of \$1.82 billion. All managers had positive returns during the quarter. The fund was up nearly 27%. The fund was ranked #1 in Callans's data base. The portfolio is up about 6.3% during the 3<sup>rd</sup> quarter. Gabelli, Segal Bryant & Hamill, and Jennison underperformed in the 3<sup>rd</sup> quarter. Small caps were up close to 8%, bonds were up 5.49%. Mr. Wall asked about the likelihood of further interest rate cuts. Mr. Penter responded that rates may come down in the short term, but longer-term rate cuts will depend on the Fed's inflation outlook.

Mr. Beiger proposed that we take \$8 million from the S&P 500 Index fund and \$6 million from Loomis. Mr. Littlefield motioned, Mr. Goff seconded, and the Board approved these transactions.

Mr. Lewis discussed the Asset/Liability study. He mentioned that invest risks could be lowered by considering more exposure to fixed income assets and convertibles. The board also discussed the pros and cons of investing in private equity, real estate and infrastructure. These asset classes do not offer sufficient liquidity.

Mr. Waterman reviewed the Experience Study and provided the following summary.

Mortality experience was close to expected but it is recommended that the more recently mortality data be used.

The plan's assumed rate of return is generally lower than our peer groups. Recommendation is to continue to monitor this assumption with no immediate change.

Salary increases were higher than expected across the board. The recommendations reflect this experience in the salary scale and payroll growth assumptions.

Using 2024 valuation results, the net impact of all recommended assumption changes would result in a decrease of about \$33.5 million in the Unfunded Actuarially Accrued Liability (UAL) and a net decrease of approximately \$3.0 million in the projected recommended contribution. Mr. Wall suggested a separate meeting to discuss the experience study results in greater detail.

Mr. Wall said that Mr. McMullen, Ms. Ransom, Ms. McNabb, and Ms. Hutchinson have a little more work to do in the plan hours before our deadline on June 30, 2025.

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Mr. Jacobs reviewed the retiree COLA that was approved by the BOC. Only those persons who retired on or before January 1, 2018 will receive the 2% COLA. There will be a \$75 minimum increase and a \$150 maximum increases for eligible retirees. Approximately 4,300 retirees will receive a COLA. The projected cost for the COLA is \$2.4 million.

Mr. Jacobs reported a successful rollout of the pension estimator to Fire Rescue. The feedback received has been positive.

Mr. Wall asked if anyone has any problems with the proposed meeting schedule for 2025. Mr. Goff motioned, Mr. Littlefield seconded, and the Board approved the 2025 meeting schedule.

Mr. Wall questioned the pension buyback from Cornelis Rogers. Mr. Pinkerton will review this one and report back. Mr. Goff motioned, Mr. Robertson seconded, and the Board approved the buyback applications for Jonathan Harris and Robert Richardson.

Mr. Wall presented the disability application for Mr. Torrance Armstrong. Mr. Goff motioned, Mr. Robertson seconded, and the Board approved a 12-month disability for Mr. Armstrong.

Mr. Robertson reported that we were not selected as lead plaintiff for three pending lawsuits.

Mr. Wall mentioned that his seat would be up for reelection in January. He has enjoyed serving and will continue to serve if the pension board approves it. Mr. Robertson expressed his appreciation for Mr. Wall service as chairman.

Mr. Holcomb asked if the county was still looking at making plan changes to the Group 3 pension plan. Mr. Wall indicated that potential changes were being discussed by the County. Mr. Wall believes that all employees in Group 3 should be considered for Group 2 benefits. Ms. Ransom stated that we need a better retirement plan to attract and retain a quality work force.

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

  
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Larry Jacobs  
Deputy Finance Director