

MINUTES

DEKALB COUNTY PENSION BOARD

January 13, 2016

The DeKalb County Pension Board held a meeting on January 13, 2016 in the Board of Commissioners Conference Room. The following members were present: James Hendrix, John McMullan, Benita Ransom, Robert Robertson (via telephone), Interim CFO Virginia Rutledge, Edmund Wall, Gale Walldorff, and Cornelius Yarbrow. Others present: Patricia Keesler of Benefits Law Group; Todd Carabasi, Cody Chapman and Weston Lewis of Callan Associates; Cory Bush; Jelani Hooks; Larry Jacobs; Jay Vinicki; and Paul Wright.

The January 11, 2016 Pension Board Election Results were announced; James Hendrix, Robert Robertson, and Cornelius Yarbrow were all reelected. Edmund Wall also introduced the new Interim CFO Virginia Rutledge.

James Hendrix motioned, John McMullan seconded and the Board approved the November 12, 2015 Pension Board minutes.

James Hendrix motioned, Cornelius Yarbrow seconded and the Board approved payment of the following invoices:

Vendor	Service	Period	Amount
Montag & Caldwell	Investment Management	4Q 2015	\$100,425.64
Southeastern Asset Management	Investment Management	4Q 2015	177,182.00
Subtotal			\$277,607.64
ASM Consulting	Website Management	November 2015	\$450.00
Benefits Law Group	Legal Consulting	Nov.- Dec. 2015	4,389.00
Callan Associates	Investment Consulting	4Q 2015	17,398.16
Decatur Atlanta Printing	Pension Board Election	December 2015	879.43
DeFilippis, Nick A.	Disability Examination	November 2015	1,800.00
DeKalb County Finance Department	Pension Administration	2Q & 3Q 2015	173,830.93
Elarbee, Thompson, Sapp & Wilson	Legal Consulting	Sept.-Nov. 2015	9,434.45
The Segal Company	Actuarial Consulting	4Q 2015	20,875.00
Subtotal			\$229,056.97
Total			\$506,664.61

The Board then listened to Weston Lewis discuss 4th quarter performance. Foreign equities were down close to 1%. Interest rates edged up just slightly. Growth outperformed value by about 10%. Emerging markets underperformed U.S. and developed markets and lost about 15% over the last year. Commodities were down close to 25% as well. The last three months' domestic equity returns outperformed the index. International equity over the last three months underperformed vs the index due to a value-bias selection. Edmund Wall asked about GMO and T. Rowe Price doing so poorly versus the

DeKalb County Pension Board

Minutes – January 13, 2016

Page 2

index. GMO has a value bias which has been underperforming, and T. Rowe Price's underperformance was due to their stock selection. Southeastern has turned it around with a return of 8.38% vs index return of 5.6% and Frontier 5.7% vs 3.8% on the index; however, overall Southeastern has performed poorly versus the index for the year due to energy holdings. Southeastern is less exposed than previously due to selling of some energy holdings. Overall the past 12 months have been challenging.

The Board then discussed funding for the 20% of index as well as picking an index. Todd Carabasi recommended deciding between the S&P 500 and Russell 1000 indexes. John McMullan motioned, Gale Walldorff seconded and the Board approved to hire Callan for \$18,000 to perform a search for an index manager.

The Board then discussed the \$6 million needed for February and March benefit payments. James Hendrix motioned, John McMullan seconded, and the Board approved \$6 million in payments funded from Frontier (\$3 million) and Earnest Partners (\$3 million).

The Board then listened to Larry Jacobs discuss fiduciary liability insurance quotes. Mr. Jacobs recommends a company called Illinois National. The Board asked Mr. Jacobs to get clarification from the insurance company about who can be covered under the insurance, who would be the beneficiary of the plan, and get a quote for individual liability for the Board members.

The Board then discussed House Bill 7-11, which is a piece of legislation drafted that would allow DeKalb County to create special tax districts to levy a tax on new cities that allow them to pay their share into the DeKalb County Pension.

James Hendrix motioned, Cornelius Yarbrow seconded and the Board approved a request from Margaret Smith, an employee of Watershed Management, to pay contributions for employment on leave without pay, so as to receive credit for that service.

Cornelius Yarbrow motioned, James Hendrix seconded and the Board approved requests from the following employees to repay contributions withdrawn from the pension plan, so as to receive accredited service for prior employment:

- Angelo Hubbard, an employee of the Sheriff's Office
- Mereda D. Johnson, Board of Commissioners
- Garret W. Skelton, an employee of Information Systems
- Bohumil B. Stepanek, an employee of Watershed Management

The buyback request from Donte D. Reeves, an employee of Sanitation, was tabled for lack of a copy of his application.

Jelani Hooks stated Conni Morton has applied for normal retirement and therefore withdrew her disability application.

James Hendrix motioned, Cornelius Yarbrow seconded and the Board approved a 12-month disability pension for Harriet Grayson subject to the Board's doctor verifying what Harriet Grayson's doctor states.

The Board then listened to comments from the Board. Cornelius Yarbrow had a concern about the increase in pension contributions for employees hired before September 1, 2005 that was effective for January 1, 2016 even though the pay period only covered one day in 2016. Patricia Kessler advised since the new code states effective January 1, 2016 the change in pension contribution rates would be effective for January 1, 2016 instead of being prorated for the one day. Edmund Wall advised that the Board wrote letters to the CEO about retirees' not receiving a raise since 2007, and it was presented in the CEO's budget delivered to the Board of Commissioners in December 2015; the Board of Commissioners will vote to approve the budget around March 1, 2016. Retirees should petition the Board of Commissioners to make an amendment to the CEO's budget to include a retiree increase.

The Board then listened to comments from the public. Richard Heermans congratulated Robert Robertson on his reelection and had concerns of Mr. Robertson's attendance at Board meetings. Robert Robertson addressed Mr. Heermans' concerns by informing him of that he is entitled to attend two meetings via phone through state law and that he does attend at least one meeting of the six in person; therefore, he meets the 50% attendance requirement under the pension code. Edmund Wall also advised that Robert Robertson does email Jelani Hooks and himself over retiree concerns, and the retirees are being represented well.

Because there was no further business, the Board adjourned the meeting.



Jelani K. Hooks
Clerk, The DeKalb County Pension Board