

Minutes

DeKalb County Pension Board

September 8, 2016

The DeKalb County Pension Board held a meeting on September 8, 2016 in the Board of Commissioners Conference Room. The following members were present: James Hendrix, David Littlefield, Lee May, John McMullan, Robert Robertson (via telephone), Edmund Wall, and Cornelius Yarbro. Others present: Patricia Keesler of Benefits Law Group, Todd Carabasi and Weston Lewis of Callan Associates, Deborah Brigham of The Segal Company, Cory Bush, Larry Jacobs, Jay Vinicki, and Paul Wright.

James Hendrix motioned, Cornelius Yarbro seconded, and the Board approved the July 25, 2016 Pension Board minutes.

James Hendrix motioned, David Littlefield seconded, and the Board approved payment of the following invoices:

Vendor	Service	Period	Amount
Advent Capital Mgt.	Investment Management	2Q 2016	\$61,626.61
Denver Investments	Investment Management	2Q 2016	81,240.88
Jennison Associates	Investment Management	2Q 2016	131,571.34
State Street	Custodial Supervision	2Q 2016	37,813.17
Waddell & Reed	Investment Management	2Q 2016	48,634.16
Subtotal			\$360,886.16
ASM Consulting	Website Management	August 9, 2016	\$75.00
ASM Consulting	Website Management	August 25, 2016	150.00
Benefits Law Group	Legal Consulting	July 2016	3,915.00
Benefits Law Group	Legal Consulting	August 2016	1,732.50
Callan Associates	Investment Consulting	July 2016	30,000.00
Subtotal			\$35,872.50
Total			\$396,758.66

The Board then listened to Jamie Gordon and Ed Ingalls of Income Research + Management make a presentation.

The Board then listened to the core fixed income review by Todd Carabasi of Callan Associates. James Hendrix motioned, David Littlefield seconded, and the Board approved to take \$92-\$96 million from JP Morgan, thereby terminating them, and transitioning those assets to Income Research + Management.

The Board then discussed allocating 10% or 20% to a passive S&P 500 index. The Board took no action. Ed Wall informed Paul Wright he would like to schedule an Investment Committee meeting to discuss Montag & Caldwell.

The Board then discussed benefit payment funding for October-November 2016. James Hendrix motioned, Cornelius Yarbro seconded, and the Board approved \$4.5 million funding from JP Morgan.

Ed Wall requested the ethics rules/zero-gift policy to be tabled until Patricia Keesler can review it.

The Board then listened to a presentation by Deborah Brigham comparing the actuarial discount rate at 7% vs. 7.5%. Segal believes 7.5% remains a reasonable assumption but is open to alternatives. Unfunded liability would increase from \$826 million to \$944 million. Funded ratio would decrease from 60% to 57%. Ed Wall asked Ms. Brigham to provide as much as data possible for 7% vs 7.5% and will table the topic until the next meeting.

The Board then discussed a change in the actuarial valuation plan year. James Hendrix motioned, Cornelius Yarbro seconded and the Board approved recommending moving the beginning of the actuarial valuation plan year from April 1 to January 1, effective January 1, 2017.

The Board then listened to the plan provisions for employees with 30 years of service update from Deborah Brigham. Paul Wright advised freezing the final average pay at 30 years of service would affect current employees with more than 27 years of pension service. The Board took no action.

The Board then discussed a cost-of-living increase for retirees. An increase in 1% of salary would cost approximately \$843,000. Ed Wall stated the Board would like the County to fund a 2% COLA for the retirees. Robbie Robertson explained the retirees have not had a raise in ten years, and for some retirees it has been 12-13 years, while medical insurance costs have increased. He declared it is time for DeKalb County to take care of its retirees.

The Board then listened to an update from Larry Jacobs of RFP bids for a performance and compliance audit for the Pension Board. The three companies that provided quotes were Bates & Carter, Mauldin & Jenkins, and KPMG. Ed Wall asked Larry Jacobs to send him some information on Bates & Carter and will investigate them for the next meeting.

James Hendrix motioned, Cornelius Yarbro seconded, and the Board approved a request from Curtis M. Garrett, an employee of Sanitation, to repay contributions

withdrawn from the pension plan, so as to receive accredited service for prior employment.

The Board then listened to comments from the Board members. Robert Robertson stated he would appreciate the CEO and County Commissioners' granting a raise for the retirees, as it has been ten years and it is long overdue. James Hendrix asked if the Board could grant COLAs for the retirees instead of the County Commissioners. Ed Wall advised he would investigate if the Board has the power to grant a COLA on their own and will provide an update at the next meeting. Mr. Wall also advised that the Board cannot force the County to pay for it.

James Hendrix motioned, Cornelius Yarbrow seconded, and the Board approved to enter Executive Session.

Upon returning from Executive Session, because there was no further business, the Board adjourned the meeting.



Paul Wright
Clerk, The DeKalb County Pension Board