

MINUTES

DEKALB COUNTY PENSION BOARD

June 4, 2015

The DeKalb County Pension Board held a meeting on June 4, 2015 in the Board of Commissioners Conference Room. The following members were present: James Hendrix, John McMullan, Robert Robertson (via telephone), Edmund Wall, and Cornelius Yarbro. Others present: Patricia Keesler of Benefits Law Group, Weston Lewis and Cody Chapman of Callan Associates, and Jelani Hooks.

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

James Hendrix motioned, John McMullan seconded, and the Board approved the ratification of payment of the following invoices:

Vendor	Service	Period	Amount
Advent Capital Management	Investment Management	1Q 2015	\$68,128.45
Crawford Investment Counsel	Investment Management	1Q 2015	19,607.05
Denver Investment Advisors	Investment Management	1Q 2015	81,250.01
Earnest Partners	Investment Management	1Q 2015	112,334.95
Edgar Lomax Company	Investment Management	1Q 2015	34,100.48
Frontier Capital Management	Investment Management	1Q 2015	130,640.26
Gabelli Asset Management	Investment Management	1Q 2015	209,450.00
Jennison Associates	Investment Management	1Q 2015	133,845.80
J.P. Morgan – Intermediate Bond Fund	Investment Management	1Q 2015	60,257.61
Montag & Caldwell	Investment Management	1Q 2015	111,905.88
Southeastern Asset Management	Investment Management	1Q 2015	219,695.00
State Street	Investment Management	1Q 2015	40,689.30
Waddell & Reed	Investment Management	1Q 2015	50,746.47
Subtotal			\$1,272,651.26
ASM Consulting	Website Management	3/1/15-4/30/15	\$150.00
Benefits Law Group	Legal Consulting	3/1/15-4/30/15	11,011.00
Callan Associates	Investment Consulting	1Q 2015	16,729.00
Callan Associates	Callan College	April 2015	2,350.00
DeKalb County Finance Department	Pension Administration	1Q 2015	62,384.71
Elarbee, Thompson, Sapp & Wilson	Legal Consulting	March 2015	20,142.11
The Segal Company	Actuarial Consulting	1Q 2015	7,961.25
Subtotal			\$120,728.07
Total			\$1,393,379.33

The Board then listened to the Investment Committee overview of the first quarter performance by Weston Lewis and Cody Chapman of Callan Associates. Montag & Caldwell's performance is lagging. Weston Lewis believes Montag & Caldwell will recover. The average annual rate of return for the plan over the last 10 years is 7.62%. The Board wants to have a higher return rate to be able

DeKalb County Pension Board

Minutes – June 4, 2015

Page 2

to gain on the unfunded liability. Callan does not believe that is sustainable over a 30-year horizon, and the Board should not presume to earn much more than the expected rate of 7.5%, thus will not be able to fund its unfunded liability in that regard. They believe that chipping away at the unfunded liability and making annual contributions is the best way to go.

The Board then listened to Callan's discussion on the Atlanta Public Schools Pension Plan and the risk of Pension Obligation Bonds. One suggestion is to sell \$400 million pension obligation bond issue and place money in the stock market to hope money raised from the market can cover the unfunded liability. The Board is opposed to this idea due to the risk inherited if the stock investments fail to yield the required annual rate of return.

The Board then discussed the \$3,716,304 needed for funding June-July 2015 benefit payments. James Hendrix advised the funds should come from Southeastern Asset Management. James Hendrix motioned, John McMullan seconded, and the Board approved transferring \$3,800,000 from Southeastern Asset Management to fund June and July benefit payments.

The Board then listened to the Walgreens Co. Securities Litigation by Robbins Geller Rudman & Dowd LLP. The Board took no action at this time.

The Board then discussed the Pension Board Retreat location, which will be held at the Emory Conference Center on July 9, 2015.

James Hendrix motioned, Cornelius Yarborough seconded, and the Board approved Aquita Patillo's request to pay contributions for employment on military leave without pay, so as to receive credit for that service.

James Hendrix motioned, Cornelius Yarborough seconded, and the Board approved Celia E. Smith's request to pay contributions for employment on leave without pay, so as to receive credit for that service.

James Hendrix motioned, Cornelius Yarborough 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:

- Gazette M. Alverson, an employee of Watershed Management
- Merna L Banks, an employee of Voter Registration & Elections
- Keisha K. Mosley, an employee of Juvenile Court
- Linda D Walton, an employee of Purchasing and Contracting

The Board then provided an update for the disability application appeal update for one employee. In the March 12, 2015 Board meeting, the Board determined that the Pension Board's doctor and the employee's doctor would recommend a third doctor and rely on that third doctor's opinion to make a decision about the employee's disability. The third doctor found that the employee was in fact disabled. Per the motion made at the previous meeting, the Board granted her a 12-month disability based on the third doctor's opinion.

DeKalb County Pension Board

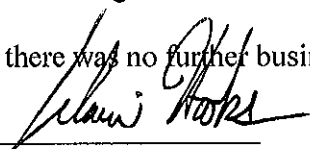
Minutes – June 4, 2015

Page 3

Jelani Hooks announced a new employee has been hired and will begin on June 4, 2015. He plans to hire an additional employee and be fully operational by August 1, 2015.

A question was received from the public inquiring about raise for retirees. In 2014 the Board voted for a 3% cost-of-living adjustment, and the request was sent to the CEO and the CFO to include in the mid-term budget. The mid-term budget was presented to the Board of Commissioners, but the Board of Commissioners has not acted as of yet. The Board will discuss the cost of living adjustment in the next meeting.

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



Jelani K. Hooks
Clerk, The DeKalb County Pension Board