

Minutes

DeKalb County Pension Board

July 11, 2024

The DeKalb County Pension Board met on July 11, 2024 at the Marriott Hotel in Decatur. The following members were present: Mike Goff, Tracy Hutchinson, David Littlefield, John McMullan, 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, Terri Taylor of Benefits Law Group, Tammy Galvis of Nichols, Cauley, and Associates LLC, Larry Jacobs, and Kenny Pinkerton.

Mr. Wall called the meeting to order.

Mr. Goff motioned, Mr. McMullan seconded, and the Board approved the minutes from May 9, 2024.

The following expenses were presented from the plan:

Vendor	Service	Period	Amount
ADP	Online Paystubs	June 2024	1,263.00
Benefits Law Group	Legal Consulting	May and June 2024	3,080.00
Bridgeway Benefit Tech	Semi-Annual Fee	July - December	51,022.22
Caduceus Medicine	Disability Exam	2Q 2024	1,800.00
Callan LLC	Investment Consultant	2Q 2024	26,875.00
Digital Express Printing	Custom Envelopes	2Q 2024	1,802.50
Koenig Law Group	Legal Consulting	2Q 2024	11,485.00
PBI	Death Audit	2Q 2024	5,608.56
Segal Consulting	Actuarial Consulting	2Q 2024	8,375.00
Segal Consulting	GASB Report	2Q 2024	15,000.00
Nichols Cauley	Pension Audit	2Q 2024	\$19,212.00
Total			\$126,311.08

Mr. Robertson inquired about the ADP printing fee. Mr. Pinkerton explained that it is a monthly fee for giving retirees access to their online paycheck details. Mr. Robertson also asked about Bridgeway fees and Mr. Jacobs stated that the charges were for programming changes for improved functionality and new custom reports. Mr. Robertson then asked about the fee for Digital Express Printing. Mr. Pinkerton will research and report back to the Board. Mr. Wall recommended approval of all invoices except for Digital Express Printing. Mr. Littlefield motioned, Ms. Hutchinson seconded, and the Board approved the expenses.

Mr. Penter indicated that small cap investments experience losses in the 2nd quarter, down more than 3%. Alternatively, the Mega Cap Stocks continue to do well, driven by four companies in the U.S. US markets performed well, up 3% for the quarter, despite the

variance in market cap performance. Bonds were relatively flat during the 2nd quarter. Unemployment ticked up a little bit and stood at 4.9%. June inflation fell for the first time since 2020, month over month down about 0.1%, and over the year it has slowed to about 3%. Mr. Wall asked how much the S&P Index is up year-to-date? Mr. Penter responded about 15%. For the total portfolio, the plan is up about 8.5% year-to-date.

Mr. Lewis explained the situation with Loomis' change in investment guidelines. Today, the Russell 1000 Growth Index contains three stocks with a weight of more than 10%— Apple, Microsoft, and NVIDIA. Loomis is approaching all their clients with this strategy about changing this provision to allow them to own a single name at the greater of 8% of the portfolio or 5% more than the index weight. For example, if Microsoft represents 12% of the portfolio, they can now own up to 17%. Mr. Littlefield motioned, Mr. McMullan seconded, and the Board approved changing the guidelines for the fund to the greater of 8% or the index weight plus 5%.

The Board approved the right to drawdown \$6 million from Jennison, \$3 million from Loomis Sayles, and \$2 million from State Street S&P 500 Index to pay for benefit payments. Mr. Littlefield motioned, Mr. McMullan seconded, and the Board approved this transaction.

Ms. Galvis was introduced to the Board. She reported that they issued a clean opinion on the plan and that there were no material weaknesses with the plan assets. She indicated that the plan had \$1.6 billion in the plan assets, an increase of \$204 million from 2022. Mr. Wall expressed that we had to add about \$80 million for benefit payments last year. This brought the plan to be funded to 62.37%, up 8% from 2022. Mr. Wall also shared the plan had 36 basis points in paying expenses, a very good number. Ms. Galvis indicated that this was a clean audit. Mr. Jacobs indicated that this audit was a good move for the plan and the county audit simply uses the numbers from this audit for their reporting. Ms. Hutchinson expressed a 1-2 page summarization of the pension numbers for everyone to see. Mr. Pinkerton will look into doing to this.

Mr. Wall indicated that everyone has the correct hours on continuing education and we are not needing to update until 2025.

Mr. Jacobs provided an update on the COLA increase for retirees. He indicated that the Board deferred the item for a fifth time. He stated that the BOC was looking for an alternative to the traditional 2% across the board COLA. Mr. Robertson advocated for an automatic annual COLA. He commented that other cities have adopted this practice. Ms. Ransom stated that CEO Thurman provided four retiree COLA's during his 8-year term.

Mr. Robertson indicated that Social Security has increased 31.13%, there has been a COLA for the Georgia Firefighters Pension Plan of 20.5%, and that inflation and rising healthcare costs are taking a toll on retirees. Mr. Robertson indicated that when he retired, the Blue Cross rate was \$292 per month in 2006 – today, the cost is \$1704 per month, approximately a 5,000% increase. Insurance costs have increased almost \$90 a month since his retirement. Pre-Medicare retirees are experiencing the highest healthcare cost of any group. He indicated that some retiree paychecks are almost entirely for healthcare. Retirees have received 6% in COLA increases in 18 years, which is not good. Mr. Robertson stated DeKalb's retiree COLA's have not come close to keeping pace with inflation. To give those

who worked a full career at the county a smaller increase than those who worked 3, 5, 10 years does not make sense. Ms. Ransom indicated that she believes we need to do a current comparison with the surrounding counties.

The Board considered the following pension buy-back requests:

Terry Barnes, a State Marshal
Karen Scott Greene, Child Advocate employee
Jasmine Grimes, a Sanitation employee
Janet Kimble, a Fire Rescue Services employee
Byron Tillis, a Sanitation employee

Mr. Littlefield motioned, Mr. Goff seconded, and the Board approved these buybacks.

Ms. Hutchinson suggested that participants be informed of the potential plan changes. Mr. Littlefield suggested using the website to communicate any changes. Mr. Pinkerton will add a fact sheet outlining all three plans to the website.

Mr. Wall recommended that the Board hold the annual Fund Manager retreat at the Emory Conference Center. Mr. Pinkerton will make the appropriate arrangements.

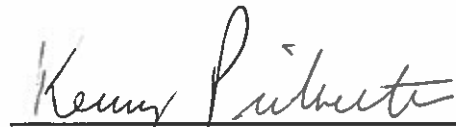
Mr. Holcomb asked about attending the Investment Committee meetings. Ms. Taylor briefed the board on the open meeting rules.

Mr. Myers expressed his desire to have Pension staff provide retirement tutorials for Watershed employees. Mr. Pinkerton will develop the training materials.

Mr. Wall entertained a motion to go to Executive Session. Mr. McMullan motioned, Mr. Littlefield seconded and the Board transitioned to Executive Session.

Following the Executive Session, Mr. Torrence Armstrong was approved for a three-month pension disability. His request will be considered again at the September meeting.

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



Kenny Pinkerton
Clerk, The DeKalb County Pension Board