

THE CITY OF DALTON
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES
REGULAR MEETING
DECEMBER 3, 2024

The regular meeting of the Board of Trustees of the City of Dalton Employees' Pension Plan was held this afternoon at 3:00 p.m. Dalton Utilities. Present for the meeting were Chairman Gary Hill, and Vernon Ray, Mike Sloan, and Dwayne Carvell and Mayor Annalee Sams.

Council member Dennis Mock and Chairman. of the Water, Light & Sinking Fund Commission Joe Yarbrough were absent.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of September 24, 2024. On the motion of Trustee Sloan, second Trustee Carvell, the minutes were approved. The vote was unanimous in favor.

QUARTERLY PERFORMANCE REPORT – SEPTEMBER 30, 2024

Hilda Thompson from SEAS reviewed the Quarterly Performance Report as of September 30, 2024. Thompson outlined the following:

- A Great Year For Great Quarter For Stocks And Bonds, Both Were Up Over 5%. The Stock Market Was Up 5.9.
- Incredible Year For The S&P 500, Which Is Where 60% Of Your Funds Are.
- Bonds Were Up Over 11.6. Thompson Stated Its Unusual To See Double Digit Bond Returns
- Market Values Beginning January 1, 2024 Were 125,800,000 - At The End Of September, The Market Value Was Up \$20,000,000 To 154 Million. And That, Includes Paying Out Over \$8,000,000, In Benefit Payments For This 12-Month Period.
- The Actual Assumption Rate Is 6.75 As A Reminder. The Plan Is Now At 12.2%
- Reviewed Historical Data From 1999 Forward, The Annual Return, Versus The Actuarial Assumption, Thompson Stated That For Several Years, The Plan Has Had Double Digit Returns And One Negative Return, Which Was Last Year.

Thompson further reviewed the preliminary October Quarterly Performance Report stating October saw the Plan go from 154,000,000 to a 152,000,000. A loss of \$2,000,000. Thompson stated the Return for that period was negative at 1.4%, which is why it brought the fiscal year to date, return down to 12.2% but well ahead of the 6.75. Thompson further stated that preliminary November numbers are really, really good. The S&P is up over 5% for this month and bonds are up over a percent.

Thompson further stated the loss should be wiped out when the November report is available.

INVESTMENT CATAGORIES

Trustee Mike Sloan asked Thompson was asked to give a brief synopsis of how the Plan's funds are invested.

Thompson stated the following:

- The monies are, invested between MetLife and Vanguard. Most of it is indexed, meaning the Plan is getting what the index earns, so there is no worry about an active manager performing well or not performing well.
- Additionally stated about 45% is in large cap, 15% in small cap, and then the other 40% is in fixed income. Thompson stated Fixed income is supposed to be a safer bet, dollar in, dollar out, a lot of people think. But when interest rates were rising last year, as we all know, it was good at our bank accounts because then you're getting more money on your money market. She stated when the interest rates go up, bond prices go down. Summed up Thompson stated the Plan had a couple of years negative returns of fixed income.
- Thompson stated the way the money works, Dalton Utilities and City of Dalton contribute money every month and it goes to MetLife. MetLife takes those monies and then pays out benefit payments. And if there's anything left after that period, it gets invested. Further stating that right now, the Plan is in a pretty negative cash flow position for this year.
- Thompson continued stating that there's really not any excess going in. The Plan is earning a lot through investment earnings and performance. But MetLife gets the money from both parties, invest the monies, and then pays out the benefit payments. All benefit payments to annuities and annuities are paid through MetLife and those funds. Thompson reiterated that even though the Plan has a large portion of the money at Vanguard, a lot of money is at MetLife because they do all the benefit pay outs.
- Thompson further stated the MBR, minimum balance requirement that MetLife has which the Plan must keep this amount in at all times to make benefit payments.

Chairman Hill stated SEAS started switching over some of the Plans funds to Vanguard because they were actually making more money at the time. Hill stated 7 years ago MetLife had all of the money over the years however SEAS diversified the portfolio and added Vanguard.

On the motion of Trustee Carvell, second Trustee Ray, the Board approved the report. The vote was unanimous in favor.

COLA DISCUSSION

Mayor Annalee Sams stated the City Council adopted a budget for 2025 which included a COLA for retirees. Sams stated its considered a catch-up cola. Sams stated the M&C was pleased to fulfill the promise. She stated that it impacts retirees that retired prior to 2021 and it captures the years of 2009 through 2020 at 1% per year compounded. Sams stated to be contractually bound to offer COLAs to retirees, the plan would need to be amended. Sams further stated the Total cost for the COLA's to retirees was \$6,670,701. Of this of that amount, \$4,063,121 is the city's responsibility. \$2,507,580 is the utilities.

RETIREEES

Jerome F. Akins - Dalton Utilities

On the motion of Trustee Carvell, second Trustee Sloan, the Board ratified payment to Jerome F. Akins - Dalton Utilities for normal retirement. Copies of the application for retirement, retirement benefit calculations and Authorization to Commence Retirement Payment forms are a part of these minutes. The vote was unanimous in favor.

Paul D. Dobson - Dalton Utilities

On the motion of Trustee Sloan, second Trustee Ray, the Board ratified payment to Paul D. Dobson - Dalton Utilities for normal retirement. Copies of the application for retirement, retirement benefit calculations and Authorization to Commence Retirement Payment forms are a part of these minutes. The vote was unanimous in favor.

Note: Mr. Dobson died one month after retiring.

INVOICES

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- The Minor Firm, LLC - Pension Board Attendance
Invoice #189428 | \$137.50

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- Southeastern Advisory Services, Inc. – September Invoice for Monthly Services
Invoice #251 | \$2,150.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- Southeastern Advisory Services, Inc. - October Invoice for Monthly Services
Invoice #252 | \$2,150.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- Southeastern Advisory Services, Inc. – COLA Study
Invoice #710-1024 | \$2,050.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- Southeastern Advisory Services, Inc. – Addition Function Options of the COLA
Invoice # 710-1124 | \$925.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- MetLife Quarterly Services - 2nd Quarter
Invoice #202481515 | \$375.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Ray, the Board approved the following:

- MetLife Quarterly Services – 3rd Quarter
Invoice #2024101515 | \$375.00

The vote was unanimous in favor.

REPORTS

Market Indices for September 30 and October 31, 2024

MBR Calculations - September 30, 2024

Financial Report - September 30, 2024

Financial Report - October 31, 2024

ANNOUNCEMENTS

Chairman Hill stated

This is Trustees Dwayne Carville last meeting and he will be replaced by Jerome Key also from Public Works.

The next pension meeting will be January 28th at, city hall.

Employee Pension Plan

Page 5

December 3, 2024

ADJOURNMENT

Chairman Hill thanked everyone for coming. There being no further business to come before the trustees, the meeting was adjourned at 3:54 p.m.

Gary Hill, Chairman

ATTEST:

Mike Sloan, Secretary

RECORDED

APPROVED

