

THE CITY OF DALTON
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES
REGULAR MEETING
MARCH 25, 2025

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. at City Hall. Present for the meeting were Chairman Mike Sloan, Trustees Gary Hill, Vernon Ray, Jerome Key, Mayor Annalee Sams, Council member Dennis Mock and Chairman of the Water, Light & Sinking Fund Commission Joe Yarbrough.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of January 28, 2025. On the motion of Trustee Ray, second Trustee Mock, the minutes were approved. The vote was unanimous in favor.

QUARTERLY PERFORMANCE REPORT – February 28, 2024

Hilda Thompson from SEAS reviewed the Quarterly Performance Report as of February 28, 2025. Thompson stated this update is near the end of the 1st quarter and at the May Pension Board meeting SEAS will have a complete quarterly report.

Thompson reported March was a negative month and very volatile. Thompson continued stating it not unusual to see the market volatile when a new administration is elected. Thompson further urged the Trustees not to panic and stay the course stating this should be a short-term turnaround. Thompson stated the Market will continue to be volatile until the tariff discussion and decisions are finalized. Thompson stated all funds are performing as expected and the Plan started February 1, 2025 with a Market Value of \$160,657,740 and as of February 28, 2025 the value decreased to \$159,281,770. On the motion of Trustee Hill, second Trustee Ray, the report was approved. The vote was unanimous in favor.

INVESTMENT POLICY

Thompson reiterated to the Board the following stated in January 28, 2025 meeting minutes:

thru 2024 the Plan is at the maximum on equity allocation and the minimum on the bond allocation. Thompson further stated SEAS recommends a rebalancing and move \$5 million out of equity and put it in fixed income to remain in compliance with the investment policy. Thompson stated this would equate to moving 4 million from large cap and move \$1 million from small cap. Or, Thompson stated, an alternative would be to amended the Investment Policy to increase the equity maximum from 50% to 55% and 25% minimum in fixed income. On the motion of Council member Mock, second Mayor Sams, the Board voted to amended the Investment Policy as stated. The vote was unanimous in favor.

Thompson surmised the rebalancing changes have been made to the Investment Policy that lowered fixed income minimums and increased the equity maximums. On the motion of Trustee Hill, second Trustee Ray, the report was approved. The vote was unanimous in favor.

CHUCK CARR - SOUTHERN ACTUARIAL SERVICES ACTURAL VALUATION

Chuck Carr from Southern Actuarial Services presented the January 1, 2025 Actuarial Valuation to the Pension Board. Carr stated the primary purpose of the report is to provide a summary of the funded status of the Plan as of January 1, 2025 and to determine the minimum required contribution under Georgia Code Section 4720-10 for the 2026 plan year.

Carr reviewed the report with the Board and stated there was one Plan change. Carr stated the plan change that is reflected in the valuation is the Cost of Living Adjustment for retirees that was adopted by the Mayor and Council in 2024. However, Carr reported there were no new Assumptions, changes or recommendations.

Carr continued by reporting the required contribution for 2025 is \$4,226,522 which is a combined cost with City and Dalton Utilities. Carr further stated the required contribution for 2026 is \$3,884,335.00 which represents a decrease of \$342,187 from the prior year.

Carr further reported the market value of assets earned was 13.86% during the plan year, verses the Plans 6.75% annual investment return required to maintain a stable contribution rate. Carr further reported the Plan is approximately 92.59% funded.

Unfunded liability

Carr reviewed with the Board page “1-9” of the report regarding unfunded liability. Carr stated from his understanding that certain pension plan recipients who retired prior to 01/01/2021 received a 1% compounding COLA to occur each year from 2009-2020. Carr continued stating that the City funded \$2,000,000 toward the cost of the COLA and will amortize the balance of the added liability over a ten-year period. Note: Dalton Utilities funded their portion of the COLA. Carr further stated the Cost of living adjustments needs to be memorialized by an ordinance or resolution because the IRS requires all the benefits paid from the plan must be in writing for a Tax-exempt trust. Carr further directed that in the ordinance or resolution it should note what the COLA was for, how it was calculated and that it is to be amortized over a ten-year period.

Carr explained the City and Utilities paid the COLA liability down initially so the remaining payment of \$500,000 will be for 10 years and it will be paid in full.

Data Tab

Hilda Thompson from SEAS asked Carr to review the summary of participation data including active participant data, active age service salary table and the projected benefit payments.

Carr further reviewed the Historical Trust Fund Detail report that list the Employer Contribution beginning in 2014 to present, stating the contribution 2025 is far less than previous years.

CHUCK CARR - SOUTHERN ACTUARIAL SERVICES ACTURAL VALUATION
Continued

Miscellaneous

Noted in the report were Sensitivity Analysis, Gains and Loss Analysis, Present Value of Future Benefits, Present Value of Accrued Benefits, Present Value of Vested Benefits, Projected Unit Credit Accrued Liability, Projected Unit Credit Normal Cost, Projected Unit Credit Normal Cost, Unfunded Liability Bases, Actuarial Value of Assets, Market Value Asset, Investment Return, Asset Reconciliation, Historical Trust Fund Detail, Other Reconciliations, Summary of Participant Data, Data Reconciliation, Active Participant Data, Active Age Service Distribution, Active Age Service Salary Table, Inactive Participant Data, Projected Benefit Payment, Summary of Actuarial Methods and Assumptions, Changes in Actuarial Methods and Assumptions, Summary of Plan Provisions, Summary of Plan Amendments

A copy of this complete report is a part of these minutes. On the motion of Trustee Carvell, second Trustee Ray, the Report was approved. The vote was unanimous in favor.

RETIREEES

Michael Russell – Fire Department

On the motion of Trustee Mock, second Trustee Sloan, the Board ratified payment to Michael Russell – Fire Department 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.

INVOICES

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

- Southeastern Advisory Services, Inc. – November and December Invoice for Monthly Services Invoice #255 - \$2150.00

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- Southeastern Advisory Services, Inc. – November and December Invoice for Monthly Services Invoice #256 - \$2150

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

- The Minor Firm, LLC – Pension Attendance Invoice #190367 - \$100.00

The vote was unanimous in favor.

Employee Pension Plan

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REPORTS

Pension Financial Statements – 01-31-2025

Market Indices – January 31 and February 28, 2025

ADJOURNMENT

There being no further business to come before the trustees, the meeting was adjourned at 3:34 p.m.

Mike Sloan, Chairman

ATTEST:

Jerome Key, Secretary

RECORDED

APPROVED