

THE CITY OF DALTON
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES
REGULAR MEETING
DECEMBER 2, 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, Mayor Annalee Sams, Council member Dennis Mock, Water, Light & Sinking Fund Commission Chairman Joe Yarbrough and City Attorney Jonathan Bledsoe. Trustee Jerome Key was absent.

APPROVAL OF AGENDA

On the motion of Trustee Mock, second Trustee Sams, the Board amended and approved the agenda to include discussion of a Cost of Living Adjustment. The vote was unanimous in favor.

MINUTES

The Trustees were presented written copies of the meeting minutes of September 23, 2025. On the motion of Trustee Mock, second Trustee Yarbrough, the minutes were approved. The vote was unanimous in favor.

NEW BUSINESS

INVESTMENT PERFORMANCE REVIEW

Hilda Thompson from Mariner reported the following:

Investment Performance Review

- October Gains: Nearly \$2.5 million in investment gains; cash flow was negative \$300K.
- Strategy Shift: Some funds are now being used rather than fully reinvested, improving stability.
- Year-to-Date Performance: Up 12.1% through October, nearly double the actuarial assumption of 6.75%.
- November Outlook: Markets ended slightly positive; December is key to maintaining strong annual returns.
- Historical Success: If trends hold, this will be 6 out of 7 years with double-digit returns.

Asset Allocation Highlights

- Large Cap Equity: Up 17% YTD.
- Small Cap Equity: Up 7.2%, providing diversification.
- Fixed Income: Strong year with 6.86% returns

On the motion of Trustee Hill, second Trustee Mock, the Performance Review was approved. The vote was unanimous in favor.

Mariner Consulting Services – Fee Clause & Contract Update

Hilda Thompson from Mariner briefed the Trustees on Mariner Consulting Fee Update, explaining the City entered into a 5-year contract with SEAS in 2023, which includes a clause stating the fee “will” be increased annually based on inflation. However, Thompson stated no increases were applied in 2024 or 2025. Thompson further stated that now that Mariner has purchased SEAS, Mariner confirmed a \$53/month increase will take effect in January 2026.

Mariner Consulting Services – Fee Clause & Contract Update Cont'd

Additionally, Thompson stated Mariner plans to re-paper all client contracts under their letterhead in 2026 and during this process, efforts will be made to change the language from “will” to “may” regarding fee increases. Thompson continued stating the change is important for SEC compliance because if the contract says “will” and the fee isn’t increased, Mariner could face regulatory issues.

Estes & Walcott Pension Audit FY2024

Alex Walcott of Estes & Walcott shared a brief summary of the 2024 pension plan audit as follows:

Audit Overview

The audit received an unqualified opinion, with no issues identified. Internal controls and compliance were found to be fully satisfactory. The plan is being well-managed, with no discrepancies reported.

Financial Highlights

The pension plan had another strong year, continuing its positive performance from 2023 and 2025. Net position increased by \$18.7 million, driven by:

- A 14% investment return (money-weighted average).
- Higher-than-normal employer contributions (42% of ARC from the 2022 valuation).
- \$3.2 million in additional contributions from the utility and city to pre-fund the COLA increase effective January 1, 2025.

Funding Status

Net pension liability at year-end was \$9.2 million, showing a healthy downward trend. The plan is now 94% funded, placing Dalton in a strong financial position compared to other municipalities.

Additional Notes

No significant changes were made to the plan.

On the motion of Trustee Mock, second Trustee Sams, the audit update was approved. The vote was unanimous in favor.

COST OF LIVING ADJUSTMENT DISCUSSION

Mayor Sams discussed the potential of a Cost-of-Living Adjustment (COLA) for Pension Plan Retirees. Sams stated that she is aware that formal recommendations from the Board to both to the City Council and Dalton Utilities must be received. The Board discussed making a formal recommendation for a 1% COLA increase with the increase only applied to retirees who retired on or before December 31, 2023. Further, retirees from January 1, 2024 onward would not be included in this adjustment. The Board further discussed that the COLA would be based on retirees' current benefit amount, not their original retirement rate.

Mayor Sams stated the recommendation would be for a one-time adjustment for the upcoming budget year. Sams continued, stating the COLA would be funded at the end of next year, impacting the 2026 budget. On the motion of Trustee Mock, second Trustee Sams, the Board recommended the 1% COLA to both the City Council and the Utility Board. The vote was unanimous in favor.

Sams additionally reported there is general support for an annual conservative COLA to avoid future "catch-up" adjustments. However, she stated it was clarified that no future Council can be bound to this practice.

Alicia Walker from Dalton Utilities asked when would the COLA go into effect. Mayor Sams stated that both the City and the Utilities would need to approve the COLA on the 15th of December to ensure the possibility of the COLA to be placed on the January retiree check but if not it would follow quickly after the approval.

PROPOSED PENSION MEETING DATES

The Trustee's reviewed the proposed meeting dates in 2026 as follows:

- January 27, 2026
- March 24, 2026
- May 26, 2026
- July 28, 2026
- September 22, 2026
- December 1, 2026

On the motion of Trustee Hill, second Trustee Ray, the Board approved the meeting dates. The vote was unanimous in favor.

RETIREEES

Dwayne Carvell – Public Works

On the motion of Trustee Hill, second Trustee Sams, the Board ratified payment to Dwayne Carvell – Public Works 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 Yarbrough, second Trustee Mock, the Board approved the following invoices:

- Mariner Institutional LLC. – October 2025 Consulting Services and Performance Evaluation Invoice #70128 - \$2150.00
- Mariner Institutional LLC. – October 2025 Consulting Services and Performance Evaluation Invoice #70328 - \$2150.00

The vote was unanimous in favor.

On the motion of Trustee Mock, second Trustee Yarbrough, the Board approved the following invoice:

- Estes & Walcott – Audit of Pension Plan Financial Statements for December 31, 2024 Invoice #41600 - \$8000.00

The vote was unanimous in favor.

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

- Southeastern Advisory Services, Inc. – Special Cost Study for COLA impact Invoice #710-0925 - \$950.00

The vote was unanimous in favor.

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

- The Minor Firm, LLC- Pension Board Attendance Invoice #192294 | \$125.00

The vote was unanimous in favor.

REPORTS

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

- Financial Report – October 31, 2025
- MBR Calculation – September 2025

The vote was unanimous in favor.

ADJOURNMENT

There being no further business to come before the trustees, the meeting was adjourned at 3:37 p.m.

Mike Sloan, Chairman

ATTEST:

Jerome Key, Secretary

RECORDED

APPROVED