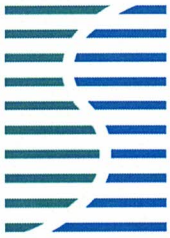
Mayor and Council of the City of Dalton Employees' Pension Plan

Actuarial Valuation
As of January 1, 2025

Determines the Contribution
For the 2026 Fiscal Year



SOUTHERN ACTUARIAL SERVICES

Table of Contents

March 19, 2025

Introduction

This report presents the results of the January 1, 2025 actuarial valuation of the Mayor and Council of the City of Dalton Employees' Pension Plan. This valuation is based upon the participant data and asset information provided as of January 1, 2025 by the City of Dalton and Dalton Utilities. Except for a cursory review for reasonableness, we have not attempted to verify the accuracy of this information.

The primary purpose of this 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 47-20-10 for the 2026 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the minimum required contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2026 plan year. The minimum required contribution is $3,884,335 (or 32.16% of covered payroll), which represents a decrease of $342,187 (or a decrease of 1.82% of covered payroll) from the prior year.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 48.13% of covered payroll due to investment gains, increased by 14.26% of covered payroll due to demographic experience, and increased by another 32.05% of covered payroll due to the retiree COLA that was granted effective January 1, 2025. The market value of assets earned 13.86% during the 2024 plan year, whereas a 6.75% annual investment return was required to maintain a stable contribution rate.

Georgia Code Section 47-20-10 sets forth many of the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City will meet the minimum funding requirement if the employer contributions are at least equal to the annual required contribution under GASB 25/27. In addition, Georgia Code Section 47-20-13 exempts public plan sponsors from the minimum funding requirements if the plan's actuarial value of assets exceeds 150% of the present value of accumulated retirement system benefits.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is $181,199,389 without regard to future administrative expenses after 2026. As illustrated in Table I-A, current assets are sufficient to cover $157,747,864 of this amount, the employer's 2025 contribution will cover $4,226,522 of this amount, the employer's 2026 contribution will cover $3,884,335 of this amount, and future employee contributions will cover $987,969 of this amount, leaving $14,352,699 in anticipated overfunding without regard to future administrative expenses after 2026. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help

the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liablities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time. The Trustees have adopted the projected unit credit funding method for this plan. Under this method, the contribution requirement is expected to increase over time as the active participants age.

Contents of the Report

Tables I-D through I-H provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of January 1, 2025, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Georgia Code Section 47-20-10. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,

Charles T. Carr

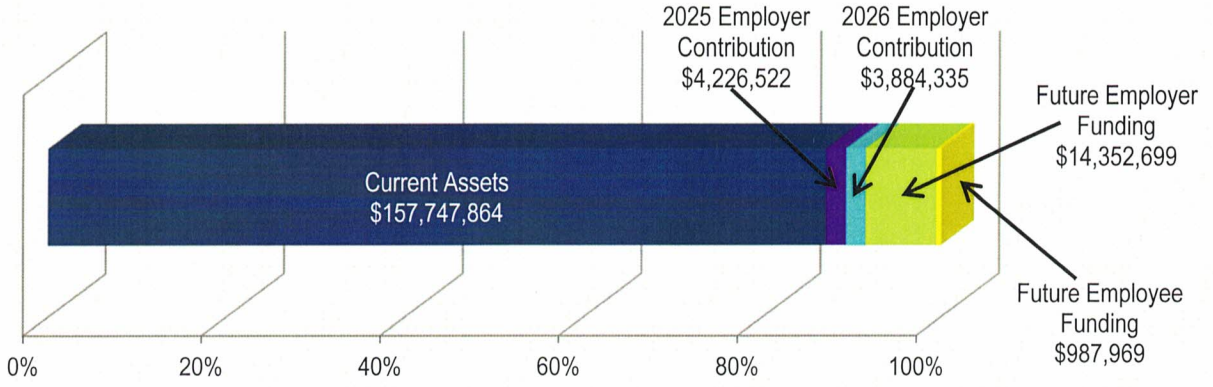
Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Minimum Required Contribution

Table I-A



	For the 2026 Plan Year
Normal Cost for the 2025 Plan Year	$2,339,512
Unfunded Liability Amortization Payment for the 2025 Plan Year	$1,943,549
Expense Allowance for the 2025 Plan Year	$75,000
Expected Employee Contribution for the 2025 Plan Year	($582,067)
	$3,775,994
Interest Adjustment to Reflect Contributions After January 1, 2025	$108,341
Required Employer Contribution for the 2026 Plan Year	**$3,884,335**

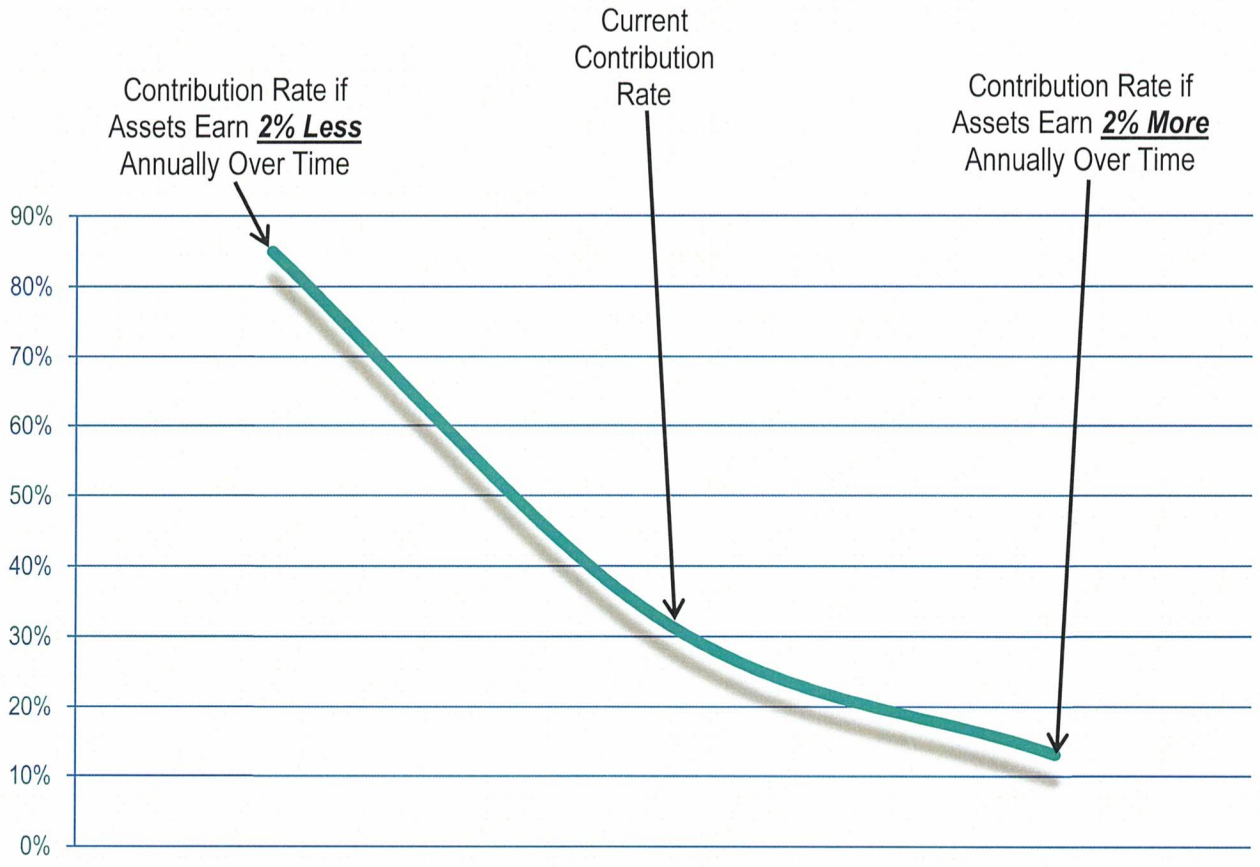
Exemption Test Under Georgia Code Section 47-20-13

Actuarial Value of Assets	$157,747,864
Present Value of Accumulated Retirement System Benefits	$170,381,141
Funded Ratio	92.59%

(If the funded ratio is at least 150%, then the plan is exempt from the State minimum funding standards.)

Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.

Gain and Loss Analysis

Table I-C

Previous minimum required contribution rate	33.98%
Increase (decrease) due to investment gains and losses	-48.13%
Increase (decrease) due to demographic experience	14.26% *
Increase (decrease) due to plan amendments	32.05%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate	32.16%

** balancing item*

Source of Change in the Unfunded Liability

Previous unfunded liability	$23,783,008
Increase due to interest	$1,448,787
Decrease due to amortization payments	($2,319,502)
Increase (decrease) due to plan experience	($8,707,557)
Increase (decrease) due to plan amendments	$3,834,630
Increase (decrease) due to actuarial assumption changes	$0
Increase (decrease) due to actuarial method changes	$0
Current unfunded liability	$18,039,366

Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$68,264,999	$68,264,999	$68,264,999
Termination benefits	$431,706	$431,706	$431,706
Disability benefits	$0	$0	$0
Death benefits	$34,599	$34,599	$34,599
Refund of employee contributions	$0	$0	$0
Sub-total	**$68,731,304**	**$68,731,304**	**$68,731,304**
Deferred Vested Participants			
Retirement benefits	$1,568,083	$1,568,083	$1,568,083
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,568,083**	**$1,568,083**	**$1,568,083**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$95,466,281	$101,543,508	$101,543,508
Disability retirements	$0	$0	$0
Beneficiaries receiving	$7,751,909	$8,245,383	$8,245,383
DROP participants	$0	$0	$0
Sub-total	**$103,218,190**	**$109,788,891**	**$109,788,891**
Grand Total	**$173,517,577**	**$180,088,278**	**$180,088,278**
Present Value of Future Payroll	$19,759,428	$19,759,428	$19,759,428
Present Value of Future Employee Contribs.	$987,969	$987,969	$987,969
Present Value of Future Employer Contribs.	$15,892,855	$22,463,556	$22,463,556

Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$58,626,198	$58,626,198	$58,626,198
Termination benefits	$367,885	$367,885	$367,885
Disability benefits	$0	$0	$0
Death benefits	$30,084	$30,084	$30,084
Refund of employee contributions	$0	$0	$0
Sub-total	**$59,024,167**	**$59,024,167**	**$59,024,167**
Deferred Vested Participants			
Retirement benefits	$1,568,083	$1,568,083	$1,568,083
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,568,083**	**$1,568,083**	**$1,568,083**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$95,466,281	$101,543,508	$101,543,508
Disability retirements	$0	$0	$0
Beneficiaries receiving	$7,751,909	$8,245,383	$8,245,383
DROP participants	$0	$0	$0
Sub-total	**$103,218,190**	**$109,788,891**	**$109,788,891**
Grand Total	**$163,810,440**	**$170,381,141**	**$170,381,141**
Funded Percentage	96.30%	92.59%	92.59%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)

Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$58,626,198	$58,626,198	$58,626,198
Termination benefits	$367,885	$367,885	$367,885
Disability benefits	$0	$0	$0
Death benefits	$30,084	$30,084	$30,084
Refund of employee contributions	$0	$0	$0
Sub-total	**$59,024,167**	**$59,024,167**	**$59,024,167**
Deferred Vested Participants			
Retirement benefits	$1,568,083	$1,568,083	$1,568,083
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,568,083**	**$1,568,083**	**$1,568,083**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$95,466,281	$101,543,508	$101,543,508
Disability retirements	$0	$0	$0
Beneficiaries receiving	$7,751,909	$8,245,383	$8,245,383
DROP participants	$0	$0	$0
Sub-total	**$103,218,190**	**$109,788,891**	**$109,788,891**
Grand Total	**$163,810,440**	**$170,381,141**	**$170,381,141**

Projected Unit Credit Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$63,991,395	$63,991,395	$63,991,395
Termination benefits	$406,216	$406,216	$406,216
Disability benefits	$0	$0	$0
Death benefits	$32,645	$32,645	$32,645
Refund of employee contributions	$0	$0	$0
Sub-total	**$64,430,256**	**$64,430,256**	**$64,430,256**
Deferred Vested Participants			
Retirement benefits	$1,568,083	$1,568,083	$1,568,083
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,568,083**	**$1,568,083**	**$1,568,083**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$95,466,281	$101,543,508	$101,543,508
Disability retirements	$0	$0	$0
Beneficiaries receiving	$7,751,909	$8,245,383	$8,245,383
DROP participants	$0	$0	$0
Sub-total	**$103,218,190**	**$109,788,891**	**$109,788,891**
Grand Total	**$169,216,529**	**$175,787,230**	**$175,787,230**
less Actuarial Value of Assets	*($155,011,793)*	*($157,747,864)*	*($157,747,864)*
Unfunded Accrued Liability	**$14,204,736**	**$18,039,366**	**$18,039,366**

Projected Unit Credit Normal Cost

Table I-H

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$2,321,605	$2,321,605	$2,321,605
Termination benefits	$16,611	$16,611	$16,611
Disability benefits	$0	$0	$0
Death benefits	$1,296	$1,296	$1,296
Refund of employee contributions	$0	$0	$0
Sub-total	**$2,339,512**	**$2,339,512**	**$2,339,512**
Deferred Vested Participants			
Retirement benefits	$0	$0	$0
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$0	$0	$0
Refund of employee contributions	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Due a Refund of Contributions	**$0**	**$0**	**$0**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$0	$0	$0
Disability retirements	$0	$0	$0
Beneficiaries receiving	$0	$0	$0
DROP participants	$0	$0	$0
Sub-total	**$0**	**$0**	**$0**
Grand Total	**$2,339,512**	**$2,339,512**	**$2,339,512**

Unfunded Liability Bases

Table I-I

Description	Original Amount	Outstanding Balance	Amortization Payment	Years Rem.
	Total	***$18,039,366***	***$1,943,549***	
1/1/2023 Fresh Start UAAL	$33,848,895	$31,528,366	$3,191,742	15
2023 Experience Gain	($8,943,503)	($8,616,073)	($872,240)	15
1/1/2025 Retiree COLA	$3,834,630	$3,834,630	$505,548	10
2024 Experience Gain	($8,707,557)	($8,707,557)	($881,501)	15

Actuarial Value of Assets

Table II-A

Market Value of Assets as of January 1, 2025	$157,747,864
Minus advance employer contributions	$0
Actuarial Value of Assets as of January 1, 2025	**$157,747,864**

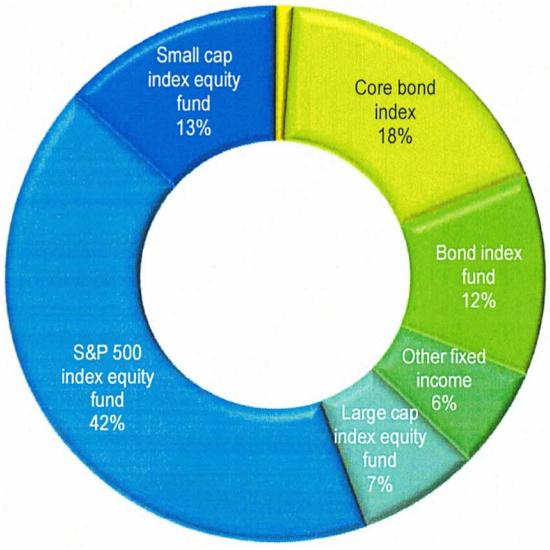
Historical Actuarial Value of Assets

January 1, 2016	$84,855,903
January 1, 2017	$91,950,265
January 1, 2018	$104,453,266
January 1, 2019	$101,903,850
January 1, 2020	$122,508,482
January 1, 2021	$140,899,437
January 1, 2022	$155,482,766
January 1, 2023	$125,998,147
January 1, 2024	$138,994,823
January 1, 2025	$157,747,864

Market Value of Assets

Table II-B

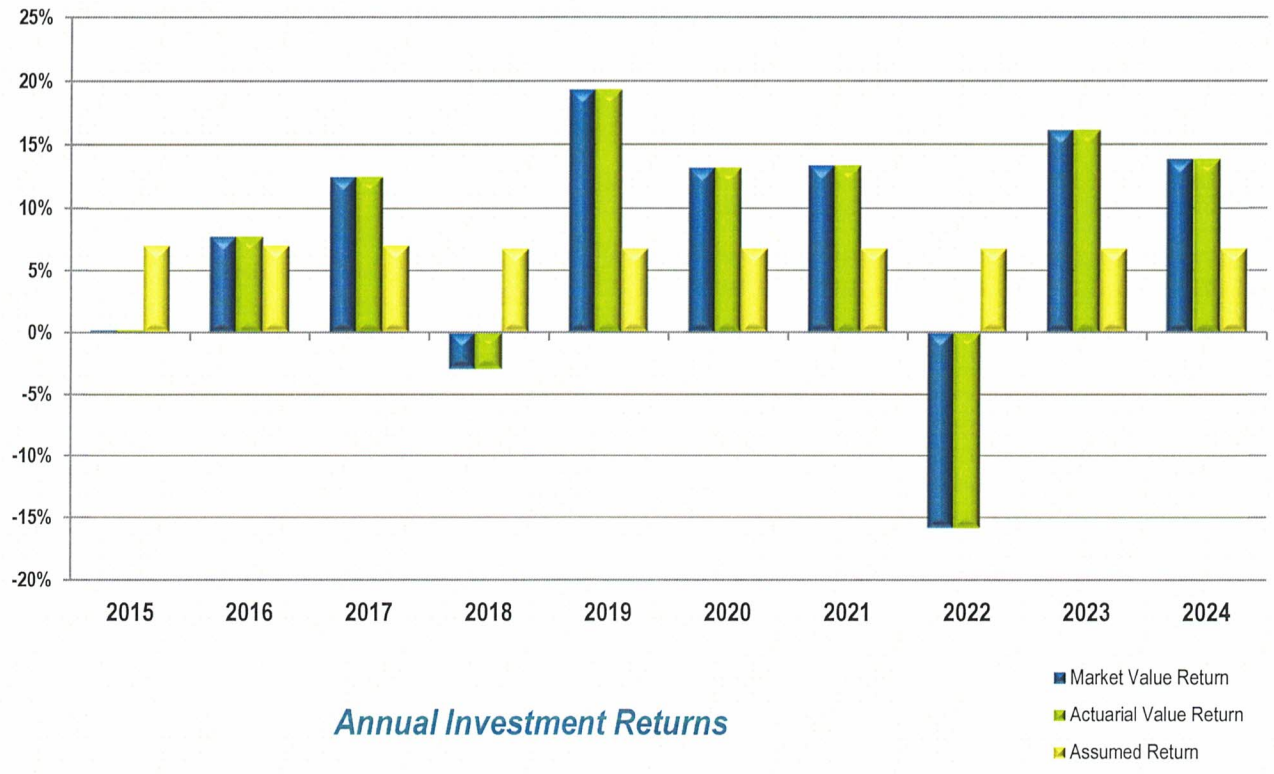
	As of January 1, 2025
Market Value of Assets	**$157,747,864**
Cash and cash equivalents	$1,603,710
Core bond index	$28,133,742
Bond index fund	$19,267,387
Other fixed income	$9,744,248
Large cap index equity fund	$11,399,258
S&P 500 index equity fund	$66,480,314
Small cap index equity fund	$21,121,930
Accounts payable	($2,725)



Historical Market Value of Assets	
January 1, 2016	$84,855,903
January 1, 2017	$92,134,902
January 1, 2018	$104,453,266
January 1, 2019	$101,903,850
January 1, 2020	$122,508,482
January 1, 2021	$140,899,437
January 1, 2022	$155,482,766
January 1, 2023	$125,998,147
January 1, 2024	$138,994,823
January 1, 2025	$157,747,864

Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2015	0.23%	0.23%	7.00%
2016	7.77%	7.77%	7.00%
2017	12.49%	12.51%	7.00%
2018	-2.92%	-2.92%	6.75%
2019	19.33%	19.33%	6.75%
2020	13.21%	13.21%	6.75%
2021	13.39%	13.39%	6.75%
2022	-15.84%	-15.84%	6.75%
2023	16.14%	16.14%	6.75%
2024	13.86%	13.86%	6.75%
10yr. Avg.	7.24%	7.24%	6.82%

Asset Reconciliation

Table II-D

	Market Value	Actuarial Value
As of January 1, 2024	**$138,994,823**	**$138,994,823**
Increases Due To:		
Employer Contributions	$8,218,086	$8,218,086
Employee Contributions	$593,940	$593,940
Service Purchase Contributions	$0	$0
Total Contributions	$8,812,026	$8,812,026
Interest and Dividends	$0	
Realized Gains (Losses)	$1,469,012	
Unrealized Gains (Losses)	$17,913,193	
Total Investment Income	$19,382,205	$19,232,475
Other Income	$0	
Total Income	**$28,194,231**	**$28,044,501**
Decreases Due To:		
Monthly Benefit Payments	($9,241,439)	($9,241,439)
Refund of Employee Contributions	$0	$0
Total Benefit Payments	($9,241,439)	($9,241,439)
Investment Expenses	($149,730)	
Administrative Expenses	($50,021)	($50,021)
Advance Employer Contribution		$0
Total Expenses	**($9,441,190)**	**($9,291,460)**
As of January 1, 2025	**$157,747,864**	**$157,747,864**

Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2015	$7,099,693	$784,870	$0	$1,166,608	$3,496,413	-$4,313,054	$602
2016	$6,841,734	$769,248	$0	$0	$4,321,811	$2,492,238	$9,853
2017	$7,225,029	$727,343	$0	$0	$3,994,252	$7,749,037	$0
2018	$7,311,443	$688,300	$0	$0	$3,421,230	-$6,300,899	$0
2019	$7,728,729	$663,908	$0	$0	$4,121,853	$15,839,031	$0
2020	$9,130,197	$677,164	$0	$0	$5,561,843	$10,950,286	$0
2021	$3,251,149	$646,835	$0	$0	$7,108,674	$11,667,399	$0
2022	$2,600,285	$647,018	$0	$0	$33,911,051	-$57,962,592	$0
2023	$1,651,195	$608,829	$0	$0	$3,705,031	$16,231,176	$0
2024	$8,218,086	$593,940	$0	$0	$1,469,012	$17,913,193	$0

Expenses

Plan Year	Benefit Payments	Admin. Expenses	Invest. Expenses
2015	$6,513,876	$61,983	$158,113
2016	$6,904,592	$42,900	$208,393
2017	$7,133,475	$59,239	$184,583
2018	$7,440,532	$50,901	$178,057
2019	$7,499,751	$70,763	$178,375
2020	$7,662,936	$79,278	$186,321
2021	$7,845,115	$61,000	$184,613
2022	$8,464,660	$49,056	$166,665
2023	$8,994,541	$51,592	$153,422
2024	$9,241,439	$50,021	$149,730

Other Actuarial Adjustments

Advance Employer Contribs.
$0
$184,627
-$184,627
$0
$0
$0
$0
$0
$0
$0

Note: Realized gains and losses include interest and dividends after 2015.

Other Reconciliations

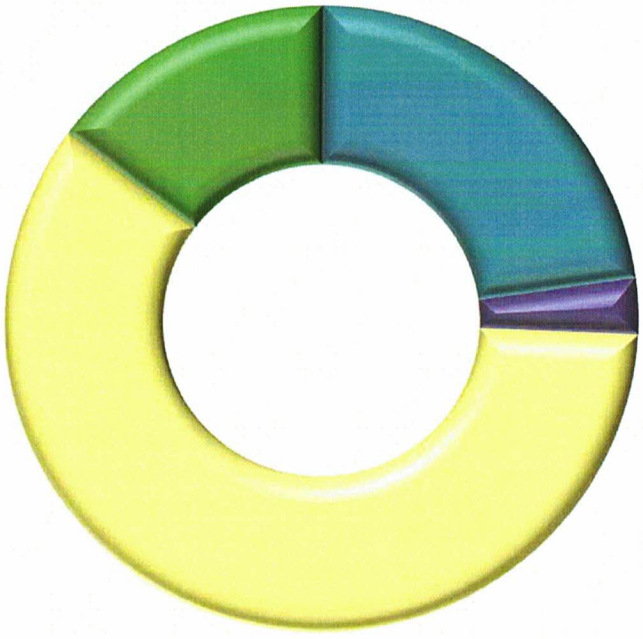
Table II-F

Advance Employer Contribution

Advance Employer Contribution as of January 1, 2024	$0
Additional Employer Contribution	$8,218,086
Minimum Required Contribution	($5,482,015)
Additional Contribution for the Retiree COLA	($2,736,071)
Net Increase in Advance Employer Contribution	$0
Advance Employer Contribution as of January 1, 2025	$0

Summary of Participant Data

Table III-A



Participant Distribution by Status

As of January 1, 2025

Actively Employed Participants	
Active Participants	125
DROP Participants	0
Inactive Participants	
Deferred Vested Participants	16
Due a Refund of Contributions	0
Deferred Beneficiaries	0
Participants Receiving a Benefit	
Service Retirements	327
Disability Retirements	0
Beneficiaries Receiving	81
Total Participants	**549**

Number of Participants Included in Prior Valuations

	Active	*DROP*	*Inactive*	*Retired*	*Total*
January 1, 2016	268	0	12	346	626
January 1, 2017	249	0	14	357	620
January 1, 2018	227	0	16	364	607
January 1, 2019	211	0	18	355	584
January 1, 2020	198	0	19	368	585
January 1, 2021	188	0	18	373	579
January 1, 2022	178	0	18	371	567
January 1, 2023	158	0	19	382	559
January 1, 2024	140	0	17	394	551
January 1, 2025	125	0	16	408	549

Data Reconciliation

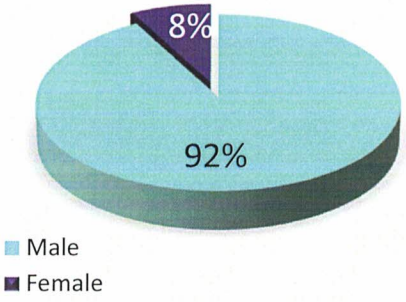
Table III-B

	Active	DROP	Deferred Vested	Due a Refund	Def. Benef.	Service Retiree	Disabled Retiree	Benef. Rec'v.	Total
January 1, 2024	140	0	17	0	0	320	0	74	**551**
Change in Status									
Re-employed									
Terminated									
Retired	(14)		(1)			15			
Participation Ended									
Transferred Out									
Cashed Out									
Died	(1)					(8)		(3)	**(12)**
Participation Began									
Newly Hired									
Transferred In									
New Beneficiary								10	**10**
Other Adjustment									
January 1, 2025	125	0	16	0	0	327	0	81	**549**

Active Participant Data

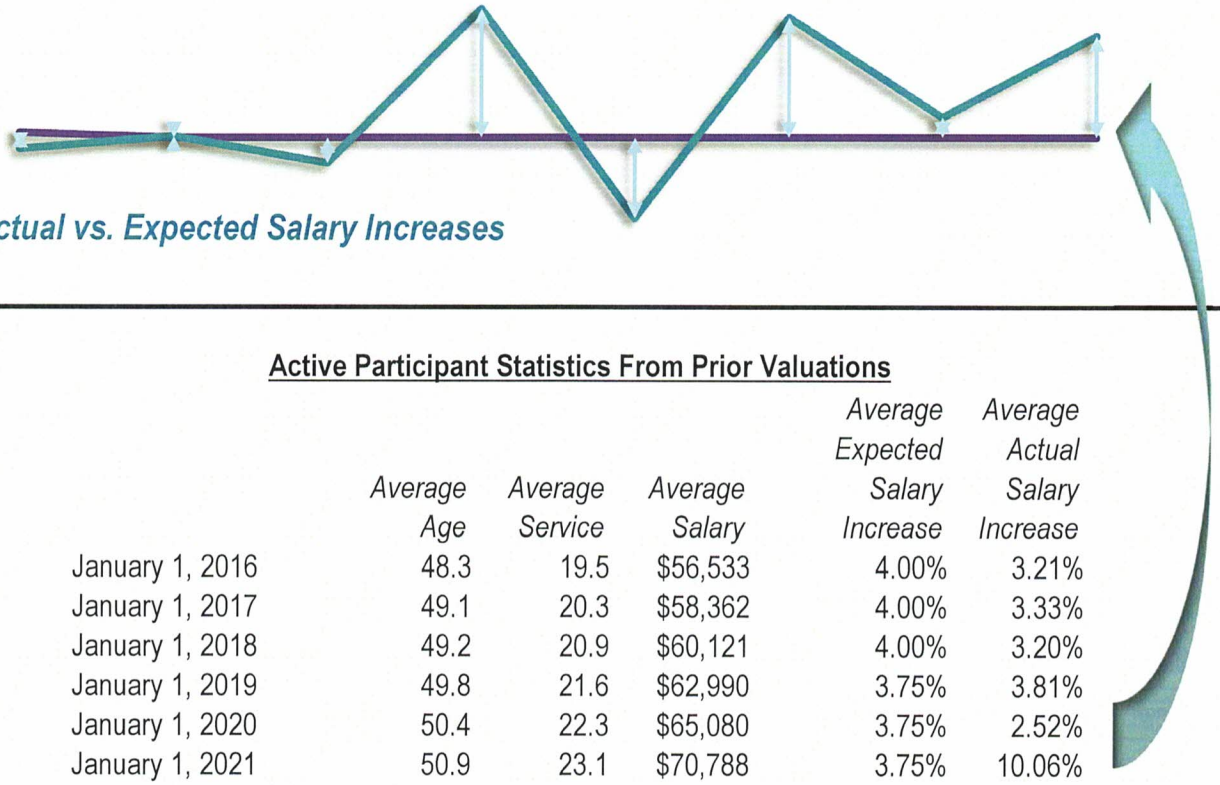
Table III-C

Gender Mix



As of January 1, 2025

Average Age	52.4 years
Average Service	26.5 years
Total Annualized Compensation for the Prior Year	$11,274,906
Total Expected Compensation for the Current Year	$11,641,340
Average Increase in Compensation for the Prior Year	8.71%
Expected Increase in Compensation for the Current Year	3.75%



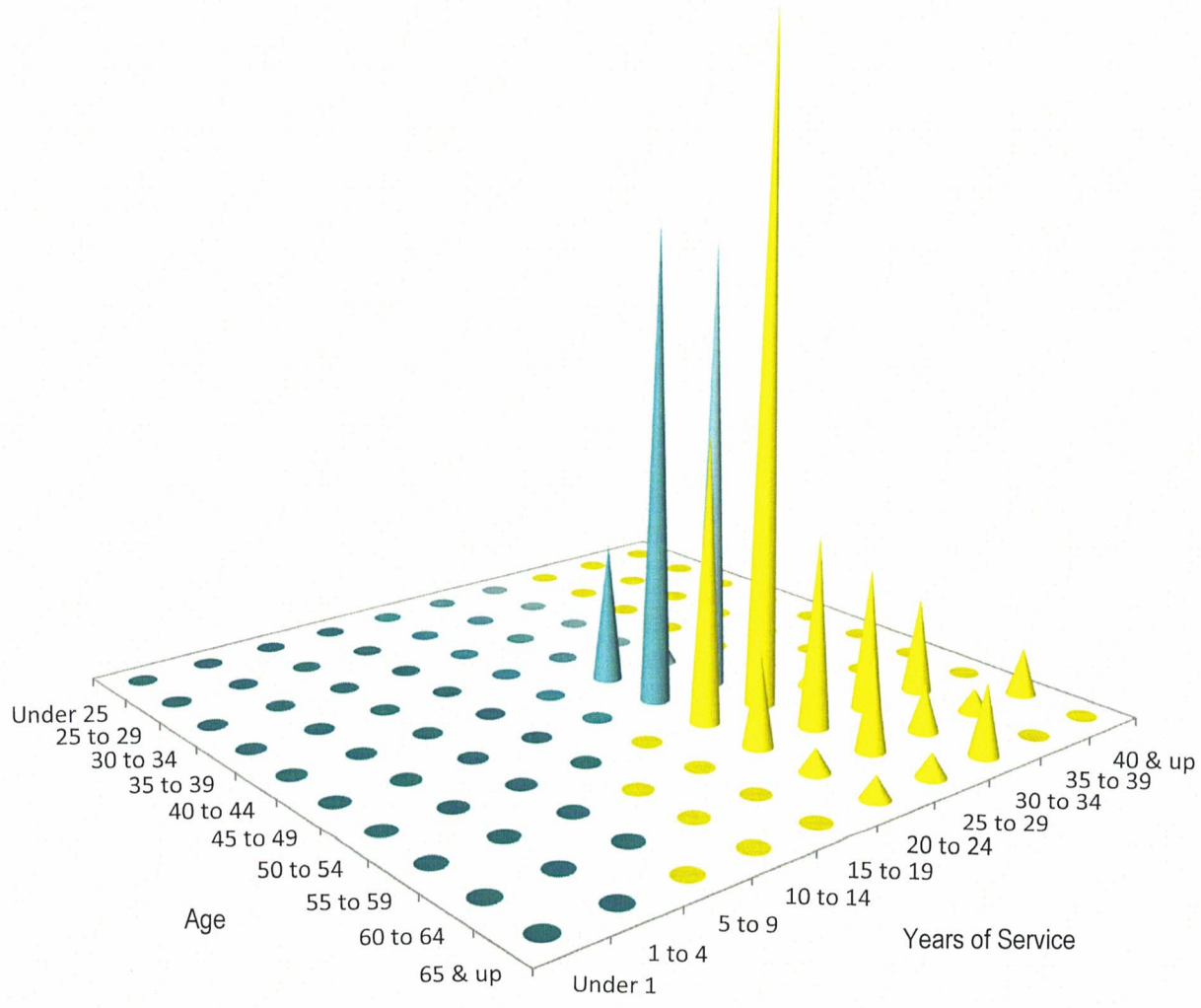
Actual vs. Expected Salary Increases

Active Participant Statistics From Prior Valuations

	Average Age	*Average Service*	*Average Salary*	*Average Expected Salary Increase*	*Average Actual Salary Increase*
January 1, 2016	48.3	19.5	$56,533	4.00%	3.21%
January 1, 2017	49.1	20.3	$58,362	4.00%	3.33%
January 1, 2018	49.2	20.9	$60,121	4.00%	3.20%
January 1, 2019	49.8	21.6	$62,990	3.75%	3.81%
January 1, 2020	50.4	22.3	$65,080	3.75%	2.52%
January 1, 2021	50.9	23.1	$70,788	3.75%	10.06%
January 1, 2022	51.6	23.9	$70,903	3.75%	-0.17%
January 1, 2023	51.7	24.6	$77,633	3.75%	9.62%
January 1, 2024	51.9	25.7	$82,926	3.75%	4.75%
January 1, 2025	52.4	26.5	$90,199	3.75%	8.71%

Active Age-Service Distribution

Table III-D



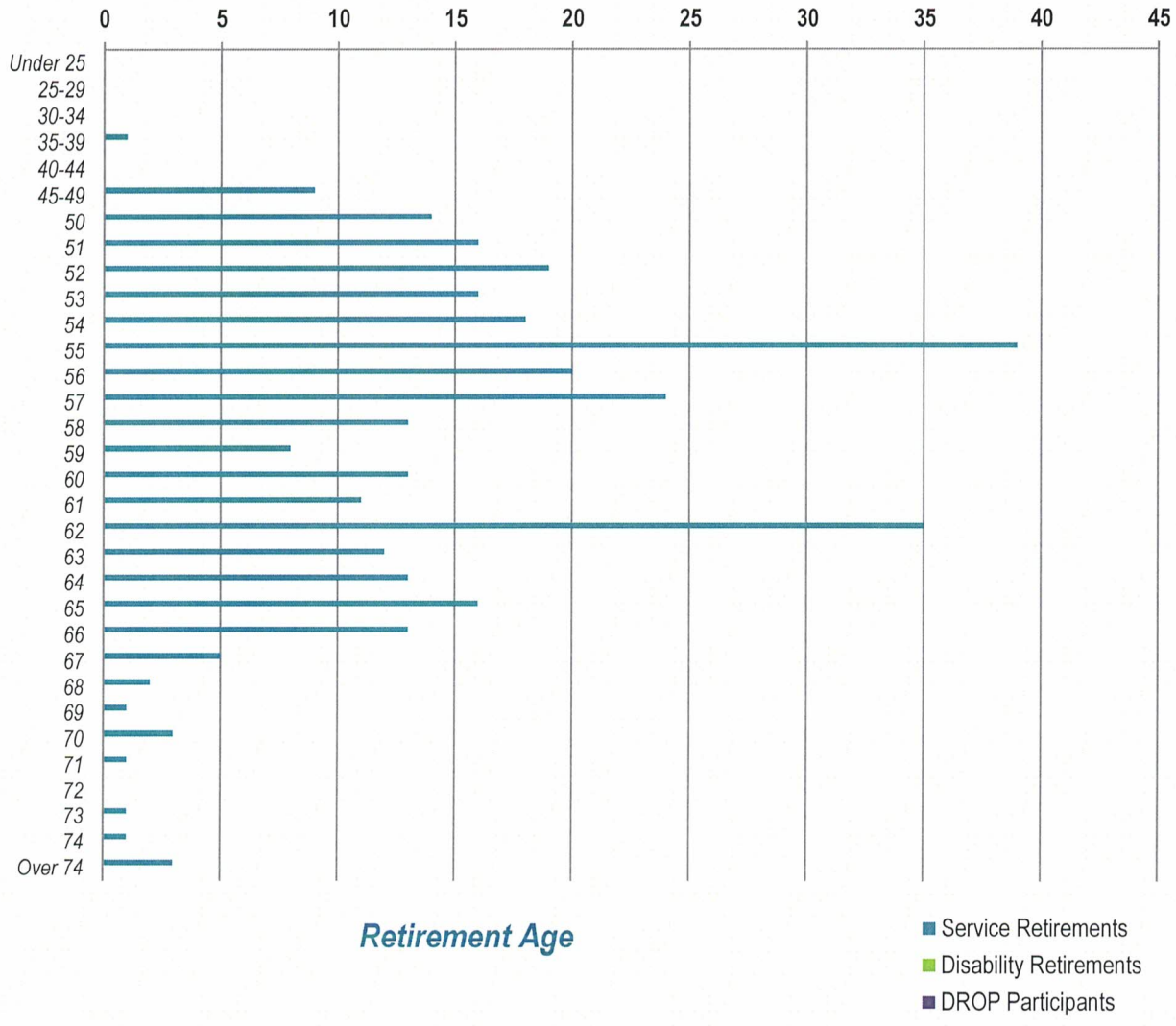
Active Age-Service-Salary Table

Table III-E

Attained Age	Completed Years of Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
35 to 39	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
40 to 44	**0**	**0**	**0**	**0**	**0**	**6**	**1**	**0**	**0**	**0**	**7**
Avg.Pay	0	0	0	0	0	76,844	66,604	0	0	0	75,381
45 to 49	**0**	**0**	**0**	**0**	**0**	**20**	**19**	**1**	**0**	**0**	**40**
Avg.Pay	0	0	0	0	0	90,866	83,271	60,031	0	0	86,488
50 to 54	**0**	**0**	**0**	**0**	**0**	**12**	**28**	**1**	**0**	**0**	**41**
Avg.Pay	0	0	0	0	0	74,393	102,647	150,447	0	0	95,544
55 to 59	**0**	**0**	**0**	**0**	**0**	**4**	**8**	**6**	**4**	**0**	**22**
Avg.Pay	0	0	0	0	0	65,736	63,816	133,667	120,234	0	93,473
60 to 64	**0**	**0**	**0**	**0**	**0**	**1**	**4**	**2**	**1**	**2**	**10**
Avg.Pay	0	0	0	0	0	90,231	95,830	96,086	101,288	98,368	96,375
65 & up	**0**	**0**	**0**	**0**	**0**	**1**	**1**	**3**	**0**	**0**	**5**
Avg.Pay	0	0	0	0	0	48,331	63,239	79,570	0	0	70,056
Total	**0**	**0**	**0**	**0**	**0**	**44**	**61**	**13**	**5**	**2**	**125**
Avg.Pay	0	0	0	0	0	81,196	89,836	111,028	116,445	98,368	90,199

Inactive Participant Data

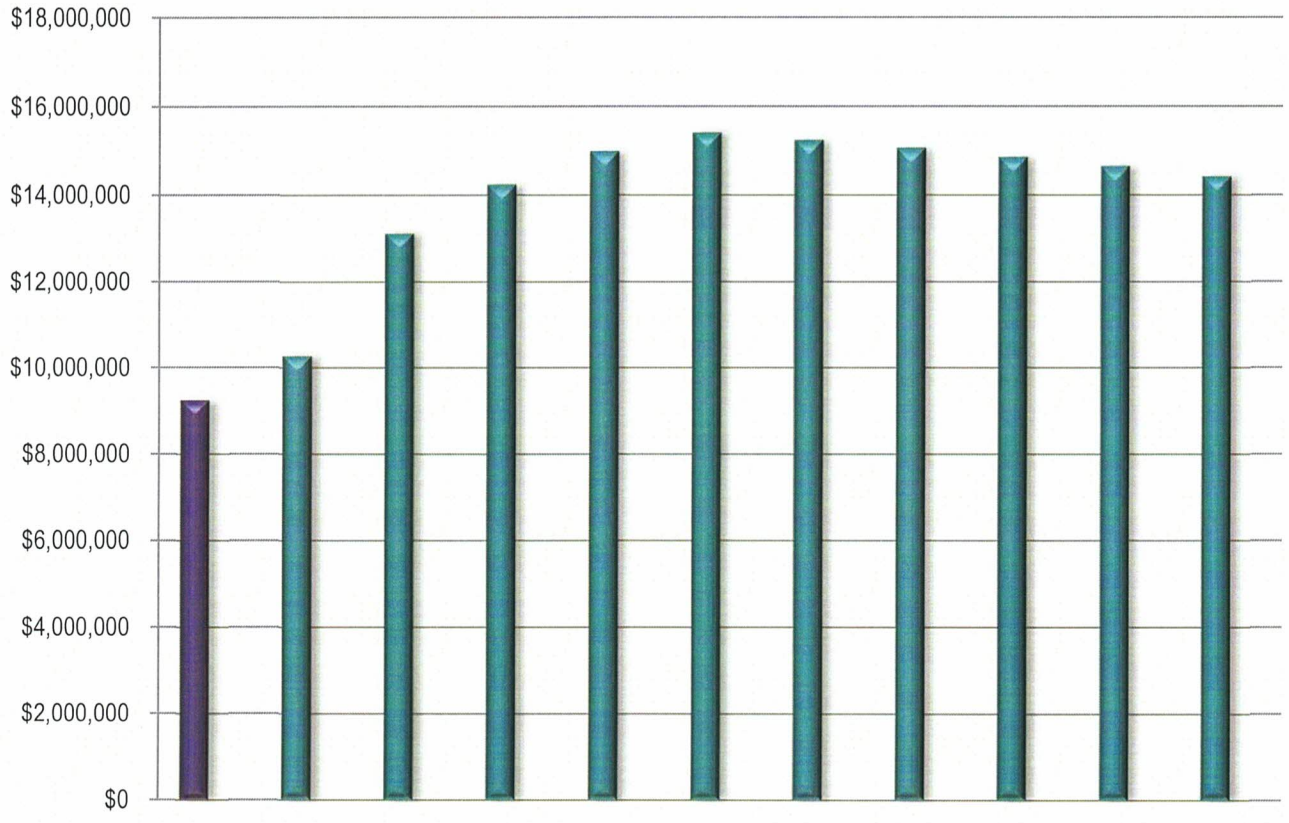
Table III-F



	Average Monthly Benefit
Service Retirements	*$2,328.82*
Disability Retirements	*Not applicable*
Beneficiaries Receiving	*$1,029.66*
DROP Participants	*Not applicable*
Deferred Vested Participants	*$1,549.99*
Deferred Beneficiaries	*Not applicable*

Projected Benefit Payments

Table III-G



Actual	
For the period January 1, 2024 through December 31, 2024	$9,241,439
Projected	
For the period January 1, 2025 through December 31, 2025	$10,274,210
For the period January 1, 2026 through December 31, 2026	$13,123,126
For the period January 1, 2027 through December 31, 2027	$14,239,868
For the period January 1, 2028 through December 31, 2028	$14,988,062
For the period January 1, 2029 through December 31, 2029	$15,409,579
For the period January 1, 2030 through December 31, 2030	$15,242,487
For the period January 1, 2031 through December 31, 2031	$15,058,489
For the period January 1, 2032 through December 31, 2032	$14,863,102
For the period January 1, 2033 through December 31, 2033	$14,649,207
For the period January 1, 2034 through December 31, 2034	$14,425,833

Summary of Actuarial Methods and Assumptions — Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.

1. Actuarial Cost Method

Projected unit credit cost method. Under this actuarial cost method, the actuarial accrued liability is equal to the accumulated benefits earned to the valuation date for all participants, but adjusted to reflect expected increases in each participant's final average compensation. The normal cost is equal to one additional year's benefit accrual for all active participants on the same basis.

2. Amortization Method

The unfunded actuarial accrued liability is amortized over a 20-year period from January 1, 2020 with level-dollar payments, except that the increase in the unfunded actuarial accrued liability attributable to the January 1, 2025 retiree COLA is amortized over a 10-year period from January 1, 2025 with level-dollar payments.

3. Asset Method

The actuarial value of assets is equal to the market value of assets.

4. Interest (or Discount) Rate

6.75% per annum

5. Salary Increases

Plan compensation is assumed to increase at the rate of 3.25% per annum, unless actual plan compensation is known for a prior plan year.

6. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2020
- Post-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2020
- Disabled mortality: Sex-distinct rates set forth in the PUB-2010 Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2020

Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

- Disability: Rates of disability increase with age up to age 60; sample rates for males include a 0.04% probability of disability at age 20, a 0.10% probability of disability at age 30, a 0.23% probability of disability at age 40, a 0.64% probability of disability at age 50, and a 2.24% probability of disability at age 65; sample rates for females include a 0.02% probability of disability at age 20, a 0.07% probability of disability at age 30, a 0.18% probability of disability at age 40, a 0.50% probability of disability at age 50, and a 1.27% probability of disability at age 65.

- Termination: Rates of employment termination decrease with age up to age 55; sample rates include a 23.00% probability of termination at age 20, a 23.00% probability of termination at age 25, a 20.50% probability of termination at age 30, an 11.50% probability of termination at age 35, a 6.50% probability of termination at age 40, a 5.50% probability of termination at age 45, a 5.00% probability of termination at age 50, and a 4.00% probability of termination at age 55.

- Retirement: Employees are assumed to retire at the earliest of the following ages: (i) any age upon the completion of 30 years of service; (ii) age 55 upon the completion of 25 years of service; or (iii) age 65 upon the completion of five years of service.

No decrements are assumed to occur during the first year immediately following the valuation date.

7. Contingent Annuitants

80% of male participants and 60% of female participants are assumed to have a surviving spouse of the opposite gender; males are assumed to be three years older than females for this purpose.

8. Expenses

Administrative expenses of $75,000 per year have been assumed. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

9. Data-Related Assumptions

For active employees, service is assumed to be based on the period following their date of hire. No active employees are assumed to have incurred any breaks in their service, to have purchased additional service credit, or to have elected the special $100 monthly pension described in plan section 3.03.

Changes in Actuarial Methods and Assumptions — Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

The following additional assumption and method changes were made during the past several years:

(1) Effective January 1, 2022, the mortality improvement scale was updated from Scale MP-2017 to Scale MP-2020.

(2) Effective January 1, 2022, assumed administrative expenses were increased from $50,000 per year to $75,000 per year.

(3) Effective January 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale AA to the PUB-2010 Mortality Table for general employees with full generational improvements in mortality using Scale MP-2017.

(4) Effective January 1, 2020, the amortization period was extended from 10 years to 20 years.

(5) Effective January 1, 2018, the assumed interest (or discount) rate was decreased from 7.00% per annum to 6.75% per annum.

(6) Effective January 1, 2018, the assumed increase in future salaries was decreased from 4.00% per year to 3.25% per year.

(7) Effective January 1, 2018, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table to the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale AA.

Summary of Plan Provisions

Table V-A

1. Monthly Accrued Benefit

1.80% of Average Monthly Compensation multiplied by Years of Service (§1.21)

2. Normal Retirement Age and Benefit

- **Age**
  Earliest of: (i) any age with at least 30 Years of Service;
  (ii) age 55 with at least 25 Years of Service; or
  (iii) age 65 with at least five Years of Service (§3.01)
- **Amount**
  Monthly Accrued Benefit (§3.01)
- **Form of Payment**
  10-year certain and life annuity, with a 55% survivor annuity payable to the participant's eligible spouse after the expiration of the certain period; for this purpose, an eligible spouse is one to which the participant has been married for at least one year. (§§3.02 and 6.01)

3. Early Retirement Age and Benefit

- **Age**
  Earlier of: (i) age 50 with at least 15 Years of Service, or
  (ii) age 55 with at least 10 Years of Service (§4.01)
- **Amount**
  Monthly Accrued Benefit *(payable at Normal Retirement Age)*; or
  Monthly Accrued Benefit reduced by 0.5% for each month by which the participant's Early Retirement Age precedes his Normal Retirement Age *(payable at Early Retirement Age)*
  (§§1.01 and 4.02)
- **Form of Payment**
  Same as for Normal Retirement (§4.02)

4. Delayed Retirement Age and Benefit

- **Age**
  After Normal Retirement Age
- **Amount**
  Monthly Accrued Benefit
- **Form of Payment**
  Same as for Normal Retirement

(§3)

Summary of Plan Provisions

Table V-A

(continued)

5. Deferred Vested Benefit

- **Age**
  Any age with at least 10 Years of Service
- **Amount**
  Monthly Accrued Benefit *(payable at age 65)*; or
  Monthly Accrued Benefit reduced by 0.5% for each month by which the participant's retirement age precedes age 65 *(payable as early as age 55)*
- **Form of Payment**
  10-year certain and life annuity

(§8.02)

6. Disability Benefit

None

7. Pre-Retirement Death Benefit

For participants who die prior to retirement and who are eligible for Early or Normal Retirement:
10-year certain annuity, plus a 55% survivor annuity payable to the participant's eligible spouse after the expiration of the certain period; for this purpose, an eligible spouse is one to which the participant has been married for at least one year. (§5.02)

For all other participants who die prior to retirement:
None

8. Average Monthly Compensation

The participant's Average Monthly Compensation is equal to the average of the participant's highest 36 consecutive "basic monthly earnings" during his last 120 months of employment; "basic monthly earnings" are equal to total compensation for a calendar year, excluding lump sum payments for severance and unused sick and vacation leave, and are deemed to be earned uniformly throughout each calendar year; annual compensation is limited to $200,000 per year (as indexed) pursuant to Internal Revenue Code (IRC) section 401(a)(17). (§§1.02 and 1.15)

Summary of Plan Provisions

Table V-A

(continued)

9. Employee Contribution

Effective January 1, 2008, all participating employees are required to contribute 5% of their pensionable earnings to the plan. Prior to January 1, 2008, the employee contribution rate was 5% for the period through December 31, 1984 and 4% for the period January 1, 1985 through December 31, 2007. (§9.03)

A participant who terminates his employment for any reason (or his eligible beneficiary) and who is not otherwise entitled to a monthly benefit will receive a refund of his Employee Contributions accumulated with interest at the rate of 3% per annum beginning as of the end of the year during which the contribution is made. All other participants may optionally choose to receive a refund of their Employee Contributions accumulated with interest in lieu of receiving any additional benefits under the plan. (§§1.19, 8.01, and 8.02)

10. Years of Service

Years of Service are equal to the years and months of covered employment, where a month of service is granted for each calendar month during which the individual works in covered employment for all or a portion of that month. (§§1.09 and 1.17)

11. Participation Requirement

All full-time employees of a participating employer who were hired prior to July 1, 2002 are eligible to participate in the plan after completing six months of service as a covered employee, except that the Mayor, Councilmen, Commissioners, and Authority Members are not eligible to participate in the plan. Participating employers include: (i) the City of Dalton and the Public Safety Commission, the Water, Light and Sinking Fund Commission, and the Recreation Commission of the City; (ii) the Northwest Georgia Trade and Convention Center Authority; (iii) the Dalton-Whitfield Convention Visitors Bureau; and (iv) the Dalton-Whitfield Regional Solid Waste Management Authority. (§§1.12, 1.13, 2.03, and 2.08)

12. Original Effective Date

January 1, 1967; the current plan was effective on July 1, 1982. (§1.10)

Summary of Plan Amendments

Table V-B

No plan amendments were adopted since the completion of the previous valuation, other than the January 1, 2025 retiree COLA.