

THE CITY OF DALTON  
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES  
REGULAR MEETING  
MARCH 26, 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. at City Hall. Present for the meeting were Chairman Gary Hill, Trustees Mike Sloan, Vernon Ray and Dwayne Carvell, Mayor Annalee Sams and Chairman of the Water, Light & Sinking Fund Commission Joe Yarbrough. Council member Dennis Mock was absent.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of January 23, 2024. On the motion of Trustee Carvell, second Trustee Sloan, the minutes were approved. The vote was unanimous in favor.

QUARTERLY PERFORMANCE REPORT - DECEMBER 31, 2023

Hilda Thompson from SEAS reviewed the year end Monthly Performance Report as of December 31, 2023. Thompson stated the Plan started 2023 at around 125 million and ended the year at around 138 million with a Return of 16.6% with the actuarial assumption of 6.75%. Thompson further reported the contributions and distributions yielded a negative cash flow of around 7 million dollars where contributions do not cover distribution to the beneficiary of retirement payments. Thompson noted it was a good fiscal year.

MONTHLY PERFORMANCE REPORT - FEBRUARY 29, 2024

Hilda Thompson reviewed the Monthly Performance Report - February 29, 2024. Thompson stated the preliminary number at the end of the month is \$142.8 million and the Plan had earned nearly 4 million in the first 2 months of the fiscal year. Thompson further stated the Quarter to date monthly return is 2.3% and noted March has been pretty flat but slightly positive. Thompson stated the Plan could possibly have a 3% Return for the quarter. On the motion of Trustee Yarbrough, second Trustee Ray, the Reports were approved. The vote was unanimous in favor.

ASSET REBALANCE MEMO

Hilda Thompson reviewed a recent sent Memo from SEAS regarding the Plan being at the very edge of being out of compliance at the end of February with the current Investment Policy due to the strong equity markets. Thompson explained as of February 29, 2024, the large cap equity allocation was 49.5% of the total fund assets and fixed income was at 30.2%. The current Investment Policy provides that large cap equity must be no greater than 50% and fixed income no less than 30%. Thompson stated this situation occurred recently due to the strong equity markets. SEAS is recommending a rebalancing between large cap equity and fixed income. SEAS is recommending that \$4 million (approximately 3%) be liquidated from the large cap portfolio and reinvested in the fixed income portfolio. Thompson stated SEAS further recommends that this rebalancing occur through the funds at Vanguard. On the motion of Trustee Yarbrough, second Trustee Ray, the recommendation was approved. The vote was unanimous in favor.

CHUCK CARR - SOUTHERN ACTUARIAL SERVICES

Chuck Carr from Southern Actuarial Services presented the January 1, 2024 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, 2024 and to determine the minimum required contribution under Georgia Code Section 4720-10 for the 2025 plan year.

Carr reviewed the report with the Board and stated that he has no Plan changes or assumptions reflected in this report. Carr stated the required contribution for 2025 is 4,226,522 which represents a decrease of \$1,255,493 from the prior year. Carr stated the Plan is approximately 88.22% funded and the Plan should be fully funded in approximately 16 years. 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. 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.

Hilda Thompson stated SEAS has reviewed the Actuarial Valuation and the Plan is in a good position. Thompson reiterated the Plan is 88 % funded which is very good.

RETIREES

Rodney “Kirk” Williams – Fire Department

On the motion of Trustee Ray, second Trustee Carvell, the Board ratified payment to Rodney “Kirk” Williams – Fire Department for early 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 Carvell, second Trustee Yarbrough, the Board approved the following:

The Minor Firm, LLC - Pension Board Meeting Attendance

Invoice #186750 | \$75.00

The vote was unanimous in favor.

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

Southeastern Advisory Services, Inc. - January Invoice for Monthly Services

Invoice #243 | \$2,150.00

The vote was unanimous in favor.

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

Southeastern Advisory Services, Inc. - February Invoice for Monthly Services

Invoice #244 | \$2,150.00

The vote was unanimous in favor.

REPORTS

Financial Report- January 31, 2024

Financial Report - February 29, 2024

Market Indices - February 29, 2024

MISCELLANEOUS

- Retiree Eddie Powell inquired about raises for retirees. Chairman Hill stated the Board plans to present a request to the Mayor and Council for a COLA.
- Chairman Hill stated the next meeting will be held May 28, 2024 at Dalton Police Department at 3:00 p.m.
- Mayor Harlan asked to Hilda Thompson from SEAS, if the Plan is close to being out of compliance with the investment strategy, will SEAS offer a recommendation to remedy the situation.

Thompson stated the City's Plan is considered a large plan and Georgia has an antiquated guide line that goes by book value and not market value. Thompson stated that SEAS will take a look at it and present it at the next meeting.

ADJOURNMENT

Chairman Hill thanked everyone for coming. There being no further business to come before the trustees, on the motion of Trustee Yarbrough, second Trustee Ray, the meeting was adjourned at 3:45 p.m.

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Gary Hill, Chairman

ATTEST:

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Mike Sloan, Secretary

RECORDED

APPROVED