

THE CITY OF DALTON  
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES  
REGULAR MEETING  
DECEMBER 1, 2020

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. in the Council Chambers of City Hall. Present for the meeting were Chairman Gary Hill, Trustees Dwayne Carvell, Mike Sloan, Vernon Ray, Chairman of the Water, Light & Sinking Fund Commission Joe Yarbrough. Mayor David Pennington, Council member Annalee Harlan Trustees were absent.

**MINUTES**

The Trustees were presented written copies of the minutes of the meeting of September 22, 2020. On the motion of Trustee Carvell, second Trustee Yarbrough, the minutes were approved. The vote was unanimous in favor.

**PENSION PLAN DOCUMENT UPDATE/REVISIONS**

HR Director Greg Batts briefed the Board on the Pension Plan document update and revisions. Batts stated that the revisions basically updates and clarify several areas in the Plan. Batts stated the revision corrects cross referencing, makes clarifications on beneficiaries including Beneficiary benefits if the employee is terminated or passes away. Batts further stated that the revision adds a State law requirements for Board members to maintain continuing education hours. Batts emphatically stated the revisions does not contain any language regarding freezing the pension plan. On the motion of Trustee Sloan, second Trustee Ray, the Board authorizes the update/revision be placed on the next mayor and Council agenda. The vote was unanimous in favor.

*For Reference only*

*Death/Survivor Benefit Scenarios Requiring Clarification*

1. *Potential Forfeiture of Contributions if Die While Active or Before Giving 6 Months' Notice Under Section 8.01 of the Plan, a non-vested Participant with less than 120 months of service who terminates employment for reasons other than Early Retirement prior to reaching Normal Retirement Date is not eligible for a pension benefit. However, the participant is entitled to a return of his or her contributions to be paid in a lump sum with interest upon providing 6 months' notice to the Board.*
2. *Forfeiture of Death Benefits if Die Before Election to Commence and Before Reaching Early or Normal Retirement Date Under Section 8.02, a vested participant with 120 months of service who terminates employment prior to reaching his or her Normal or Early Retirement Date is eligible to commence benefits at age 65 or elect an early reduced benefit commencing at age 55.*
3. *Possible Misapplication of Section 5.02 to Terminated Vested Employees*  
*It is possible that the intent of Section 5.02 as initially drafted was only to cover the death of active employees who were still working after reaching their Early or Normal Retirement Date. This is because the death benefits under Section 5.02 align with the Early and Normal Retirement benefit payment form, which provides for the 55% survivor annuity for surviving spouses after the 120 month certain benefit is paid. In contrast, the normal form for a participant who terminates employment prior to reaching early or normal retirement age is a life annuity with 120 months certain and no 55% surviving spouse annuity. However, the language in Section 5.01 and 5.02 could be interpreted to support both positions.*

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*For Reference only .....continued*

4. *Default Beneficiary Provisions Create Payment Issues Under Section 5.02, for example, if the participant designates his surviving spouse as his beneficiary for the 120 month certain benefit, there is a problem in the Plan if the surviving spouse dies prior to the end of the 120 month period. If there is no surviving contingent beneficiary named by the Participant, the remaining 120 month certain benefit would be payable to the estate of the Participant.*

**PENSION VALUATION CHANGE**

Chairman Gary Hill informed Board members that the previous Administrations goal was to fully fund the Plan and had the amortization changed from 20 years to 10. However Hill stated over the years the payments were more extreme and began to strain budgets of both Dalton Utilities and the City of Dalton. Hill stated the Board will be asking Chuck Carr of Southern Actuarial Services to amortize the Plan back to 20 years instead of 10. Hill stated that very quickly going forward, the payments to the Plan will be reduced significantly. On the motion of Trustee Yarbrough, second Trustee Carvell, the Board authorizes Carr to amortize the Plan back to 20 years. The vote was unanimous in favor.

**SEAS - INVESTMENT PERFORMANCE ANALYSIS – October 31, 2020**

Hilda Thompson from SEAS updated the Board from the Investment Performance Analysis dated October 31, 2020. Thompson stated that thru October 31, 2020, the Plan's value was \$129.7 million but cautioned that although that is an excellent value, the Plan's value was \$130.8 million at the end of September, stating basically the Plan had lost approximately 1 million dollars.

Further in the report, Thompson noted that the Plan is in compliance with the investment policy.

Thompson stated the total fund for the Plan is down 1.1%, but noted that the YTD thru the 10 month period of 2020, the Plan earned 3.6% about half of the actuary assumption of 6.75%. Thompson stated the good news for the month of November is the stock market was up over 11% and the Plan has made up quite a bit of the loss. Thompson further stated that in November, SEAS estimates the Plan should gain approximately 4.5% to 5.5% percent Return which will meet the 6.75% Return for the year. On the motion of Trustee Carvell, second Trustee Ray, the Board approved the report. The vote was unanimous in favor.

**RETIREEs**

**Bruce Blackwell - Dalton Utilities**

On the motion of Trustee Sloan, second Trustee Yarbrough the Board ratified payment to Bruce Blackwell - Dalton Utilities. Copies of the application for retirement, retirement benefit calculations and Authorization to Commence Retirement Payment forms are a part of these minutes. The board noted there is a qualifying spouse. The vote was unanimous in favor.

**Michael L. Reilly - Dalton Utilities**

On the motion of Trustee Carvell, second Trustee Ray, the Board ratified payment to Michael L. Reilly - Dalton Utilities. Copies of the application for retirement, retirement benefit calculations and Authorization to Commence Retirement Payment forms are a part of these minutes. The board noted there is a qualifying spouse. The vote was unanimous in favor.

### INVOICES

The Trustees reviewed the following invoices:

On the motion of Trustee Sloan, second Trustee Yarbrough, the following invoices were approved:

Invoice #1451609 (\$1,934.50) from Fisher & Phillips - Pension Services  
Invoice #1439645 (\$1,155.00) from Fisher & Phillips - Pension Revision  
The vote was unanimous in favor.

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

Invoice #13713 (\$870.00) from Mitchell and Mitchell - Pension Services  
Invoice (\$300.00) for October dated 11-15-20 from Mitchell and Mitchell - Pension Services  
The vote was unanimous in favor.

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

Invoices #203 (\$2,040.00), Invoice #204 (\$2,640.00) for SEAS's 10/31/20 and 11/30/20  
The vote was unanimous in favor.

### Steven Woodcock Former Dalton Utilities Employee

Former employee Steven Woodcock came before the Board inquiring about his pension benefit amounts and the age by which the benefits could be drawn by he or his beneficiaries. *Note: Woodcock was terminated from employment.*

After a lengthy discussion and explanation, DU HR Director Kelly Jones offered to sit down with Mr. Woodcock to review his benefits amounts further if needed. *Note: Benefits can be drawn when employee reaches retirement age.*

### REPORTS

September 30, 2020 and October 31, 2020 Financial Reports

MetLife minimum balance requirement as of 9/30/20

Market Indices - October 31, 2020

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ANNOUNCEMENT

Chairman Gary Hill stated the next meeting for the Pension Board will be January 26, 2021 and at that time the Board will have an election of officers for the 2021 year.

ADJOURNMENT

Chairman Hill thanked everyone for coming. There being no further business to come before the trustees, the meeting was adjourned at 3:50 p.m.

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Gary Hill, Chairman

ATTEST:

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Mike Sloan, Secretary

RECORDED

APPROVED