

THE CITY OF DALTON
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES
REGULAR MEETING
MARCH 22, 2022

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 and Council member Dennis Mock.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of January 25, 2022. On the motion of Trustee Carvell, second Trustee Ray, the minutes were approved. The vote was unanimous in favor.

INVESTMENT PERFORMANCE ANALYSIS – FOURTH QUARTER 2021

Hilda Thompson from SEAS presented the Fourth Quarter 2021 Analysis stating that the Plan as of December 31, 2021 had a great quarter with the stock market up 11% and for the year 28.7%. Thompson stated that at the end of December the market value for the Plan was 155 million which she stated is a nice growth. Thompson further addressed the Board stating that the Market values since December 31, 2021 indicates the Plan lost 10 million in the portfolio and at the end of February the Market Value for the Plan was down to 145 million. Thompson concluded that March has been positive for the stock market and has been a better month than January and February of 2021.

Thompson further pointed out the Performance Comparisons page of the report regarding the Total Fund Analysis which she stated the analysis shows double digit Returns from the 4th Quarter to (1) year, (3) years and (5) year Returns.

Thompson continued and stated that 92% of the pension funds are indexed and the managers are doing well and MetLife and Vanguard continue to track the index. Thompson stated that the Plan is in compliance with the investment policy and SEAS has no recommendations for asset allocations.

Thompson reviewed the historical annual returns stating that this is the first time that the Plan has seen double digit returns for (3) consecutive years. A copy of the Historical Annual Returns are a part of these minutes. On the motion of Trustee Carvell, second Trustee Sloan the report was approved. The vote was unanimous in favor.

INVESTMENT POLICY STATEMENT

Thompson reviewed the Investment Policy Statement, stating that the only edits that SEAS would like to change is to extend the maximum allocations across the board as follows:

Asset Class	Minimum	Target	Maximum
Equities	40%	50%	60% 70%
Domestic-Large Cap	35%	40%	50%
Domestic-Small Cap	5%	10%	20%
Fixed Income	40%	50%	70% 60%
Domestic-Core	30%	37.5%	50%
Intermediate Core	0%	12.5%	25% 20%
Cash Equivalents	0%	0%	5%

INVESTMENT POLICY STATEMENT Continued

Thompson reiterated that SEAS is not recommending changing the target just the outer boundaries. On the motion of Trustee Carvell, second Trustee Ray the Board approved. The vote was unanimous in favor.

ACUTUARIAL VALUATION

Southern Actuarial Services - Chuck Carr

Consulting Actuary of Southern Actuarial Services Company Inc., Chuck Carr presented the results of the January 1, 2022 Actuarial Valuation for the City of Dalton Employees Pension Plan. Carr stated the purpose of the report is to provide a summary of the funded status of the Plan as of January 1, 2022 and to determine the minimum required contributions under Georgia Code Section 47-20-10 for the 2023 Plan year. Carrs' report also outlined projections of the long-term funding requirements for the Plan, statistical information concerning the assets held in trust, statistical information concerning the participant population and a summary of any recent plan changes. The report further highlighted (1) 2023 minimum required contribution is \$1,651,195 or 12.21% of covered payroll which represents a decrease of \$949,090 (2) effective January 1, 2022 retirees were provided with a one time 3% cost of living adjustments, and (3) effective January 1, 2022 two assumptions were changed which are the mortality improvement scale was updated from Scale MP-2017 to Scale MP-2020 and lastly the assumed administrative expenses were increased from \$50,000 per year to \$75,000 per year.

Carr stated that he was happy to report that the Plan had no unfunded accrued benefit liability as of the date of this report January 1, 2022.

After some further discussion, on the motion of Trustee Carvell, second Trustee Ray, the report was approved. The vote was unanimous in favor. A copy of this report in its entirety is a part of these minutes.

ATTORNEY UPDATE

Retirees Working Part-Time

City Attorney Terry Miller reported that he is currently working on an ordinance that would allow City of Dalton/Dalton Utility retirees to return to work part time and continue to receive their monthly retiree benefits.

Human Resources Director Greg Batts explained that the idea was floated to department heads and then at a Finance meeting to allow retirees to return to work part time. Batts stated the idea recieved a favorable response. Batts continued, stating it will give the City another pool of talent with a lot of institutional knowledge and it would allow retirees to make a little money. Batts further stated that Section 12-16 of the Pension Plan states pension payments are to stop once placed on the payroll.

12.16 No pension in Benefit Payable Before Termination of Employment; Pension to Cease if Again Placed on Payroll

(i) No benefit, sum or amount may be distributed to any Participant from the Plan prior to his Severance

(ii) Any person receiving a retirement benefit under this Plan and who shall be re-employed by an Employer hereunder shall cease to receive any monthly retirement benefit which he is otherwise entitled to during any period of re-employment by the Employer. Upon termination of such re-employment, the monthly retirement benefit to which said person is entitled shall resume.

Retirees Working Part-time Cont'd

Batts further informed that if approved, the retiree could apply for any part time position within the City and work up to 16 hours a week. Additionally, Batts stated the Mayor and Council requested the City Attorney draft the ordinance and it could be on the Mayor and Council agenda in the upcoming weeks. Batts stated if the ordinance is passed the pension document will be changed accordingly.

RETIREEES

David Ault – Fire Department

On the motion of Trustee Sloan, second Trustee Ray, the Board ratified payment to David Ault – 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.

Larry Smedley – Police Department (Deferred Retirement Request)

Human Resources Director Greg Batts stated Mr. Smedley deferred his pension benefits upon his resignation of employment on October 11, 2010, Batts reported that Mr. Smedley requested to begin drawing his benefit now that he is age eligible. On the motion of Trustee Sloan, second Trustee Ray, the Board ratified payment to Larry Smedley – Police 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

Southeastern Advisory Services Inc.

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

Invoice #219 - \$2,040.00

Invoice #220 - \$2040.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Carvell, the Board approved the invoice of Estes & Walcott pension audit invoice #38323 (\$8000.00) for year ended December 31, 2020. The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Carvell, the Board approved the invoice of Renewal of Commercial Crime Bond for Pension Plan (DB Plan) in the amount of \$308.00. The vote was unanimous in favor.

REPORTS

- 12/31/2021 Financial Report and Investment Statement
- Market Indices – January 31, 2022

ADJOURNMENT

Chairman Hill thanked everyone for coming. There being no further business to come before the trustees, on the motion of Trustee Mock, second Trustee Sloan, the meeting was adjourned at 3:25 p.m.

Gary Hill, Chairman

ATTEST:

Mike Sloan, Secretary

RECORDED

APPROVED