

THE CITY OF DALTON
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES
REGULAR MEETING
MARCH 28, 2023

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, Mike Sloan, Vernon Ray and Dwayne Carvell and Council member Dennis Mock, absent were Mayor David Pennington and Chairman of the Water, Light & Sinking Fund Commission Joe Yarbrough.

AGENDA

Chairman Hill stated that (2) items needed to be added to the current agenda which are invoices from Southern Actuarial Services.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of January 24, 2023. On the motion of Trustee Carvell, second Trustee Sloan, the minutes were approved. The vote was unanimous in favor.

MONTHLY PERFORMANCE REPORT – FEBRUARY 28, 2023

Hilda Thompson from SEAS presented and reviewed the Monthly Performance Report as of February 28, 2023. Thompson stated the Plan ended December 31, 2022 at 125 million which she stated was down from 160 million. Thompson stated that at the end of February the Plan was up to 128.4 million. Thompson stated that March has been positive but volatile. Thompson reported that it had been previously asked how much is the benefit payments per month and she stated it is 700 K per month. Thompson further reviewed the Asset Allocation and Performance for the Quarter to date and reported the asset allocation is in line with the investment policy. On the motion of Trustee Carvell, second Trustee Ray, the Board approved the report. The vote was unanimous in favor. A copy of the complete report is a part of these minutes.

SOUTHERN ACTUARIAL SERVICES - CHUCK CARR

Chuck Carr presented the January 1, 2023 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, 2023 and to determine the minimum required contribution under Georgia Code Section 4720-10 for the 2024 plan year. Carr reviewed the report with the Board and stated that he has no Plan changes reflected in this report. Carr stated the required contribution for 2024 is 5.48 million which is up from last year but is attributable to the asset lost. Carr stated the Plan has to make up the money that was lost from 2022 and further stated that although the Required contribution is up for 2024, it is less than it has been in prior years specifically 2020. Carr stated that just as quickly as a negative return can push the numbers up, one year of recovery can bring that number back down and Carr recommended to stay the course and not to speak “kick the can down the road”.

Discussion

DU HR Director Kelly asked about best practices and assumptions for a fully funded plan. Carr stated he would not change the current methodology.

SOUTHERN ACTUARIAL SERVICES - CHUCK CARR

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SEAS – Wally Wilson – Guarantee Annuity

Wally Wilson addressed the Board stating that at a previous meeting the Board asked about retirees that are covered by MetLife “guaranteed basis”. Wilson stated that many years back, the MetLife Contract was changed so that instead of guarantee and purchasing all annuities when people retire, MetLife allowed the City to control the assets and invest how they chose but with the caveat that enough funds would always be available to purchase the annuities in case there was a problem with the pension plan. Wilson stated this is Minimum Balance Requirement (MBR) calculation. Wilson further stated that MetLife requires a certain amount of assets to remain in the Plan or MetLife charges the Plan more if it doesn't maintain that amount. Wilson stated As of January 1 2023, there are currently 110 retirees that were subject to this “guarantee”. Wilson further stated that Met life valued these guarantees at 19 million. Wilson further stated that SEAS asked Chuck Carr to review the guarantees using his assumptions and liabilities Carrs estimated value of the guarantees are roughly 15 million, a difference of about 4 million. Wilson stated that if interest rate gets higher the difference between the 2 will get a lot lower and stated now is not the time to purchase the annuities.

On the motion of Trustee Carvell, second Trustee Ray, the Board approved Actuarial Valuation report. The vote was unanimous in favor. A copy of the complete report is a part of these minutes.

RETIREES

Darryl Petty- Public Works

On the motion of Trustee Carvell, second Trustee Ray, the Board ratified payment to Darryl Petty- 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.

Gary Hill - Dalton Utilities

On the motion of Trustee Carvell, second Trustee Ray, the Board ratified payment to Gary Hill - Dalton Utilities 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.

Tamara Bratton - Dalton Utilities

On the motion of Trustee Ray, second Trustee Sloan, the Board ratified payment to Tamara Bratton - Dalton Utilities 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 Sloan, second Trustee Carvell, the Board approved the following:

- Southeastern Advisory Services, Inc. - Pension Plan Consulting Services
Invoice #232 February 2023 - \$2,040.00

The vote was unanimous in favor.

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

- Southeastern Advisory Services, Inc. - Pension Plan Consulting Services
Invoice #231 January 2023 - \$2040.00

The vote was unanimous in favor.

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

- Southern Actuarial Services
- Invoice #710-0323a - Calculation of Liability "Guarantee" \$ 925.00
Invoice #710-0323 - Actuarial Valuation \$15,000.00

The vote was unanimous in favor.

REPORTS

Market Indices - February 28, 2023

Financial Report for 1/31/23

Financial Report for 2/28/23

MISCELLANEOUS

Meeting Moved

Chairman Hill reported the May 23rd meeting of the Pension Board will be held at Public Works on North Elm Street. Hill stated the Board is trying to give all employees an opportunity to attend the meetings and get better participation

Retiree on the Board

Chairman Hill stated he had received question regarding if he could remain on the Pension Board given the fact that he is retired. Chairman Hill stated approximately 3 or 4 years ago the Board voted to allow Retirees to serve on the Board therefore he does not have to resign his seat but stated he was up for reelection in October 2023.

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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 3:45 p.m.

Gary Hill, Chairman

ATTEST:

Mike Sloan, Secretary

RECORDED

APPROVED