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September 1, 2021

Trustees of the Mayor and Council of the City of Dalton Employees' Pension Plan
c/o Mr. Wallace W. Wilson, F.S.A.
Senior Consultant
Southeastern Advisory Services, Inc.
Building 12, Suite 202
3495 Piedmont Road, N.E.
Atlanta, GA 30305

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

Ladies and Gentlemen:

In response to your request, I have estimated the impact to subject plan of providing a one-time 3% cost-of-living adjustment to retirees as of January 1, 2021.

If retirees as of January 1, 2021 are provided with a one-time 3% cost-of-living adjustment (including beneficiaries as of that date), the plan is estimated to incur \$2,570,863 of additional projected liability. Assuming that the additional liability is funded over a 19-year period, the additional liability will result in an increase in the required contribution from the City equal to \$228,660 per year. If the additional liability is funded over a 10-year period, the City's contribution is estimated to increase by \$338,936 per year.

If the 3% cost-of-living adjustment described above is limited to no more than \$120.00 per month, the plan is estimated to incur \$2,493,543 of additional projected liability. Assuming that the additional liability is funded over a 19-year period, the additional liability will result in an increase in the required contribution from the City equal to \$221,783 per year. If the additional liability is funded over a 10-year period, the City's contribution is estimated to increase by \$328,743 per year.

Please note that my review is based on the participant data, actuarial assumptions, and methods used to complete the January 1, 2021 actuarial valuation of the plan. You should reference that report for a detailed outline of those assumptions and methods and for important disclosures concerning the risk that the actual cost of the proposed plan changes will be more or less than the amounts shown in this letter.

If you have any questions, please do not hesitate to call.

Sincerely,

Charles T. Carr/CPA

Charles T. Carr
Consulting Actuary

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.

