



**EMPLOYEE PENSION PLAN  
BOARD OF TRUSTEES MEETING  
TUESDAY, JULY 28, 2020  
3:00 PM  
300 WEST WAUGH**

**A G E N D A**

**Call To Order**

**Minutes**

- [1.](#) Pension Board Minutes for May 26, 2020

**New Business**

2. Review and adoption of amendments to Pension Plan Language

**Unfinished Business**

- [3.](#) Investment Performance Analysis - June 30, 2020

**Retirees**

4. Michael Gorham - Public Works

**Invoices**

- [5.](#) Invoice #1367825 (\$880.00) Fisher & Phillips for services rendered through February 29, 2020.
- [6.](#) Invoice# 13655 (\$45.00) Mitchell & Mitchell for Pension Services
- [7.](#) Invoice# 13635 (\$1,350.00) Mitchell & Mitchell for Pension Services
- [8.](#) SEAS Invoices #199, #200 (\$2,040.00 ea). & MetLife Annuity & Retirement Invoice #22007 (\$375.00)

**Reports**

- [9.](#) Market Indices - May 31 & June 30, 2020
- [10.](#) MBR Calculation - June 30, 2020  
May 31, 2020 & June 30, 2020 Financial Report

**Adjournment**

THE CITY OF DALTON  
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES  
REGULAR MEETING  
MAY 26, 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 Mike Sloan, Dwayne Carvell and Vernon Ray. Chairman of the Water, Light & Sinking Fund Commission Joe Yarbrough, Mayor David Pennington and Council member Tyree Goodlett were absent.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of January 28, 2020. On the motion of Trustee Carvell, second Trustee Sloan, the minutes were approved. The vote was unanimous in favor.

SEAS - INVESTMENT PERFORMANCE ANALYSIS – March 31, 2020

Hilda Thompson from SEAS reminded the Board the 2019 was an incredible year for investments. Thompson stated that due to the Covid-19 pandemic, the March 31, 2020 First Quarter Report Market Returns has been significantly impacted. Thompson stated that basically the market tanked in the month of March due to the pandemic. Thompson further reported that the S&P 500 was down nearly 20%, Small caps down nearly 31%, but the good news is there was positive fixed income numbers up 3.1% in the first quarter she stated. Thompson reminded the Board that the Plan is roughly 50% stock 50% bonds.

Thompson further reported that Market values beginning FY2020 was 122.6 million and at the end of March the Plan had lost 12 million, back down to 110.6 million which equates to a negative 10.1 percent lost for the Plan she stated. Thompson reminded that in one quarter in 2020 half of the gains earned in 2019 were loss.

Thompson further reported that as of April 30<sup>th</sup>, the Plan had gained some of the losses and was back up to 118.4 million, making up 8 million of the lost in one month. Thompson reported that the second quarter was an incredible equity market, stating that it has been one of the highest one month returns in stock market history outlining the Plan being up 12.9% large cap, 14.7% small cap and a positive bond market 1.8%. Thompson stated that the Plan had earned 7% of the negative 10% – YTD down 3.8% for April.

SOUTHERN ACTUARIAL SERVICES - CHUCK CARR

Chuck Carr of Southern Actuarial Services presented the FY2020 Employees Pension Plan Actuarial Valuation as of January 1, 2020. A copy of this Report is a part of these minutes. Carr stated to the Board that the Actuary Valuation as of January 1 2020, is used to calculate minimum required contributions for 2021. Carr stated that there are no Plan changes in the presented Valuation however he stated he did change the assumption regarding mortality to begin using the PUB-2010 Mortality Table. Carr further stated that the assumption change with mortality will add just under 4 million in unfunded liability to be paid for over 10 years.

SOUTHERN ACTUARIAL SERVICES - CHUCK CARR

Continued

After a lengthy discussion regarding the mortality assumption, Carr also presented the 2021 Minimum Required Contribution of \$7,335,354 or (53.14% of covered payroll) which represents a decrease of \$752,420 from the prior year. On the motion of Trustee Carvell, second Trustee Sloan, the report was approved. The vote was unanimous in favor.

ATTORNEY UPDATE

City Attorney Gandhi Vaughn briefed the Board of Trustees stating that he is continuing to work with the law firm Fisher and Phillips, HR Director Greg Batts and DU HR Director Kelly Jones to complete the draft Plan document. Vaughn stated the draft Plan document changes are nearly complete but the Atlanta Council needs direction from the board for the following questions:

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.

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.

Per Gandhi

Vaughn stated that once the Board determines the direction it wishes to take regarding the death benefit provisions, he will work on recommended plan updates or administrative policies, if appropriate instead. On the motion of Trustee Sloan, second Trustee Carvell, the Board accepted the Report and City Attorney Vaughn will send each member a summary of the pending questions. The vote was unanimous in favor.

## RETIREES

### Leroy Terry – Dalton Utilities

(1) On the motion of Trustee Sloan, second Trustee Ray the Board ratified payment to Leroy Terry – 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 no qualifying spouse. The vote was unanimous in favor.

### Patricia Parker – Dalton Utilities

(2) On the motion of Trustee Carvell, second Trustee Ray the Board ratified payment to Patricia Parker – 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.

### Rhonda James – Dalton Utilities

(3) On the motion of Trustee Sloan, second Trustee Carvell the Board ratified payment to Rhonda James – 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:

- Mitchell & Mitchell Invoice #13550 (\$1,335.00) - Pension Services
- Mitchell & Mitchell Invoice #13595 (\$120.00) - Pension Services
- Mitchell & Mitchell Invoice #13571 (\$645.00) - Pension Services

On the motion of Trustee Carvell, second Trustee Sloan the invoices were approved. The vote was unanimous in favor.

The Trustees reviewed the following invoices:

- Fisher Phillips Invoice #1353367 (\$5,115.00) for services review/update of pension plan document.
- SEAS Invoices #195, #196, #197, #198 for contract services.

On the motion of Trustee Sloan, second Trustee Carvell the invoices were approved. The vote was unanimous in favor.

## REPORTS

Financial Statements January - April 2020  
1st Quarter Minimum Balance Requirement - MetLife  
Market Indices - January 31, 2020  
Market Indices - February 29, 2020  
Market Indices - April 30, 2020

Employee Pension Plan

Page 4

May 26, 2019

ADJOURNMENT

Chairman Hill thanked everyone for coming. There being no further business to come before the trustees, the meeting was adjourned at 3:55 p.m.

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Gary Hill, Chairman

ATTEST:

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Mike Sloan, Secretary

RECORDED

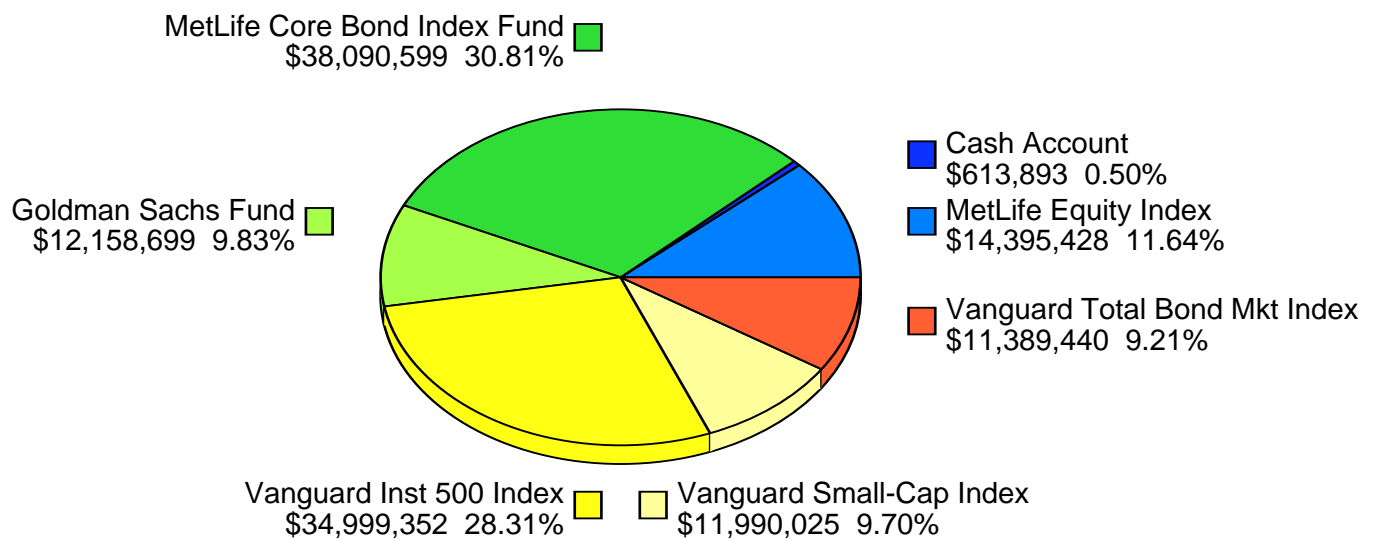
APPROVED

City of Dalton  
Investment Performance Analysis  
June 30, 2020

# City of Dalton Total Fund Allocation By Manager Total Fund

June 30, 2020

\$123,637,436



# City of Dalton

## Performance Summary Table

### Periods Ending 6/30/20

Manager	1 Mo	QTD	YTD	1 Year	3 Yrs	5 Yrs	10 Yrs
<b>Total Large Cap Equity</b>							
Total Return	1.99	20.63	-3.08	7.45	10.69	10.70	13.94
Standard & Poors 500	1.99	20.54	-3.08	7.50	10.73	10.73	13.99
<b>MetLife Equity Index</b>							
Total Return	2.01	20.83	-3.08	7.34	10.86	10.85	14.01
Standard & Poors 500	1.99	20.54	-3.08	7.50	10.73	10.73	13.99
<b>Vanguard Inst 500 Index</b>							
Total Return	1.99	20.55	-3.08	7.49	10.54		
Standard & Poors 500	1.99	20.54	-3.08	7.50	10.73		
<b>Total Small Cap Equity</b>							
Total Return	2.55	26.69	-11.42	-5.59	4.00	5.00	10.91
Russell 2000	3.53	25.42	-12.98	-6.63	2.01	4.29	10.50
<b>Vanguard Small-Cap Index</b>							
Total Return	2.55	26.69	-11.42	-5.59	4.00		
CRSP Small Cap Index	2.53	26.66	-11.44	-5.65	3.98		
<b>Total Fixed Income</b>							
Total Return	0.63	3.04	6.02	8.57	5.22	4.19	3.79
Barclays U.S. Aggregate	0.63	2.90	6.14	8.74	5.32	4.30	3.83
<b>MetLife Core Bond Index Fund</b>							
Total Return	0.57	2.74	6.16	8.81	5.34		
Barclays U.S. Aggregate	0.63	2.90	6.14	8.74	5.32		
<b>Goldman Sachs Fund</b>							
Total Return	0.75	4.07	5.27	7.42	4.68		
Barclays Int Govt/Credit	0.62	2.81	5.28	7.12	4.43		
<b>Vanguard Total Bond Mkt Index</b>							
Total Return	0.71	2.99	6.36	8.98			
BBG Barc U.S. Aggregate	0.63	2.90	6.14	8.74			
<b>Cash Account</b>							
Total Return	-0.00	0.00	0.00	-0.22	0.37	0.27	0.24
91-Day Treasury Bill	0.01	0.02	0.60	1.63	1.77	1.19	0.64



City of Dalton  
Performance Summary Table  
Periods Ending 6/30/20

Manager	1 Mo	QTD	YTD	1 Year	3 Yrs	5 Yrs	10 Yrs
Total Fund							
Total Return	1.35	11.54	0.31	6.60	7.66	7.19	8.60
Policy Index	1.46	11.99	0.88	7.17	7.49	7.01	9.04
Indices							
91-Day Treasury Bill	0.01	0.02	0.60	1.63	1.77	1.19	0.64



**Fisher & Phillips LLP**  
 1075 Peachtree Street, NE  
 Suite 3500  
 Atlanta, GA 30309  
 (404) 231-1400 TEL

[www.fisherphillips.com](http://www.fisherphillips.com)

(Tax Identification No. 58-0619559)

March 26, 2020

Invoice Number: 1367825

Client Matter Number: 21333.0005

City of Dalton - HR  
 PO Box 1205  
 Suite B  
 Dalton, GA 30722

Attention: Greg Batts, SPHR, SHRM-SCP  
 Director, Human Resources  
 GBatts@cityofdaltonga.gov

For services rendered through February 29, 2020:

### **BENEFITS**

<u>Date</u>	<u>Atty</u>	<u>Description</u>	<u>Legal Fees</u>
02/06/20	LLEM	Review and analysis of pension plan restatement and SECURE act compliance changes. 0.30	\$165.00
02/24/20	LLEM	Review pension plan and telephone conference G. Vaughn and K. Jones regarding same. 1.30	\$715.00
TOTAL LEGAL FEES THIS MATTER			\$880.00
<u>Timekeeper Summary</u>			
Lorie L. Maring	1.60	Partner hours at \$550.00/hr.	\$880.00
<b>CURRENT LEGAL FEES &amp; CHARGES THIS MATTER</b>			<b>\$880.00</b>
<b>CURRENT LEGAL FEES THIS INVOICE</b>			<b>\$880.00</b>

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

**PAYMENT IS DUE UPON RECEIPT OF INVOICE**

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

# REMITTANCE SLIP

## FISHER & PHILLIPS LLP

Post Office Box 117253  
Atlanta, GA 30368-7253

(Tax Identification No. 58-0619559)

Client Number: 21333

City of Dalton - HR  
PO Box 1205  
Suite B  
Dalton, GA 30722

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### CURRENT LEGAL FEES

<u>Date</u>	<u>Invoice No.</u>	<u>Balance Due</u>	<u>Amount Enclosed</u>
03/26/20	1367825	\$880.00	

**PAYMENT IS DUE UPON RECEIPT OF INVOICE  
PLEASE REMIT CHECKS TO THE ADDRESS LISTED ABOVE**

### Fisher & Phillips LLP

Atlanta • Baltimore • Bethesda • Boston • Charlotte • Chicago • Cleveland • Columbia • Columbus • Dallas • Denver • Fort Lauderdale • Gulfport • Houston  
Irvine • Kansas City • Las Vegas • Los Angeles • Louisville • Memphis • New Jersey • New Orleans • New York • Orlando • Philadelphia  
Phoenix • Portland • Sacramento • San Diego • San Francisco • Seattle • Tampa • Washington, DC

# MITCHELL & MITCHELL, P.C.

ATTORNEYS AT LAW  
ESTABLISHED 1924

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G. GARGANDI VAUGHN  
WILLIAM J. KIMSEY

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POST OFFICE BOX 668  
DALTON, GEORGIA 30722-0668  
TELEPHONE (706) 278-2040  
FACSIMILE (706) 278-3040  
www.mmfirmlaw.com

D. WRIGHT MITCHELL  
(1985-1970)  
DOUGLAS W. MITCHELL  
(1923-1984)  
NEIL WESTER  
(1944-2006)

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## Invoice For Professional Services

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CITY OF DALTON - PENSION BOARD

Invoice No.: 13655
Invoice Date: 7/7/2020

### Description Of Professional Services Rendered

	<u>Hrs/Rate</u>	<u>Amount</u>
6/4/2020 GV Email to/by G. Batts re: Gillespie; Conference with Client	0.30 150.00/hr	45.00
For professional services rendered	0.30	\$45.00
Previous balance		\$1,350.00
6/18/2020 EFT Payment - Thank You. Rec 16710 / GV		(\$1,350.00)
Total payments and adjustments		(\$1,350.00)
Balance due		\$45.00

# MITCHELL & MITCHELL, P.C.

## ATTORNEYS AT LAW

ESTABLISHED 1924

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(1944-2006)

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### Invoice For Professional Services

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CITY OF DALTON - PENSION BOARD

Invoice No.: 13635 Invoice Date: 6/3/2020
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#### Description Of Professional Services Rendered

		<u>Hrs/Rate</u>	<u>Amount</u>
5/11/2020	GV Email to/by G. Hill	0.10 150.00/hr	15.00
	GV Email to/by L. Maring	0.10 150.00/hr	15.00
5/12/2020	GV Email to/from L. Maring re: pension review; Email to G. Batts & K. Jones	0.20 150.00/hr	30.00
5/13/2020	GV Call by/to G. Batts re: pension beneficiary issue; Review Plan	0.70 150.00/hr	105.00
5/19/2020	GV Email to/from L. Maring re: pension review	0.10 150.00/hr	15.00
5/20/2020	GV Email to/from L. Maring re: pension review; Review death benefits analysis; Email to/from G. Batts and K. Jones	1.40 150.00/hr	210.00

		<u>Hrs/Rate</u>	<u>Amount</u>
5/21/2020	GV Meeting with G. Batts and K. Jones re: pension review; Call to attorney L. Maring; Email to/by G. Hill	1.00 150.00/hr	150.00
5/22/2020	GV Email to/by L. Maring; Call to G. Batts re: pension	0.30 150.00/hr	45.00
	GV Review Pension Board agenda and minutes	0.20 150.00/hr	30.00
5/26/2020	GV Email to/by L. Maring and staff re: pension review	0.30 150.00/hr	45.00
	GV Attend Pension Board meeting	1.00 150.00/hr	150.00
	GV Preparation for Pension review update	0.50 150.00/hr	75.00
5/27/2020	GV Email to/by K. Jones and G. Batts re: pension review	0.20 150.00/hr	30.00
	GV Email to/by G. Hill re: pension plan review	0.30 150.00/hr	45.00
5/28/2020	GV Review Pension Plan re: Gillespie matter	1.40 150.00/hr	210.00
5/29/2020	GV Call to/by G. Batts re: Gillespie matter; Correspondence with Client; Call to L. Maring; Email to L. Maring	1.20 150.00/hr	180.00
	For professional services rendered	9.00	\$1,350.00
	Previous balance		\$120.00
4/23/2020	EFT Payment - Thank You. Rec 16601 / GV		(\$120.00)
	Total payments and adjustments		(\$120.00)

Balance due

Amount

\$1,350.00



## INVOICE

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**TO:** Ms. Cindy Jackson, C.P.A.  
Chief Financial Officer  
City of Dalton  
City Hall/Finance Department  
300 W. Waugh Street  
P.O. Box 1205  
Dalton, GA 30720

**FROM:** Southeastern Advisory Services, Inc.  
3495 Piedmont Road, NE  
Building 12, Suite 202  
Atlanta, Georgia 30305

**RE:** Invoice Number 200 for Investment Consulting Services

**DATE:** July 1, 2020

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Monthly Retainer ending June 30, 2020

\$2,040.00

TOTAL:

\$2,040.00 ✓

Note: Invoice Payable upon receipt

CJ  
707000-498025

## INVOICE

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**TO:** Ms. Cindy Jackson, C.P.A.  
Chief Financial Officer  
City of Dalton  
City Hall/Finance Department  
300 W. Waugh Street  
P.O. Box 1205  
Dalton, GA 30720

**FROM:** Southeastern Advisory Services, Inc.  
3495 Piedmont Road, NE  
Building 12, Suite 202  
Atlanta, Georgia 30305

**RE:** Invoice Number 199 for Investment Consulting Services

**DATE:** June 1, 2020

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Monthly Retainer ending May 31, 2020

\$2,040.00

TOTAL:

\$2,040.00

Note: Invoice Payable upon receipt

#707000-498025

**Annuity and Retirement Services Invoice**

Billing period: 4/1/2020 through 6/30/2020



Metropolitan Life Insurance Company

Cindy Jackson  
City of Dalton  
P.O. Box 1205  
  
Dalton, GA 30722

We are here to help.  
Walter Sarmiento  
(813) 983-6114  
CBF\_Billing\_Services@metlife.com

Invoice date	7/20/2020
Payment due date	8/20/2020
Amount due	\$375.00

**Your account information**

Account name: City of Dalton  
Group number: 1515  
Invoice number: 22007

**Withholding and Payment - Fee Detail**

The fees for your administrative services are detailed below. A minimum quarterly fee will be applied, when the subtotal of line (1) is less than the minimum.

Fee Description	April	May	June	Rate	Amount
1 Insurance Premium Withholdings	84	83	85	\$0.83	\$0.00
2 Minimum Quarterly Fee	0	0	0	\$375.00	\$375.00
3 Interest on Late Payments	0	0	0	\$0.00	\$0.00
4 Additional Reporting Services	0	0	0	\$62.50	\$0.00
Total:					\$375.00

Payment due date	8/20/2020	GAC Number	Account Name
Amount due	\$375.00	1515	City of Dalton

**Payment by check****Mail payment to:**

MetLife  
Box# 50570  
P.O. Box 8500-50570  
Philadelphia, PA 19178-8500

**Make check payable to MetLife**

MetLife - GAC: 1515

**Payment by wire transfer**

Send wire to: Chase Manhattan Bank  
One New York Plaza  
New York, NY 10015

**Please use the following wire instructions:**

Account Title	MetLife - RIS Operations
ABA #	021-0000-21
Account #	002-2-429161
Reference	QQQ,C,1515,0000,999999999,GA,040
Further credit to	GAC# 1515, City of Dalton Admin Service Fees

# Market Indices Performance

## As May 31, 2020

### (%) Returns

	<u>1 Month</u>	<u>Q-T-D</u>	<u>Y-T-D</u>	<u>1 Year</u>	<u>3 Year</u>
<b><u>Equities</u></b>					
S&P 500	4.76	18.19	-4.97	12.84	10.23
Russell 1000 Growth	6.71	22.50	5.23	26.25	17.21
Russell 1000 Value	3.43	15.05	-15.70	-1.64	2.60
Russell 2000	6.51	21.14	-15.95	-3.44	1.98
MSCI EAFE	4.35	11.10	-14.26	-2.81	-0.37
MSCI Emerging Markets	0.77	10.00	-15.96	-4.39	-0.15
<b><u>Fixed Income</u></b>					
Barclays Aggregate	0.47	2.25	5.47	9.42	5.07
Barclays Intermediate G/C	0.76	2.18	4.63	7.60	4.15
Barclays 1-3 Year G/C	0.33	0.97	2.67	4.57	2.79
Barclays High Yield	4.41	9.11	-4.73	1.32	3.04
90 Day T Bills	0.04	0.13	0.51	1.75	1.75

SOUTHEASTERN ADVISORY SERVICES, INC.  
*Registered Investment Advisor*



# Market Indices Performance

## As June 30, 2020

### (%) Returns

	<u>1 Month</u>	<u>Q-T-D</u>	<u>Y-T-D</u>	<u>1 Year</u>	<u>3 Year</u>
<b><u>Equities</u></b>					
S&P 500	1.99	20.54	-3.08	7.51	10.73
Russell 1000 Growth	4.35	27.84	9.81	23.28	18.99
Russell 1000 Value	-0.66	14.29	-16.26	-8.84	1.82
Russell 2000	3.53	25.42	-12.98	-6.63	2.01
MSCI EAFE	3.40	14.88	-11.34	-5.13	0.81
MSCI Emerging Markets	7.35	18.08	-9.78	-3.39	1.90
<b><u>Fixed Income</u></b>					
Barclays Aggregate	0.63	2.90	6.14	8.74	5.32
Barclays Intermediate G/C	0.62	2.81	5.28	7.12	4.43
Barclays 1-3 Year G/C	0.20	1.17	2.88	4.20	2.87
Barclays High Yield	0.98	10.18	-3.80	0.03	3.33
90 Day T Bills	0.01	0.14	0.52	1.56	1.72

SOUTHEASTERN ADVISORY SERVICES, INC.  
*Registered Investment Advisor*



**CITY OF DALTON PENSION  
MBR CALCULATION**

<b>Period Ended</b>	<b><u>12/31/19</u></b>	<b><u>03/31/20</u></b>	<b><u>06/30/20</u></b>
<b>MBR</b>	\$ 28,467,408	\$ 31,415,042	\$ 30,465,733
<b><i>Equities:</i></b>			
Large Cap Index Fund	14,449,358	11,817,346	14,395,428
Small Cap Index Fund	-	-	-
<b>Sub-total</b>	14,449,358	11,817,346	14,395,428
Equities at 75%	10,837,019	8,863,010	10,796,571
Fixed income at 100%	47,096,050	48,669,255	50,249,298
Payment fund at 100%	610,462	612,689	613,893
<b>Recognized assets</b>	58,543,531	58,144,954	61,659,762
<b>Minimum required balance</b>	28,467,408	31,415,042	30,465,733
<b>Excess (deficit) assets</b>	\$ 30,076,123	\$ 26,729,912	\$ 31,194,029

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# CITY OF DALTON EMPLOYEE PENSION PLAN

## FINANCIAL REPORT

MAY 31, 2020

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**City of Dalton**  
**Pension Trust Fund**  
**Statement of Net Position**  
**May 31, 2020 and 2019**  
**(Unaudited)**

	<u>2019</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents:		
Cash	\$ 655	\$ 709
Payment fund	608,205	618,048
Investments, at fair value		
MetLife large cap index equity fund	14,056,980	16,671,806
MetLife fixed income - core bond index	37,836,386	34,140,676
MetLife fixed income - Goldman Sachs	12,059,111	11,103,169
Vanguard - 500 index fund	34,317,614	30,417,610
Vanguard - small cap index fund	11,692,364	11,863,359
Vanguard - bond market index	11,309,347	5,366,965
<b>Total Assets</b>	<u>\$ 121,880,662</u>	<u>\$ 110,182,342</u>
 <b>Liabilities</b>		
Accounts payable	<u>2,290</u>	<u>12,602</u>
<b>Total Liabilities</b>	<u>2,290</u>	<u>12,602</u>
 <b>Total Net Position</b>	<u><u>\$ 121,878,372</u></u>	<u><u>\$ 110,169,740</u></u>



**City of Dalton**  
**Pension Trust Fund**  
**Statement of Change in Net Position**  
**For the Five Months Ended May 31, 2020**  
**With Comparative Amounts for 2019**  
**(Unaudited)**

	<u>2020</u>	<u>2019</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 3,643,903	\$ 3,139,017
Plan members	266,946	272,113
Total contributions	<u>3,910,849</u>	<u>3,411,130</u>
Investment income:		
Interest, dividends and realized gains	1,902,584	1,157,305
Net increase (decrease) in fair value investments	<u>(3,146,755)</u>	<u>6,907,563</u>
Total investment income	(1,244,171)	8,064,868
Less: investment expense	<u>76,155</u>	<u>73,556</u>
Net investment income	<u>(1,320,326)</u>	<u>7,991,312</u>
<b>Total Additions</b>	<u>2,590,523</u>	<u>11,402,442</u>
<b>Deductions</b>		
Pension benefits	3,178,446	3,099,122
Legal fees	7,235	2,168
Fiduciary insurance	9,129	9,437
Accounting and audit fees	-	-
Actuarial fees	15,000	15,000
Consulting fees	10,200	10,200
Administrative fees	625	625
Miscellaneous	<u>-</u>	<u>-</u>
<b>Total Deductions</b>	<u>3,220,635</u>	<u>3,136,552</u>
<b>Change in Net Position</b>	(630,112)	8,265,890
<b>Net Position Beginning of Year</b>	122,508,484	101,903,850
<b>Net Position End of Period</b>	<u>\$ 121,878,372</u>	<u>\$ 110,169,740</u>

**City of Dalton**  
**Pension Trust Fund**  
**Supplemental Schedule**  
**For the Five Months Ended May 31, 2020**  
**With Comparative Amounts for 2019**  
**(Unaudited)**

	2020	2019
<b>Investment income:</b>		
Interest income:		
City's cash account interest	\$ 4	\$ 102
Payment fund interest	33	60
	<u>37</u>	<u>162</u>
Investment income:		
Index equity large cap	118,204	150,436
Fixed Income - core bond index	373,894	402,788
Fixed income - Goldman Sachs	90,858	131,823
Vanguard - 500 index fund	161,400	180,961
Vanguard - small cap index fund	-	38,786
Vanguard - bond market index	114,821	63,375
	<u>859,177</u>	<u>968,169</u>
Realized gains (losses):		
Index equity large cap	591,038	112,225
Fixed Income - core bond index	42,399	(76,155)
Fixed income - Goldman Sachs	196,521	64,977
Vanguard - 500 index fund	174,974	87,927
Vanguard - small cap index fund	38,438	-
Vanguard - bond market index	-	-
	<u>1,043,370</u>	<u>188,974</u>
<b>Total investment income</b>	<u><u>\$ 1,902,584</u></u>	<u><u>\$ 1,157,305</u></u>
<b>Change in fair value:</b>		
Index equity large cap	(1,425,367)	1,351,472
Fixed Income - core bond index	1,573,405	1,244,768
Fixed income - Goldman Sachs	230,080	243,082
Vanguard - 500 index fund	(2,129,639)	2,680,520
Vanguard - small cap index fund	(1,881,153)	1,200,543
Vanguard - bond market index	485,919	187,178
<b>Total change in fair value</b>	<u><u>\$ (3,146,755)</u></u>	<u><u>\$ 6,907,563</u></u>
<b>Investment expense:</b>		
Payment fund		
Risk charges	\$ 4,993	\$ 4,851
Fund charges	27,606	27,070
	<u>32,599</u>	<u>31,921</u>
Investment funds		
Index equity large cap	6,048	6,717
Fixed Income - core bond index	14,336	13,149
Fixed income - Goldman Sachs	23,172	21,769
	<u>43,556</u>	<u>41,635</u>
<b>Total investment expense</b>	<u><u>\$ 76,155</u></u>	<u><u>\$ 73,556</u></u>

CITY OF DALTON, GA  
PAYMENT FUND STATEMENT  
GROUP ANNUITY CONTRACT # 1515  
BRANCH 040  
FOR THE PERIOD 12/31/19 TO 05/31/20

BALANCE AS OF 12/31/19	\$610,462.46
DEPOSITS	3,868,345.96
BENEFIT PAYMENTS	
GUARANTEED ANNUITIES	868,611.86-
NON-GUARANTEED ANNUITIES	2,309,833.80-
WITHDRAWALS	0.00
TRANSFERS FROM GENERAL ACCOUNT	0.00
TRANSFERS FROM SEPARATE ACCOUNT	3,208,754.85
TRANSFERS TO SEPARATE ACCOUNT	3,868,345.96-
EXPENSES	
RISK CHARGES	4,992.65-
FUND CHARGES	27,606.14-
INTEREST EARNED	32.61
BALANCE AS OF 05/31/20	\$608,205.47
INTEREST RATES:	
FROM 01/01/20 TO 03/31/20	1.58%
FROM 04/01/20 TO 06/30/20	0.30%

**City of Dalton**  
**METROPOLITAN LIFE INSURANCE COMPANY (INC)**  
**Monthly Statement Ending May 31, 2020**  
**Contract/Policy: 001515 City of Dalton Employees' Pension Plan**

Item	METLIFE SEPARATE ACCOUNT # 377 ACCESS TO CORE LAGB - SA 377 BR 007	METROPOLITAN INDEX FUND MI VIA SA# II - SA MI BR 005	METLIFE SEPARATE ACCOUNT #263 - SA 263 BR 008	Total Market Values
Opening Balance	\$37,641,120.02	\$13,372,705.60	\$11,937,487.16	\$62,951,312.78
Deposits	265,207.53	353,610.03	88,402.51	707,220.07
Withdrawals	(239,325.85)	(319,101.15)	(79,775.28)	(638,202.28)
Fees	(2,926.07)	(1,203.03)	(4,708.33)	(8,837.43)
Other Contract Expenses	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Distribution of Income	\$0.00	\$0.00	\$0.00	\$0.00
Investment Income	\$68,453.15	\$30,034.50	\$12,384.84	\$110,872.49
Realized Capital Gains/Losses	\$13,171.17	\$66,299.81	\$26,336.35	\$105,807.33
Change in Unrealized Appreciation of Assets	\$90,685.76	\$554,634.71	\$78,983.96	\$724,304.43
Closing Balance	\$37,836,385.71	\$14,056,980.47	\$12,059,111.21	\$63,952,477.39
Closing Unit Value	210.0994	10,387.7199	284.6462	
Closing Number of Units	180,088.03	1,353.23	42,365.27	

**Investment Performance Results**  
for the period ending May 31, 2020

	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception*	Inception Date
METLIFE SEPARATE ACCOUNT # 377 ACCESS TO CORE LAGB - SA 377 T&DWR***	0.45%	1.70%	5.50%	9.47%	7.87%	5.03%	N/A	N/A	4.15%	09/28/2015
METLIFE SEPARATE ACCOUNT # 377 ACCESS TO CORE LAGB - SA 377 TWR****	0.45%	1.71%	5.53%	9.53%	7.94%	5.08%	N/A	N/A	4.21%	09/28/2015

**MetLife**



Intermediary Services: 800-669-0498

## Corporation account

CITY OF DALTON GEORGIA/ THE MAYOR AND COUNCIL OF THE  
CITY OF DALTON EMPLOYEES' PENSION PLAN

## Account overview

**\$57,319,324.39**

Total account value as of May 31, 2020

## Year-to-date income

Taxable income	\$489,632.08
Nontaxable income	0.00
<b>Total</b>	<b>\$489,632.08</b>

## Balances and holdings for Vanguard funds

Beginning on January 1, 2012, new tax rules on taxable (nonretirement) mutual fund accounts (excluding money market funds) require Vanguard to track cost basis information for shares acquired and subsequently sold, on or after that date. Unless you select another method, sales of Vanguard mutual funds, but not ETFs, will default to the average cost method. For more information, visit [vanguard.com/costbasis](http://vanguard.com/costbasis).

Symbol	Name	Fund and account	Average price per share	Total cost	Balance on 12/31/2019	Balance on 05/31/2020
VINIX	Inst Index Fund Inst	0094-88145531032	\$218.33	\$27,498,192.04	\$36,110,879.52	\$34,317,614.04
VSCIX	Small-Cap Index Fund Inst	0857-88145531032	59.12	10,118,345.58	13,535,078.81	11,692,363.78
VBTLX	Total Bond Mkt Index Inst	0222-88145531032	10.66	10,434,156.47	10,708,607.26	11,309,346.57
					<b>\$60,354,565.59</b>	<b>\$57,319,324.39</b>

## Account activity for Vanguard funds

Inst Index Fund Inst 0094-88145531032

Purchases	Withdrawals	Dividends	Short-term capital gains	Long-term capital gains
\$0.00	\$0.00	\$161,399.69	\$5,673.62	\$169,300.46

May 31, 2020, year-to-date statement

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**CITY OF DALTON EMPLOYEE PENSION PLAN**

**FINANCIAL REPORT**

**JUNE 30, 2020**

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**City of Dalton**  
**Pension Trust Fund**  
**Statement of Net Position**  
**June 30, 2020 and 2019**  
**(Unaudited)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents:		
Cash	\$ 3,016	\$ 1,172
Payment fund	613,893	140,862
Investments, at fair value		
MetLife large cap index equity fund	14,395,428	13,107,496
MetLife fixed income - core bond index	38,090,599	34,817,198
MetLife fixed income - Goldman Sachs	12,158,699	11,297,406
Vanguard - 500 index fund	34,999,352	32,560,378
Vanguard - small cap index fund	11,990,025	12,699,667
Vanguard - bond market index	11,389,440	10,451,216
<b>Total Assets</b>	<u>\$ 123,640,452</u>	<u>\$ 115,075,395</u>
 <b>Liabilities</b>		
Accounts payable	<u>2,415</u>	<u>2,415</u>
<b>Total Liabilities</b>	<u>2,415</u>	<u>2,415</u>
 <b>Total Net Position</b>	<u><u>\$ 123,638,037</u></u>	<u><u>\$ 115,072,980</u></u>

**City of Dalton**  
**Pension Trust Fund**  
**Statement of Change in Net Position**  
**For the Six Months Ended June 30, 2020**  
**With Comparative Amounts for 2019**  
**(Unaudited)**

	<u>2020</u>	<u>2019</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 4,366,514	\$ 3,885,226
Plan members	319,465	336,441
Total contributions	<u>4,685,979</u>	<u>4,221,667</u>
Investment income:		
Interest, dividends and realized gains	2,346,151	1,543,269
Net increase (decrease) in fair value investments	<u>(1,942,799)</u>	<u>11,256,187</u>
Total investment income	403,352	12,799,456
Less: investment expense	<u>91,643</u>	<u>88,459</u>
Net investment income	<u>311,709</u>	<u>12,710,997</u>
<b>Total Additions</b>	<u>4,997,688</u>	<u>16,932,664</u>
<b>Deductions</b>		
Pension benefits	3,821,550	3,723,939
Legal fees	9,466	2,168
Fiduciary insurance	9,129	9,437
Accounting and audit fees	-	-
Actuarial fees	15,000	15,000
Consulting fees	12,240	12,240
Administrative fees	<u>750</u>	<u>750</u>
<b>Total Deductions</b>	<u>3,868,135</u>	<u>3,763,534</u>
<b>Change in Net Position</b>	1,129,553	13,169,130
<b>Net Position Beginning of Year</b>	122,508,484	101,903,850
<b>Net Position End of Period</b>	<u>\$ 123,638,037</u>	<u>\$ 115,072,980</u>



**City of Dalton**  
**Pension Trust Fund**  
**Supplemental Schedule**  
**For the Six Months Ended June 30, 2020**  
**With Comparative Amounts for 2019**  
**(Unaudited)**

	<u>2020</u>	<u>2019</u>
<b>Investment income:</b>		
Interest income:		
City's cash account interest	\$ 58	\$ 104
Payment fund interest	30	17
	<u>88</u>	<u>121</u>
Investment income:		
Index equity large cap	139,338	175,397
Fixed Income - core bond index	442,009	481,999
Fixed income - Goldman Sachs	103,751	153,698
Vanguard - 500 index fund	331,640	309,553
Vanguard - small cap index fund	64,947	78,235
Vanguard - bond market index	136,164	79,637
	<u>1,217,849</u>	<u>1,278,519</u>
Realized gains (losses):		
Index equity large cap	686,085	161,977
Fixed Income - core bond index	60,026	(74,917)
Fixed income - Goldman Sachs	207,129	89,642
Vanguard - 500 index fund	174,974	87,927
Vanguard - small cap index fund	-	-
Vanguard - bond market index	-	-
	<u>1,128,214</u>	<u>264,629</u>
<b>Total investment income</b>	<u><u>\$ 2,346,151</u></u>	<u><u>\$ 1,543,269</u></u>
<b>Change in fair value:</b>		
Index equity large cap	(1,258,463)	2,391,984
Fixed Income - core bond index	1,702,370	1,602,180
Fixed income - Goldman Sachs	296,768	314,757
Vanguard - 500 index fund	(1,618,142)	4,694,696
Vanguard - small cap index fund	(1,610,001)	1,997,402
Vanguard - bond market index	544,669	255,168
<b>Total change in fair value</b>	<u><u>\$ (1,942,799)</u></u>	<u><u>\$ 11,256,187</u></u>
<b>Investment expense:</b>		
Payment fund		
Risk charges	\$ 5,991	\$ 5,821
Fund charges	33,177	32,539
	<u>39,168</u>	<u>38,360</u>
Investment funds		
Index equity large cap	7,279	8,058
Fixed Income - core bond index	17,275	15,842
Fixed income - Goldman Sachs	27,921	26,199
	<u>52,475</u>	<u>50,099</u>
<b>Total investment expense</b>	<u><u>\$ 91,643</u></u>	<u><u>\$ 88,459</u></u>

CITY OF DALTON, GA  
PAYMENT FUND STATEMENT  
GROUP ANNUITY CONTRACT # 1515  
BRANCH 040  
FOR THE PERIOD 12/31/19 TO 06/30/20

BALANCE AS OF 12/31/19	\$610,462.46
DEPOSITS	4,636,898.99
BENEFIT PAYMENTS	
GUARANTEED ANNUITIES	1,042,828.32-
NON-GUARANTEED ANNUITIES	2,778,721.79-
WITHDRAWALS	0.00
TRANSFERS FROM GENERAL ACCOUNT	0.00
TRANSFERS FROM SEPARATE ACCOUNT	3,864,119.06
TRANSFERS TO SEPARATE ACCOUNT	4,636,898.99-
EXPENSES	
RISK CHARGES	5,991.18-
FUND CHARGES	33,177.36-
INTEREST EARNED	30.15
BALANCE AS OF 06/30/20	\$613,893.02
INTEREST RATES:	
FROM 01/01/20 TO 03/31/20	1.58%
FROM 04/01/20 TO 06/30/20	0.30%

City of Dalton  
**METROPOLITAN LIFE INSURANCE COMPANY (INC)**  
 Monthly Statement Ending June 30, 2020  
 Contract/Policy: 001515 City of Dalton Employees' Pension Plan

Item	METLIFE SEPARATE ACCOUNT # 377 ACCESS TO CORE LAGB - SA 377 BR 007	METROPOLITAN INDEX FUND MI VIA SA# II - SA MI BR 005	METLIFE SEPARATE ACCOUNT #263 - SA 263 BR 008	Total Market Values
Opening Balance	\$37,836,385.71	\$14,056,980.47	\$12,059,111.21	\$63,952,477.39
Deposits	288,207.39	384,276.51	96,069.13	768,553.03
Withdrawals	(245,761.58)	(327,682.10)	(81,920.53)	(655,364.21)
Fees	(2,939.09)	(1,231.54)	(4,748.87)	(8,919.50)
Other Contract Expenses	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00
Distribution of Income	\$0.00	\$0.00	\$0.00	\$0.00
Investment Income	\$68,114.61	\$21,133.41	\$12,892.62	\$102,140.64
Realized Capital Gains/Losses	\$17,627.15	\$95,047.48	\$10,607.13	\$123,281.76
Change in Unrealized Appreciation of Assets	\$128,964.92	\$166,904.23	\$66,687.89	\$362,557.04
Closing Balance	\$38,090,599.11	\$14,395,428.46	\$12,158,698.58	\$64,644,726.15

Closing Unit Value	211.2860	10,593.6074	286.7697
Closing Number of Units	180,279.77	1,358.88	42,398.83

Investment Performance Results  
 for the period ending June 30, 2020

	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception*	Inception Date
METLIFE SEPARATE ACCOUNT # 377 ACCESS TO CORE LAGB - SA 377 T&DWR***	0.56%	2.71%	6.09%	8.70%	8.25%	5.26%	N/A	N/A	4.20%	09/28/2015
METLIFE SEPARATE ACCOUNT # 377 ACCESS TO CORE LAGB - SA 377 TWR****	0.56%	2.73%	6.13%	8.76%	8.32%	5.31%	N/A	N/A	4.26%	09/28/2015



Intermediary Services: 800-669-0498

## Corporation account

CITY OF DALTON GEORGIA/ THE MAYOR AND COUNCIL OF THE  
CITY OF DALTON EMPLOYEES' PENSION PLAN

## Account overview

**\$58,378,816.72**

Total account value as of June 30, 2020

## Year-to-date income

Taxable income	\$707,725.56
Nontaxable income	0.00
<b>Total</b>	<b>\$707,725.56</b>

## Balances and holdings for Vanguard funds

Beginning on January 1, 2012, new tax rules on taxable (nonretirement) mutual fund accounts (excluding money market funds) require Vanguard to track cost basis information for shares acquired and subsequently sold, on or after that date. Unless you select another method, sales of Vanguard mutual funds, but not ETFs, will default to the average cost method. For more information, visit [vanguard.com/costbasis](http://vanguard.com/costbasis).

Symbol	Name	Fund and account	Average price per share	Total cost	Balance on 12/31/2019	Balance on 06/30/2020
VINIX	Inst Index Fund Inst	0094-88145531032	\$218.58	\$27,668,432.49	\$36,110,879.52	\$34,999,351.75
VSCIX	Small-Cap Index Fund Inst	0857-88145531032	59.14	10,144,855.35	13,535,078.81	11,990,025.29
VBPIX	Total Bond Mkt Index Inst	0222-88145531032	10.66	10,455,499.73	10,708,607.26	11,389,439.68
					<b>\$60,354,565.59</b>	<b>\$58,378,816.72</b>

## Account activity for Vanguard funds

Inst Index Fund Inst 0094-88145531032

Purchases	Withdrawals	Dividends	Short-term capital gains	Long-term capital gains
\$0.00	\$0.00	\$331,640.14	\$5,673.62	\$169,300.46

June 30, 2020, year-to-date statement

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