



**EMPLOYEE PENSION PLAN
BOARD OF TRUSTEES MEETING
TUESDAY, JULY 26, 2022
3:00 PM
CITY HALL - COUNCIL CHAMBERS**

A G E N D A

Call To Order

Minutes

- [1.](#) Pension Board Meeting Minutes 05-24-22

Unfinished Business

- [2.](#) Monthly Flash Report - June 30, 2022

New Business

3. Attorney Update

Retirees

4. Pamela V. Witherow - Dalton Utilities
5. Retirement Request for James Price - Solid Waste Authority

Invoices

- [6.](#) SEAS's May and June (Invoice #223, 224) \$2,040.00 each.

Reports

- [7.](#) Financial Report 6/30/22
- [8.](#) Market Indices - May 31, 2022 and June 30, 2022
- [9.](#) 2nd Quarter 2022 MBR

Adjournment

THE CITY OF DALTON
EMPLOYEES PENSION PLAN – BOARD OF TRUSTEES
REGULAR MEETING
MAY 24, 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, Mike Sloan, Vernon Ray, Chairman of the Water, Light & Sinking Fund Commission Joe Yarbrough and Council member Dennis Mock. Trustee Dwayne Carvell was absent.

MINUTES

The Trustees were presented written copies of the minutes of the meeting of March 22, 2022. On the motion of Trustee Mock, second Trustee Ray, the minutes were approved. The vote was unanimous in favor.

QUARTERLY PERFORMANCE REPORT AS OF MARCH 31, 2022

Hilda Thompson from SEAS presented the newly re-vamped Quarterly Performance Report to the Board as of March 31, 2022. Thompson stated that due to Covid, the war in Ukraine, inflation and the supply chain issues, it was horrible quarter. Thompson stated the Market Value for the Plan at the end 2021 was around \$155 million, however she stated that at the end of March the Plan was down to \$146 million; approximately 9.5 million. Thompson further reported that unfortunately the Market Value for April and May could be down approximately an additional 4 million. Thompson further reviewed several pages of the report specifically Page 3 entitled Financial Reconciliation. Thompson stated at some point the Board may have to remove funds from Vanguard and put the funds back into MetLife due to the fact that distributions are more than the contributions. On the motion of Trustee Ray, second Trustee Sloan, the Board approved the report. The vote was unanimous in favor. A copy of the complete report is a part of these minutes.

ATTORNEY UPDATE

There was no attorney update.

UPDATE ON RETIREES WORKING PART-TIME

Human Resources Director Greg Batts reported to the Board that the Mayor and Council held a first reading of an Ordinance to amend the Pension Plan document to allow retirees to work a maximum of 16 hours per week. Batts stated the current language in the Plan does not allow a retiree to work for the City and draw a pension payment. Batts stated in reviewing the Plan change, it was determined that working 20 hours or more would entitle the retiree to additional benefits thereby the decision was made to use the maximum of 16 hours.

RETIREES

Marlita Bryson - Dalton Utilities

On the motion of Trustee Ray, second Trustee Yarbrough, the Board ratified payment to Marlita Bryson - 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.

Mike Wilson - Police Department

On the motion of Trustee Ray, second Trustee Yarbrough, the Board ratified payment to Mike Wilson - 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.

RETIREEES Cont'd

Sherrie Blalock - Public Works

On the motion of Trustee Ray, second Trustee Yarbrough, the Board ratified payment to Sherrie Blalock - Public Works 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.

Steve Zahn - Police Department

On the motion of Trustee Ray, second Trustee Yarbrough, the Board ratified payment to Steve Zahn - 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 Ray, the Board approved the following March and April invoices:

Invoice #221 - \$2,040.00

Invoice #222 - \$2040.00

The vote was unanimous in favor.

On the motion of Trustee Sloan, second Trustee Mock, the Board approved invoice #13963 in the amount of (\$75.00) from Mitchell & Mitchell For Services Rendered. The vote was unanimous in favor.

On the motion of Trustee Yarbrough, second Trustee Ray, the Board approved the invoice for The Hartford (Fidelity Bond) in the amount of \$308.00. The vote was unanimous in favor.

REPORTS

- Market Indices - March 31, 2022 & April 30, 2022
- Minimum Balance Requirement March 31, 2022
- Financial Report March 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 3:20 p.m.

Gary Hill, Chairman

ATTEST:

Mike Sloan, Secretary

RECORDED

APPROVED



CITY OF DALTON EMPLOYEE'S PENSION PLAN

MONTHLY FLASH REPORT

As of June 30, 2022



Hilda A. Thompson, Senior Consultant
hthompson@seadvisory.com

Wallace W. Wilson, Senior Consultant
wwilson@seadvisory.com

404. 237. 3156



Financial Reconciliation

1 Month Ending June 30, 2022

	Market Value 06/01/2022	Contributions	Distributions	Apprec./ Deprec.	Market Value 06/30/2022
MetLife Equity Index	12,783,995	138,820	-362,005	-1,058,506	11,502,304
Vanguard Inst 500 Index	47,984,730	-	-	-3,962,216	44,022,514
Total Large Cap Equity	60,768,725	138,820	-362,005	-5,020,721	55,524,819
Vanguard Small-Cap Index	16,414,767	-	-	-1,542,387	14,872,381
Total Small Cap Equity	16,414,767	-	-	-1,542,387	14,872,381
MetLife Core Bond Index Fund	32,644,922	104,115	-273,213	-516,835	31,958,990
Vanguard Total Bond Mkt Index	14,811,476	-	-	-220,996	14,590,480
Goldman Sachs Fund	10,762,890	34,705	-94,523	-167,275	10,535,797
Total Fixed Income	58,219,288	138,820	-367,736	-905,106	57,085,267
Cash Account	634,338	999,293	-997,550	-1,786	634,317
Total Fund	136,037,119	1,276,932	-1,727,291	-7,469,999	128,116,783

	Allocation		Performance (%)							
	Market Value	%	1 Month	Quarter To Date	FYTD	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total Fund	\$128,116,783	100.0	-5.49	-11.33	-15.92	13.44	13.24	19.89	-2.78	12.70
Policy Index			-4.85	-10.33	-15.08	11.57	13.91	19.12	-2.44	11.52
Total Large Cap Equity	\$55,524,819	43.3	-8.26	-16.13	-20.00	28.74	18.40	31.49	-4.48	21.77
S&P 500 Index			-8.25	-16.10	-19.96	28.71	18.40	31.49	-4.38	21.83
MetLife Equity Index	\$11,502,304	9.0	-8.28	-16.22	-20.11	28.96	18.43	31.51	-4.05	21.81
S&P 500 Index			-8.25	-16.10	-19.96	28.71	18.40	31.49	-4.38	21.83
Vanguard Inst 500 Index	\$44,022,514	34.4	-8.26	-16.11	-19.97	28.67	18.39	31.46	-4.84	21.71
S&P 500 Index			-8.25	-16.10	-19.96	28.71	18.40	31.49	-4.38	21.83
Total Small Cap Equity	\$14,872,381	11.6	-9.40	-16.88	-21.65	17.73	19.12	27.40	-9.32	16.25
CRSP U.S. Small Cap TR Index			-9.40	-16.88	-21.65	17.71	19.07	27.35	-9.33	16.24
Vanguard Small-Cap Index	\$14,872,381	11.6	-9.40	-16.88	-21.65	17.73	19.12	27.40	-9.32	16.25
CRSP U.S. Small Cap TR Index			-9.40	-16.88	-21.65	17.71	19.07	27.35	-9.33	16.24
Total Fixed Income	\$57,085,267	44.6	-1.55	-4.47	-9.91	-1.57	7.53	8.49	0.21	3.19
Blmbg. U.S. Aggregate Index			-1.57	-4.69	-10.35	-1.55	7.51	8.72	0.01	3.54
MetLife Core Bond Index Fund	\$31,958,990	24.9	-1.58	-4.73	-10.34	-1.62	7.44	8.80	-0.04	3.49
Blmbg. U.S. Aggregate Index			-1.57	-4.69	-10.35	-1.55	7.51	8.72	0.01	3.54
Vanguard Total Bond Mkt Index	\$14,590,480	11.4	-1.49	-4.71	-10.41	-1.67	7.74	8.78	N/A	N/A
Blmbg. U.S. Aggregate Index			-1.57	-4.69	-10.35	-1.55	7.51	8.72	0.01	3.54
Goldman Sachs Fund	\$10,535,797	8.2	-1.55	-3.35	-7.86	-1.25	7.63	7.36	0.90	2.26
Blmbg. Intermed. U.S. Government/Credit			-1.11	-2.37	-6.77	-1.44	6.43	6.80	0.88	2.14
Cash Account	\$634,317	0.5	-0.28	-0.81	-0.81	0.00	0.00	0.29	0.49	0.42
90 Day U.S. Treasury Bill			0.02	0.11	0.15	0.05	0.67	2.28	1.87	0.86



SOUTHEASTERN ADVISORY SERVICES, INC.

Registered Investment Advisor

190 Ottley Drive NE Ste B2A Atlanta GA 30324
seadvisory.com / (404) 237-3156



SOUTHEASTERN ADVISORY SERVICES, INC.

Registered Investment Advisor

Hilda A Thompson, Senior Consultant
hthompson@seadvisory.com
404-229-5464

Invoice

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.
190 Ottley Drive, NE, Suite B2A
Atlanta, GA 30324

PLEASE NOTE NEW ADDRESS

Re: Invoice Number 223
Investment Consulting Services

Date: June 1, 2022

The following fees are for the services through May 31, 2022.

Monthly Retainer Fee	\$2,040.00
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Total:	\$2,040.00
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Note: Invoice Payable upon receipt.



SOUTHEASTERN ADVISORY SERVICES, INC.

Registered Investment Advisor

Hilda A Thompson, Senior Consultant

hthompson@seadvisory.com

404-229-5464

Invoice

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.
190 Ottley Drive, NE, Suite B2A
Atlanta, GA 30324

PLEASE NOTE NEW ADDRESS

Re: Invoice Number 224
Investment Consulting Services

Date: July 5, 2022

The following fees are for the services through June 30, 2022.

Monthly Retainer Fee	\$2,040.00
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Total:	\$2,040.00
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Note: Invoice Payable upon receipt.

CITY OF DALTON EMPLOYEE PENSION PLAN

FINANCIAL REPORT

JUNE 30, 2022

City of Dalton
Pension Trust Fund
Statement of Net Position
June 30, 2022 and 2021
(Unaudited)

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents:		
Cash	\$ 942	\$ 2,650
Payment fund	634,317	609,489
Investments, at fair value		
MetLife large cap index equity fund	11,502,304	20,906,196
MetLife fixed income - core bond index	31,958,990	38,178,466
MetLife fixed income - Goldman Sachs	10,535,797	12,364,329
Vanguard - 500 index fund	44,022,514	49,268,717
Vanguard - small cap index fund	14,872,381	18,765,149
Vanguard - bond market index	14,590,480	11,343,104
Total Assets	<u>\$ 128,117,725</u>	<u>\$ 151,438,100</u>
 Liabilities		
Accounts payable	4,455	3,198
Total Liabilities	<u>4,455</u>	<u>3,198</u>
 Total Net Position	<u><u>\$ 128,113,270</u></u>	<u><u>\$ 151,434,902</u></u>

City of Dalton
Pension Trust Fund
Statement of Change in Net Position
For the Six Months Ended June 30, 2022
With Comparative Amounts for 2021
(Unaudited)

	<u>2022</u>	<u>2021</u>
Additions		
Contributions:		
Employer	\$ 1,153,648	\$ 3,240,863
Plan members	316,180	313,092
Total contributions	<u>1,469,828</u>	<u>3,553,955</u>
Investment income:		
Interest, dividends and realized gains	31,648,949	2,913,653
Net increase (decrease) in fair value investments	<u>(56,167,827)</u>	<u>8,068,239</u>
Total investment income	<u>(24,518,878)</u>	<u>10,981,892</u>
Less: investment expense	<u>86,667</u>	<u>93,099</u>
Net investment income	<u>(24,605,545)</u>	<u>10,888,793</u>
Total Additions	<u>(23,135,717)</u>	<u>14,442,748</u>
Deductions		
Pension benefits	4,204,106	3,868,012
Legal fees	75	288
Fiduciary insurance	308	9,695
Accounting and audit fees	-	-
Actuarial fees	15,000	15,000
Consulting fees	12,240	12,240
Training	1,200	1,200
Administrative fees	<u>850</u>	<u>850</u>
Total Deductions	<u>4,233,779</u>	<u>3,907,285</u>
Change in Net Position	(27,369,496)	10,535,463
Net Position Beginning of Year	155,482,766	140,899,439
Net Position End of Period	<u>\$ 128,113,270</u>	<u>\$ 151,434,902</u>

City of Dalton
Pension Trust Fund
Supplemental Schedule
For the Six Months Ended June 30, 2022
With Comparative Amounts for 2021
(Unaudited)

	2022	2021
Investment income:		
Interest income:		
City's cash account interest	\$ 81	\$ 155
Payment fund interest	57	3
	<u>138</u>	<u>158</u>
Investment income:		
Index equity large cap	104,279	141,583
Fixed Income - core bond index	371,368	334,180
Fixed income - Goldman Sachs	97,125	84,515
Vanguard - 500 index fund	353,816	322,592
Vanguard - small cap index fund	97,177	93,661
Vanguard - bond market index	163,148	106,703
	<u>1,186,913</u>	<u>1,083,234</u>
Realized gains (losses):		
Index equity large cap	30,404,051	1,221,766
Fixed Income - core bond index	63,222	105,221
Fixed income - Goldman Sachs	(294,393)	34,183
Vanguard - 500 index fund	277,629	462,119
Vanguard - small cap index fund	-	-
Vanguard - bond market index	11,389	6,972
	<u>30,461,898</u>	<u>1,830,261</u>
Total investment income	<u><u>\$ 31,648,949</u></u>	<u><u>\$ 2,913,653</u></u>
Change in fair value:		
Index equity large cap	(33,554,163)	1,413,462
Fixed Income - core bond index	(4,197,548)	(1,085,178)
Fixed income - Goldman Sachs	(720,953)	(232,641)
Vanguard - 500 index fund	(11,618,213)	5,731,321
Vanguard - small cap index fund	(4,206,656)	2,548,776
Vanguard - bond market index	(1,870,294)	(307,501)
Total change in fair value	<u><u>\$ (56,167,827)</u></u>	<u><u>\$ 8,068,239</u></u>
Investment expense:		
Payment fund		
Risk charges	\$ 5,228	\$ 5,620
Fund charges	30,814	31,902
	<u>36,042</u>	<u>37,522</u>
Investment funds		
Index equity large cap	7,435	8,662
Fixed Income - core bond index	16,319	17,759
Fixed income - Goldman Sachs	26,871	29,156
	<u>50,625</u>	<u>55,577</u>
Total investment expense	<u><u>\$ 86,667</u></u>	<u><u>\$ 93,099</u></u>

Market Indices Performance

As of May 31, 2022

(%) Returns

	<u>1 Month</u>	<u>Q-T-D</u>	<u>Y-T-D</u>	<u>1 Year</u>	<u>3 Year</u>
<u>Equities</u>					
S&P 500	0.18	-8.55	-12.76	-0.30	16.43
Russell 1000 Growth	-2.32	-14.12	-21.88	-6.26	18.31
Russell 1000 Value	1.94	-3.81	-4.52	0.93	12.75
Russell 2000	0.15	-9.77	-16.57	-16.93	9.70
MSCI EAFE	0.75	-5.77	-11.34	-10.39	6.43
MSCI Emerging Markets	0.44	-5.15	-11.76	-19.84	4.99
<u>Fixed Income</u>					
Barclays US Aggregate	0.64	-3.17	-8.92	-8.23	0.00
Barclays Intermediate G/C	0.74	-1.27	-5.72	-6.17	0.57
Barclays 1-3 Year G/C	0.61	0.07	-2.42	-3.03	0.73
Barclays US Corp High Yield	0.25	-3.32	-8.00	-5.27	3.33
90 Day T Bills	0.05	0.08	0.10	0.13	0.65

Market Indices Performance

As of June 30, 2022

(%) Returns

	<u>1 Month</u>	<u>Q-T-D</u>	<u>Y-T-D</u>	<u>1 Year</u>	<u>3 Year</u>
<u>Equities</u>					
S&P 500	-8.25	-16.10	-19.96	-10.62	10.60
Russell 1000 Growth	-7.92	-20.92	-28.07	-18.78	12.58
Russell 1000 Value	-8.74	-12.21	-12.86	-6.82	6.87
Russell 2000	-8.22	-17.20	-23.43	-25.21	4.21
MSCI EAFE	-9.28	-14.51	-19.57	-17.78	1.07
MSCI Emerging Markets	-6.65	-11.45	-17.63	-25.30	0.57
<u>Fixed Income</u>					
Barclays US Aggregate	-1.57	-4.69	-10.35	-10.30	-0.93
Barclays Intermediate G/C	-1.11	-2.37	-6.77	-7.29	-0.16
Barclays 1-3 Year G/C	-0.70	-0.63	-3.11	-3.57	0.31
Barclays US Corp High Yield	-6.73	-9.83	-14.19	-12.82	0.21
90 Day T Bills	0.07	0.14	0.17	0.19	0.61

**CITY OF DALTON PENSION
MBR CALCULATION**

Period Ended	<u>12/31/19</u>	<u>12/31/20</u>	<u>12/31/21</u>	<u>03/31/22</u>	<u>06/30/22</u>
MBR	\$ 28,467,408	\$ 28,753,560	\$ 25,901,487	\$ 23,809,309	\$ 21,574,332
<i>Equities:</i>					
Large Cap Index Fund	14,449,358	18,338,135	15,963,869	14,532,902	11,502,304
Small Cap Index Fund	-	-	-	-	-
Sub-total	14,449,358	18,338,135	15,963,869	14,532,902	11,502,304
Equities at 75%	10,837,019	13,753,601	11,972,902	10,899,677	8,626,728
Fixed income at 100%	47,096,050	51,549,519	48,627,452	45,216,669	42,494,787
Payment fund at 100%	610,462	601,968	598,097	630,584	634,317
Recognized assets	58,543,531	65,905,088	61,198,451	56,746,930	51,755,832
Minimum required balance	28,467,408	28,753,560	25,901,487	23,809,309	21,574,332
Excess (deficit) assets	\$ 30,076,123	\$ 37,151,528	\$ 35,296,964	\$ 32,937,621	\$ 30,181,500