

MINUTES

City of Murfreesboro Pension Committee April 19, 2023

The City of Murfreesboro Pension Committee met on Wednesday, April 19, 2023, at 8:00 a.m. in City Council Chambers at City Hall.

The following members were in attendance:

Erin Tucker, Chair
Earl Hull, Jr.
Charlie Myatt
Greg Sample
Cathy Smith
Melissa Wright

The following member was unable to attend the meeting:

Austin Maxwell

Also present at this meeting were:

Natalka Bukalo, Senior Consultant, Fiducient Advisors
Chris Rowllins, Partner and Senior Consultants, Fiducient Advisors
Rhonda Darnell, Employee Services Assistant Director
Jennifer Brown, City Recorder/Finance Director
Fredia Coldwell, Employee Serv. Generalist & Pension Committee Secretary
Aly Dabbs, Talent Acquisition Coordinator

Chair Erin Tucker called the meeting to order at 8:00 a.m. and determined a quorum was present. Chair Tucker announced the first item on the agenda.

Consideration of Minutes:

Minutes of the January 18, 2023, meeting was presented for consideration. Mr. Charlie Myatt made a motion that the minutes be approved as presented. Ms. Melissa Wright seconded the motion. There being no further discussion, the motion passed by unanimous vote of the members present.

Consideration of Contract with Fiducient Advisors (formerly Chartwell Consulting):

A new contract with Fiducient Advisors, who merged their practices with Chartwell Consulting a few weeks ago, was presented for consideration. The City's Defined Pension Plan will still be led by Ms. Natalka Bukalo and her group. The fees will remain the same but because it is a new entity, a new contract must be approved. Mr. Greg Sample made a motion to approve the contract with Fiducient Advisors. Mr. Earl

Hull, Jr. seconded the motion. There being no further discussion, the motion passed by unanimous vote of the members present. Contract will now go to City Council for final approval.

Introduction of Fiducient Advisors by Mr. Chris Rowlin

Ms. Bukalo introduced Mr. Rowlin as a co-consultant at Fiducient Advisors to give an overview of their company.

Mr. Rowlin discussed the strengths of Fiducient Advisors and advised the Committee they are still in good hands with Ms. Bukalo and the rest of the company.

Review of First Quarter 2023 reports, January – March 2023 Plan Performance, Flash Reports, Asset Allocation, and Rebalancing Recommendations for the Defined Benefit Pension Plan by Mr. Rowlin and Ms. Bukalo of Fiducient Advisors:

- Mr. Rowlin reviewed pages 20-27 of *City of Murfreesboro, Tennessee Employees' Revised Pension Plan 1Q2023 Review*, which documents are attached and incorporated as part of the Pension Committee Minutes of April 19, 2023.:
 - Good deal of focus on Fed policy, inflation, and the strength of the overall economy.
- Ms. Bukalo reviewed pages 29-35 of *City of Murfreesboro, Tennessee Employees' Revised Pension Plan 1Q2023 Review*:
 - The Plan's Assets Value started the year at \$1.55M and ended the first quarter at \$160.8M.
 - Total Plan edged ahead of the Index for the first quarter returning 3.7% versus a 3.4% target.
 - Four investment teams were discussed:
 - i. The Real Assets team and the Fixed Income teams finished just ahead of target – Real Assets (1.1% v. .9%) and Fixed Income (2.8% v. 2.7%)
 - ii. International Equity team was the star performer (8.3% v. 5.6%)
 - iii. Domestic Equity team lagged (4.4% v. 7.3%)
 - Solid First Quarter 2023 and Solid Third and Fourth Quarters 2022
 - Specific performances of each composite were reviewed.

- Monthly Flash Reports and Rebalancing recommendations were discussed by Ms. Bukalo.

Chair Tucker opened the floor for questions on fund performance or managers. After a brief discussion on the Bond Market and Private Equity funds, Chair Tucker informed the Committee Members that unless there were objections, Ms. Bukalo could move forward on the rebalancing recommendations. Chair Tucker went to the next item on the Agenda, Other Business.

Other Business:

State of Tennessee Compliance Letter

Chair Tucker presented for the Committee's information only, State of Tennessee Compliance letter regarding the Public Employee Defined Benefit Financial Security Act of 2014, dated March 10, 2023, which noted the Plan follows State law with regards to funding requirements.

Pension Committee Information Sheet

Pension Committee members reviewed the information contained in the Pension Committee Information Sheet, as of March 31, 2023:

- Current number of retirees: 384
- Employees utilizing benefit hours for retirement: 15
- Employees who have put in notice of retirement: 3
- Deferred vested Annuitants: 276
- Monthly average contribution (City General and Water & Sewer) \$495,507

Recognition of Board Members

Chair Tucker recognized Melissa Wright and Charlie Myatt, who are stepping down from the Pension Committee when their current terms are up on June 1, 2023.

Mr. Myatt has served 20 years on the Committee and Ms. Wright has served 15 years.

There being no other business to come before the Pension Committee, the meeting was adjourned at 9:14 a.m.