

MINUTES

City of Murfreesboro Pension Committee August 16, 2023

The City of Murfreesboro Pension Committee met on Wednesday, August 16, 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.
Justin Burris
Cathy Smith

The following members were unable to attend the meeting:

Austin Maxwell
Jennifer Brown
Greg Sample

Also present at this meeting were:

Natalka Bukalo, Senior Consultant, Fiducient Advisor
Chris Rowlins, Partner and Senior Consultants, Fiducient Advisors, via
Telephone Conference
Randolph Wilkerson, Employee Services Director
Rhonda Darnell, Employee Services Assistant Director
Fredia Coldwell, Employee Serv. Generalist & Pension Committee Secretary
Beverly Alexander, Claims Specialist

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

Period for Public Comment/Questions:

No action items for public comment. Chair Tucker updated the Pension Committee on the policies and procedures of the new requirements for public comment periods. A public comment period will occur at the beginning of each meeting. Comments are to be limited to action items on that agenda. People wishing to participate in the public comment period must register to speak ahead of time, The Pension Committee can set an appropriate time limit for the public comment period.

Consideration of Minutes:

Minutes of the June 21, 2023, meeting was presented for consideration. Mr. Earl Hull made a motion that the minutes be approved as presented. Ms. Cathy Smith seconded

the motion. There being no further discussion, the motion passed by unanimous vote of the members present.

Core Bond Search and Rebalancing Recommendation by Ms. Bukalo and Mr. Rowlins of Fiducient Advisors:

Ms. Bukalo reviewed the City's current investment portfolio and the need for a new core bond. Ms. Bukalo turned the meeting over to Mr. Rowlins to explain the new core bond search and the process of selecting the best one for the City of Murfreesboro's investment portfolio. Recommendation from Fiducient Advisors to select Baird Aggregate Bond Inst as the City's newest bond manager. Discussion from members with Ms. Bukalo and Mr. Rowlins regarding the economy and the company chosen. Mr. Earl Hull made a motion to accept Baird Aggregate Bond Inst as the City's newest bond manager. Mr. Justin Burriss seconded the motion. There being no further discussion the motion passed by unanimous vote of the members present.

Rebalancing recommendation by Ms. Bukalo on how to fund the new bond fund. Ms. Cathy Smith made a motion to approve the rebalancing recommendation. Mr. Earl Hull seconded the motion. Discussion among the members and Ms. Bukalo when the rebalancing will be conducted. The motion passed by unanimous vote of the members present.

Review of Second Quarter 2023 reports and July 2023 Plan Performance, Flash Reports, Asset Allocation, and Rebalancing Recommendations for the Defined Benefit Pension Plan by Ms. Bukalo and Mr. Rowlins of Fiducient Advisors:

Ms. Nataalka Bukalo explained the *Quarterly Investment Review – Second Quarter* was a new report format. Reviewed within the report:

- Market Update (pages 2-11), with a focus on Asset Class Returns (page 4).
- Executive Summary (pages 12-33),
 - Portfolio Dashboard - City's plan assets rose in the second quarter from \$160.8M to \$164.2M (page 12).
 - Asset Allocation (pages 15 – 17)
 - i. The Plan's strategic target allocation policy is 42% total equity / 23% real assets / 34% bonds + cash.
 - ii. As of June 30, 2023: 27.6% fixed income assets (underweight the 34% target); 49.5% equity allocation (above the 42% target); and 21.2% real assets (slightly below 23% target).

- iii. No rebalancing for June 2023
 - o Manager Performance (pages 19 - 28) – review of managers individually and together.
 - o Estimated Fee Analysis (page 30)
- Manager Fact Sheets (pages 34 - 77)
- Ms. Bukalo introduced Mr. Rowlins to discuss Fiducient Governance Calendar (page 78).
- Ms. Bukalo reviewed the July 2023 Flash Report:
 - o City’s plan assets increased from \$164.2M to \$168.7M.
 - o No rebalancing recommendations for July. Wanted to wait for the Pension Committee to decide if they were going to engage the core bond manager.

Other Business:

Pension Committee Information Sheet – statistical and historical information about The Plan.

Chair Tucker welcomed new Committee Member - Justin Burriss replaces Charlie Myatt.

There being no other business to come before the Pension Committee, the meeting was adjourned at 9:08 a.m.