

BOARD OF ADVISORS

CSD RETIREMENT TRUST
305 ST. LOUIS AVENUE, BOX 254
ST. LOUIS MO 63088

CALL TO ORDER

Members of the Board of Advisors of the CSD Retirement Trust met on Wednesday, August 21, 2019, at 11:15 a.m. at Enterprise Bank and Trust, 11401 Olive Boulevard, St. Louis, Missouri. The meeting was called to order at 11:20 a.m. with the following members in attendance:

Dwight Lindhorst, Chair Trustee (Ritenour), John Stewart (Brentwood), Patrice Coffin (Carondelet Leadership Academy), Dion Edwards (Confluence Academy), Carlton Brooks (Ferguson-Florissant), Gene Stephens (Ferguson-Florissant), Julie Derby (Lift for Life), Ann Worthen (Lindbergh), Kurt Kaup (Orchard Farm), Brian Whittle (Parkway), Ron Orr (Pattonville), Daniel Steinbruegge (Rockwood), Kelly Alexander (Special), Scott Hafertepe (University City), Shelley Kinder (Warren County), Brendan Mahon (Washington), Anita Brace (Wright City) and Jeremy Way (Wright City).

Also in attendance were: Ed Hinders (CBIZ), Ryan Wehking (CBIZ), Richard Counts (AIG-VALIC), Catherine Harstick (AIG-VALIC), and Stephen Keyser, CSD Retirement Trust.

Members participating via conference call were:

Paul Shrout (CSD-Kansas City), Crystal Frederick (Grain Valley), Christine Gierer (Kansas City PSRS), Elaine Morgan (Kansas City Public Schools), Robert Vogelaar, Trustee (Liberty), Brian Adesso (Menasha Joint Public School District).

Also participating via conference call was Jack Keller (CBIZ).

WELCOME AND SPECIAL INTRODUCTIONS

Ann Worthen, Director of Benefits (Lindbergh), was introduced to the Board of Advisors. She replaces Kathy Wood as representative for Lindbergh Schools.

MINUTES

Minutes from the May 15, 2019, meeting of the Board of Advisors were presented for approval. One correction was noted--Robert Vogelaar listed as participating via conference call and in person should be corrected to read as attending in person. Thereupon, on motion made by Julie Derby and seconded by John Stewart, the minutes with said correction as noted were approved.

ACTION ITEMS AND UPDATES

INVESTMENT COMMITTEE MEMBER APPOINTMENT

The Board of Advisors was informed that due to the retirement of Kathy Wood (Lindbergh) from the Investment Committee, it is necessary to appoint a replacement. Brian Adesso, Menasha Joint Public School District in Wisconsin, expressed interest in serving. Whereupon, Mrs. Gruber nominated Mr. Adesso to serve on the Investment Committee, and the nomination was seconded

by Mr. Stewart. There being no other nominations from the floor, nominations were closed. The Chairman called for a vote on the nomination, and Mr. Adesso's nomination and appointment to the Investment Committee was approved by acclamation.

CHANGE IN INVESTMENT LINE-UP

Mr. Ed Hinders, Vice President for Retirement Plan Services for CBIZ, reported that the Investment Committee received a detailed review of the market and current investment offerings. The Investment Committee also reviewed the fund Monitoring Report and discussed three funds that appear on the Watch List. After receiving and discussing the Monitoring Report, the Investment Committee approved the removal of Vanguard Selected Value Inv due to performance issues. In its place, the Committee approved adding MFS Mid Cap Value R6 in its place. The Investment Committee approved making the change immediately due to the fact that there are no other fund options available in its category to which advisors can direct participants. Thereupon, Mr. Orr moved to approve the Investment Committee's recommendation to remove Vanguard Selected Value Inv and add MFS Mid Cap Value R6 in its place, and to request that the Trustees approve the change. Mr. Stewart seconded the motion, and upon the vote, the motion carried unanimously.

FINANCIAL WELLNESS AND LITERACY PLAN

Catherine Harstick, District Vice President for AIG-VALIC, presented AIG-VALIC's official launch of the Financial Wellness Plan based on the recommendations from the Financial Wellness and Literacy Task Force. Mrs. Harstick opened by defining financial wellness and the impact of financial wellness on employees and employers. She continued her presentation by sharing the components of the Financial Wellness Plan, which include:

- Consumer debt—budgeting, credit/debt management, emergency expenses
- Student loans—debt forgiveness
- Retirement savings—college savings, mortgages
- Budgeting—tracking cash flow
- Estate planning—basic legal documents

The engagement strategy of the Financial Wellness Plan was then revealed. Using multiple touchpoints, the engagement model includes custom communications utilizing email, Brainshark, internal publications and personal counseling. The engagement strategy also includes developing a social presence by building a social media platform, providing content, and support for marketing efforts to prospective districts/schools.

Following Mrs. Harstick's presentation, discussion ensued about how best to communicate the financial wellness tools to participants. Districts were asked to participate in and support this effort.

FUTURE MEETING DATES

The Board of Advisors was presented proposed meeting dates for the 2020 calendar year. The following dates were proposed:

February 19, 2020
May 20, 2020

August 26 or 19, 2020
November 18, 2020

Discussion ensued around the August meeting date. Due to the recent change in state law and school start dates, it was determined that an August meeting date would be problematic for school districts. It could potentially conflict with teacher orientation dates, back-to-school activities, and the first week of school, which is hectic. It was suggested that September 2, 2020 might be a better alternative. Whereupon, on motion duly made and seconded, the meeting dates unanimously approved for 2020 are: February 19, May 20, September 2, and November 18.

The Board was also asked to review the meeting date for November 2019. There being no issues around that meeting date, it remains scheduled at November 13, 2019.

GOT ZOOM

Mr. Hinders reported that one school district is moving forward with offering GotZoom to its employees.

KANSAS SCHOOL DISTRICTS

The Trust now has an Affiliation Agreement in place that provides the same program for Kansas school district affiliates as for current participating districts, except that Kansas districts serve as the plan sponsor. Since the Agreement is in place, the Trust management team is re-engaging with districts in Kansas; namely, Topeka, Desoto (Johnson County), Topanga Springs and Shawnee-Mission.

TENNESSEE SCHOOL DISTRICTS

The Trust management team is just starting to engage with districts in the State of Tennessee.

FINANCIAL STATEMENT

Mr. Keyser reviewed the Financial Statement for the Trust for the period ending June 30, 2019, which reflects actual and accrued revenues and expenses. Since the Trust exceeded \$150 million in the Second Quarter, CBIZ lowered its fee by one-half bps to 6.5 effective for the quarter. The excess is included in the Trust revenue. VALIC's fee drops by one bps effective January 1, 2020. He reported that expense control is good, with reserves increasing \$16,000 from the First Quarter. Based on Second Quarter numbers, the revenue forecast is increased 4.9 percent, and assumes \$1 million per month in plan assets from existing participants, plus the addition of new participants. Of course, a market drop could offset some or all increases. After reviewing expenses for the first six months, budgeted expenses were decreased by 5 percent.

BOARD UPDATES AND REPORTS

MEMBERSHIP

New members added during the Second Quarter include Oak Grove, Citizens of the World Academy, Frontier Schools, and Kansas City Girls Preparatory Academy. All are located in the Kansas City area.

AIG-VALIC SUPPORT

Brainshark is complete and has been distributed. Social media efforts are beginning. Establishing a website for compliance material is being explored. Prototypes for the Restated Plan Documents for the 403(b) and 457(b) plans are being reviewed. They will be out to the Board of Advisors well in advance of the November 13 meeting.

VALIC REPORT

Richard Counts, Vice President of Business Development for AIG-VALIC, reported on Second Quarter VALIC activity. He stated that as of today (8/21/19), total plan assets are at \$160,475,102, and mutual fund assets are at \$151,959,908. There are 4,545 active participants in the Trust.

During the Second Quarter, financial advisors:

- Enrolled 472 new participants
- Developed 88 financial plans
- Attended 92 staff meetings
- Conducted 22 seminars
- Held 800 face-to-face meetings
- Conducted 77 lunch sits
- Attended 6 new teacher orientation/benefits fairs

CBIZ REPORT

Mr. Hinders' update is reported under "Change in Investment Lineup" and "GotZoom."

ADJOURNMENT

There being no other or further business to come before the Board of Advisors, upon motion duly made and seconded, the meeting adjourned at 1:45 p.m.

Respectfully submitted,
Elise Reineck, Recording Secretary
CSD Retirement Trust