

## 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, November 18, 2020, at 10:15 a.m. via Zoom. The meeting was called to order at 10:15 a.m. A list of attendees is incorporated into these minutes as Exhibit A.

### APPROVAL OF AGENDA

The Board was requested to approve the agenda for the November 18, 2020, Board of Advisors meeting. Trustee election was added to the proposed agenda. Whereupon, on motion duly made and seconded, the agenda as amended was approved.

### MINUTES

Minutes from the September 2, 2020, meeting of the Board of Advisors were presented for approval. There being no corrections or amendments to the minutes, upon motion made by Mrs. Johnson and seconded by Mr. Brooks, the said minutes were approved as presented.

### TRUSTEE ELECTION

At the September Board of Advisors meeting, it was announced that a Trustee election would be held in November. Those interested in submitting a nomination or expressing an interest in serving were asked to inform a Trustee or Mr. Keyser prior to the November meeting. Only one person's name was submitted, Dr. Robert Vogelaar, and he is willing to continue serving as a Trustee. There were no nominations from the floor, and nominations were closed. Thereupon, Mr. Lindhorst moved that Dr. Vogelaar be elected as a Trustee by acclamation, and Mrs. Gruber duly seconded the motion. Whereupon the Chairman called for a vote on the motion and the motion was approved unanimously, and Dr. Vogelaar was declared elected by acclamation for a three-year term as Trustee for the CSD Retirement Trust.

### INVESTMENT COMMITTEE MEMBER

With the departure of Brendan Mahon from Washington School District, there became an opening on the Investment Committee. Dion Edwards, Confluence Academy, was nominated to serve as a member of the Investment Committee, and he agreed to do so. There were no other nominations from the floor, and nominations were closed. Thereupon, Mr. Orr moved to elect Mr. Edwards to the Investment Committee, and Mr. Brooks duly seconded the motion. Upon the vote, the election of Mr. Edwards was approved unanimously by the Board of Advisors.

### GOVERNANCE TASK FORCE UPDATE

The Board of Advisors received an update about progress of the Governance Task Force. Task Force member Paul Northington reported that the charge of the Task Force is to determine if the current governance structure meets the Trust's future needs as it grows in members and expands geographically. The Task Force has met four times and reviewed the Trust's governance document along with governance documents of other consortia. Study and discussion were held on the impact of increased member employers and expansion of the geographic footprint could have on the efficiency and effectiveness of the current governance model. Demographic and other data about the Trust and governance models of other similar consortia were studied.

Based on those discussions, the Task Force developed preliminary recommendations, and those recommendations are included in the CSD Retirement Trust-Governance Task Force Status Report, incorporated into these Minutes as Exhibit B. Pro Forma Duties/Responsibilities-Board of Advisors, Executive Committee and Trustees, which is referenced in the Status Report, is incorporated into these Minutes as Exhibit C. Mr. Northington highlighted the recommendations developed by the Task Force, and he also pointed to the Pro Forma Duties/Responsibilities. He noted that a random drawing would be used to determine which Trustees and Executive Committee members would initially serve a one-, two- or three-year term to initiate the staggering terms.

One item that remains under review is filling vacated Trustee or Executive Committee positions during a term. Two methods were described, and the Board of Advisors was requested to provide thoughts or feedback to any of the Task Force members or to Steve Keyser on the matter.

The floor was opened for questions. Mr. Keyser was asked about Investment Committee and Trustee terms. It was suggested that the Trust consider changing to a July-June fiscal year, which follows the fiscal calendar used by school districts. It might help avoid Trustee and Executive Committee vacancies due to retirement. Mr. Keyser asked that if Board members have strong feelings about the matter to inform him or a member of the Task Force.

#### FUND CHANGES

Michael Dickson, AIG, reported that notifications were mailed to participants regarding three fund changes approved at the September 2, 2020 meeting. There will be a black-out date on December 2 (for 24 hours) to upload the change. While the Trust is not under ERISA requirements, notification to participants regarding the fund changes is in line with ERISA guidelines. The three funds are: Fidelity Total Bond Index Fund (replacing Vanguard Total Bond Index Fund), Fidelity 500 Index Fund (replacing Vanguard Institutional Index Fund), and the addition of Prudential Global Bond Fund. The fund changes become effective December 3, 2020, at which time account access would be restored from the black-out.

#### FINANCIAL STATEMENT AND FORECAST

The Board of Advisors was presented the financial statement for the period ending September 30, 2020 for the CSD Retirement Trust. Mr. Keyser reported that financially the Trust is in good shape. For the purpose of orienting new members to the Board of Advisors, Mr. Keyser reviewed in detail the quarterly report, noting the unique headcount, mutual fund assets, contributions and distributions and how they are calculated for the purposes of accurate reporting. He also reviewed expenses for the Trust, noting that there may be increased expenses for legal fees (due to Governance Task Force work) and fiduciary liability insurance (due to premium increases resulting from lawsuits against some investment companies, particularly in education). The Trust is waiting on a rate quote for the fiduciary liability insurance, which is expected in the next few weeks.

#### BOARD REPORTS AND UPDATES

##### GOALS

Mr. Keyser informed the Board of Advisors that ongoing goals for the Trust include maintaining low or reducing participant fees, participant financial literacy and education. He stressed the importance of a financially secure retirement for all participants.

##### PROSPECTS

Mr. Keyser reported that he has two promising leads with two districts, Oaklawn-Homewood in Illinois and Verona in Wisconsin.

## ASBO PRESENTATION

A presentation at the American Association of School Business Officials was made at its annual meeting. Mr. Keyser thanked Dwight Lindhorst and Mary Jo Gruber as presenters, and Mr. Eric Levy, AIG, as moderator. Mr. Keyser also thanked Molly Johnson and Brian Adesso for attending; the presentation went well with positive evaluations. The 30-minute video is posted to the website.

## DECEMBER 3 HAPPY HOUR

A virtual Happy Hour is being planned for about 50 prospective school districts where representatives from AIG, CBIZ, CSD-Greater Kansas City and the Trust will present a “state of the union” address on the Trust. It is hoped that interest in the Trust will be generated from this information event, and opportunities for further engagement will occur.

## GOT ZOOM and SAVI SURVEY

Elise Reineck stated that a link was sent to the Board of Advisors, connecting them to a 5-question survey regarding GotZoom and Savi. At this time, 26 districts have responded. She will be reaching out to the remaining 31 districts to obtain a response—first by e-mail, then by phone. The goal is to have 100 percent participation in the survey.

## CSD RETIREMENT TRUST WEBSITE

The Trust is receiving analytics about views and clicks on its website. The activity is higher than expected, and the activity will be reviewed to make sure the data being reported is correct.

## AIG REPORT

Catherine Harstick, AIG, reported that AIG continues its efforts to engage with participants through email communications, virtual meetings and webinars. While face-to-face communication has been severely limited with COVID, it has presented opportunities to use technology to engage with participants, resulting in increased engagement. They have been able to easily adapt webinars to hold them during evening and Saturday hours, with considerable success. Virtual appointments with financial advisors are being met with great responses due to convenience, efficiency and privacy. Some hybrid form of virtual and face-to-face meetings will most likely continue as the strategy going forward. It was suggested that a scheduling feature be added to the website for participants to set up appointments with financial advisors, and the suggestion was well received.

Mike Anderson, AIG, reported on the communication and engagement strategy being deployed in the Kansas City area. A financial wellness series was rolled out for Kansas City member districts, and it will continue into the 2021 calendar year. AIG also worked with Liberty School District to reach all new employees. It is part of a general financial wellness initiative in that district. Some 20 percent of new employees participated in retirement-ready consultations, and 12 percent were added to the Trust.

Mike Dickson, AIG, reported on metrics for the Trust. Total combined assets are at \$175,678,251 at the end of September. He also noted there are 806 participants enrolled in 403(b) managed accounts, representing a total of \$12,580,958; and 602 participants enrolled in 457(b) managed accounts, representing a total of \$3,916,907. Mr. Keyser noted that managed accounts represent less than 10 percent of total plan assets.

## CBIZ REPORT

Mr. Hinders reviewed the discussion and high points of the Investment Committee meeting. He stated the Committee had an extended meeting to continue its in-depth review of its current target date investment options. Further review and discussion will continue at the next meeting where additional information will be provided to the Committee.

Mr. Hinders reported that two funds are currently on the Watch List. T. Rowe Price Equity Income I continues to appear on the Watch List for underperformance over all monitored areas. Contributing to performance issues is a portfolio heavy in the energy sector, which is currently struggling. Vanguard Mid Cap Growth continues to appear on the Watch List. Turnover in management contributed to the fund's poor performance, and with new manager changes, it is showing improvement. The Vanguard fund holds approximately four percent of the Trust's assets; T. Rowe Price holds just under 4 percent of the Trust's assets. Mr. Hinders again reminded the Board about the change in funds that will become effective December 3, 2020.

He then shared information about the in-depth review of current investment options. He stated the Committee is focused on studying current target date fund offerings. The Committee conducted a video conference call with representatives from Vanguard, a passively managed index fund. It is a "flag ship" fund for the Trust, holding over \$40 million in Trust assets. The Committee also conducted a video conference call with representatives from American Funds, the highest-rated, actively managed fund. Cory McComas presented a detailed analysis of both funds to the Investment Committee, comparing risk, returns and glidepaths. Committee members had several questions and requested further research and reports to be studied and discussed at its next meeting.

Mr. Hinders closed his report by highlighting Success Tracker, noting that it is a tool used by CBIZ to monitor and document fiduciary governance of the Trust. Success Tracker is continually updated as new tasks are added and others completed. He also shared an Investment Performance Sheet which tracks all funds in the Trust. The information contains 1-, 3- and 5-year performance, the category average, and the expense ratio. The document will be posted to the CSD Retirement Trust website and made available to all participants.

#### PROPOSED 2021 MEETING DATES

The Board of Advisors was presented proposed meeting dates for the 2021 calendar year. The dates are:

- February 17, 2021
- May 19, 2021
- August 25, 2021 OR September 1, 2021
- November 17, 2021

It will be important to receive feedback from the Board about the proposed dates, particularly the meeting in August/September since it is scheduled to accommodate the start of school. Please send thoughts or preferences to Mr. Keyser as soon as possible.

#### ADJOURNMENT

The purpose of the meeting having been accomplished, the meeting adjourned at 12:02 p.m.

Respectfully,

Elise Reineck  
Recording Secretary  
CSD Retirement Trust

Exhibit A—November 18, 2020, Board of Advisors Attendees

Name	District
Anita Brace	Wright City
Brian Adesso	Menasha Joint
Carlton Brooks	Ferguson-Florissant
Julie Corrigan	Warren County
Joel Cracchiolo	Lindbergh
Kim Davis	Smithville
Julie Derby	Lift for Life Academy
Michael Dickson	AIG
Dion Edwards	Confluence Academy
Steve Fedchak	Affton
Christine Gierer	KC PSRS
Mary Jo Gruber	Clayton
Scott Hafertepe	University City
Jeff Haug	Special School District
Ed Hinders	CBIZ
Kathy Jackson	Hazelwood
Molly Johnson	Independence
Steve Keyser	CSD Retirement Trust
Dwight Lindhorst	Ritenour
Mike Anderson	AIG
Lanita Harrison	Webster Groves
Steve Griggs	EducationPlus
John McColloch	Washington
Sara McMillin	Lee's Summit
Matt Norrid	Brentwood
Paul Northington	Rockwood
Ron Orr	Pattonville
Phil Pusateri	Normandy
DeWana Schneider	Frontier
Tanya Shippy	Hogan Prep
Paul Shrout	CSD GKC
Daniel Steinbruegge	Rockwood
Gene Stephens	Ferguson-Florissant NEA
Kathy Vangorkom	Harrisonville
Bob Vogelaar	Liberty
Jeremy Way	Wright City
Rhonda Woods	Warren County
Catherine Harstick	AIG
Mike O'Connell	Jennings
Sandy Wiley-Skinner	Webster Groves
Leslie Paillou	EducationPlus
Susan Dawson	Valley Park
Brian Whittle	Parkway
Steve Williams	Lee's Summit
Preston Sterett	Bayless
Paul Fedchak	KIPP St. Louis
Elaine Morgan	KCPS
Joann Kite	Webster Groves

## **CSD RETIREMENT TRUST-GOVERNANCE TASK FORCE**

### STATUS REPORT

**MEMBERS:** Brian Adesso (Menasha Jt.), Carlton Brooks (Ferg-Flor), Christine Gierer (KCPSRS), Mary Jo Gruber (Clayton), Dwight Lindhorst (Ritenour), Paul Northington (Rockwood), Ron Orr (Pattonville), Mark Stockwell (M.U.S.I.C.) and Robert Vogelaar (Liberty).

**TASK FORCE CHARGE:** DETERMINE IF CURRENT GOVERNANCE STRUCTURE MEETS THE TRUST'S FUTURE NEEDS AS IT GROWS IN MEMBERS AND EXPANDS GEOGRAPHICALLY. IF NOT, RECOMMEND ALTERNATIVE STRUCTURE.

**BACKGROUND:** If the Trust maintains its current governance structure, the Board of Advisors (BOA) as a decision-making body could become too large to operate effectively. And, for every 10 employers added to the Trust, it will add one Investment Committee member which could impact the effectiveness of that body. As the Trust grows, will the current governance structure continue to be the best one for making decisions and representing all employers regardless of size or location?

#### **Task Force Activity:**

- Met four times (8/5, 8/26, 10/7 & 10/21).
- Reviewed the Trust's governance document focusing on the current duties/responsibilities of the Trustees, BOA and Investment Committee.
- Reviewed governance documents for M.U.S.I.C. (Missouri school district property and casualty insurance consortium) and the Egyptian Trust (Illinois school district health insurance consortium).
- Discussed how increases in member employers and expanding the Trust's geographic footprint could impact governance efficiency and effectiveness in the future.
- Asked/received information on the breakdown of membership by type of employer and geographic location.
- Discussed different governance models.

#### **Task Force Recommendations (PRELIMINARY)**

- Maintain current BOA and representation, i.e. each employer has one representative on the Board. BOA would separately elect three Trustees and eight Executive Committee (EC) members plus one union representative (from a member employer), serving as an ex-officio member of the EC (see **PROFORMA DUTIES/RESPONSIBILITIES-BOARD OF ADVISORS, EXECUTIVE COMMITTEE AND TRUSTEES** for details). The BOA would meet annually with the EC (normally in November). BOA members could attend any meetings of the EC or ad hoc committees during the year.
- Establish an eight-person EC (plus one union representative) that would include duties/responsibilities of the current Investment Committee (IC) and some from the BOA. EC would meet quarterly (normally Feb/May/Aug-Sept/Nov). Meetings would be open to the BOA and guests.

- Maintain three Trustees. Trustees would meet quarterly with the EC.
- Duties/responsibilities of the EC/Trustees outlined in the document noted above.
- Create a Nominating Committee (Standing Committee):
  - Committee would be 3-5 BOA members who do not intend to run for a Trustee or EC position in the following year. Committee membership should reflect the composition of the BOA in terms of both the type of employer (i.e. school district, charter, educational assn.) and the geography of the Trust members.
  - The BOA would select the Committee for the following year at its annual meeting (November).

**NOTE: THE PROCESS BELOW IS EFFECTIVE BEGINNING IN NOVEMBER 2022. WE WILL NEED A TRANSITION PROCESS FOR ELECTIONS IN NOVEMBER 2021 FOR TRUSTEES AND EC MEMBERS BEGINNING SERVICE IN 2022.**

- At the second EC meeting of the year (normally in May), committee would outline the process for BOA members interested in being a Trustee or EC member for the following year. The committee would outline desired criteria and experience for candidates. The committee should be mindful of ensuring the slate of nominees presented reflects both the type of employer and the geography of the Trust members. Each Trustee and EC member will serve a three-year term. We will stagger the terms, i.e. the BOA will elect one Trustee and three EC members each year (includes the union rep one year).
- At the third EC meeting of the year (normally in Aug-Sept), committee will propose a slate for the open Trustee and EC member positions. The committee will email the slate to the BOA and answer any questions, as applicable.
- Committee will establish a process and timeframe for any BOA member not included in the committee's slate to become a nominee.
- BOA would vote at the Nov meeting for Trustee & EC members to take office on January 1 of the following year.
- Following the Nov 2021 election, the nominating committee will, using a random drawing, determine which Trustees and EC members will initially serve a one, two or three-year term to initiate the staggering of terms.
- **(STILL UNDER REVIEW)** In the event that an EC and/or Trustee position should come vacant unexpectedly during a term and outside the annual election process, the EC could appoint through its own transparent process and update the BOA. This could be done in one of two ways:
  - The appointment could be to fill out the remainder of the term of the vacated seat, or
  - The appointment could be until the time of the annual election, when the BOA would then formally elect either the appointee or some other nominee to serve out the remainder of the term.

Exhibit C—Pro Forma Duties & Responsibilities

CSD RETIREMENT TRUST

PRO FORMA DUTIES/RESPONSIBILITIES-TRUSTEES & EXECUTIVE COMMITTEE

DECISION/ACTION	TRUSTEES	EXEC CMTE	BOA	REMARKS
Select Registered Investment Advisor (RIA), and fees payable		X		
Contract w/RIA	X			
Determine participant fees		X		
Determine reserve balance		X		
Develop/Amend Investment Policy Statement		X		
Approve changes in the investment policy	X			
Review/select/monitor performance/change investment options		X		
Approve changes to investment options	X			
Cause annuity contracts to be issued	X			
Enter into custodial agreements for custody/ care/protection of Trust funds	X			
Maintain records and make available for inspection	X			
Establish accts. for deposits	X			
Receive/hold contributions delivered to Trustees	X			
Pay all Trust obligations/ expenses	X			
Maintain all records/notices	X			
Plan Sponsor/Fiduciary	X			
Select service providers for Contract Administrator, annuity contracts, custodial accounts and other services, and fees payable		X		
Contract with service providers for Contract Administrator, annuity				



contracts, custodial accounts, Managing Director and other Service Providers and fees payable.	X			
To interpret/construe the provisions of this Agreement and to determine all questions arising in connection with administration of the Trust.	X			
To adopt such policies/rules/procedures as they deem necessary/proper for efficient administration of the Trust. To settle/compromise/arbitrate any claim/debt/obligation due to or from the Trust, to commence or defend suits or legal proceedings and to represent the Trust in all suits or legal proceedings in any court of law or before any other body or tribunal.	X			
To perform any other acts, execute all such instruments, and exercise all such rights, powers and duties in the name of and on behalf of the Trust and the Plan as they may in good faith deem necessary and proper to carry out their powers and duties hereunder.	X			FYI-Currently the Trustees can amend the Declaration of the Trust. Those changes are effective 30 days after notice to the BOA.
Act as an advisory board to the Trustees with respect to all matters relating to the Plan and Trust.		X		
Elect/remove Executive Committee members and any <b>standing</b> or ad hoc				

Committees of the BOA established from time to time.			X	
Elect/remove the Trustees			X	
Approve any decision to terminate the Plan and the Trust			X	
Approve all changes to the governance structure of the Trust			X	
<b>EXPECTATION:</b> Regularly attend BOA meetings and be an active participant in the BOA.			X	
<b>EXPECTATION:</b> Promote the Trust and related services to their district/charter and their employees			X	