

MINUTES

BOARD OF ADVISORS CSD RETIREMENT TRUST 305 St. Louis Avenue, Box 254 St. Louis MO 63088

The CSD Retirement Trust Board of Advisors met on Wednesday, May 19, 2021 at 10:15 a.m. via Zoom. The meeting was called to order, and attendance was taken. A list of participants is incorporated in these Minutes as Exhibit A, pages 1-2.

OVERVIEW AND INTRODUCTIONS

It was announced that Christine Gierer from the Kansas City Public School Retirement System is retiring from her position effective May 31. She was thanked for her support of and service to the Trust. Jim Roehner will assume her position effective June 1 and will be the KC PSRS representative on the Board of Advisors.

APPROVAL OF AGENDA

The Board of Advisors was presented the agenda for the meeting. There being no additions or deletions to the list of topics to be covered, Ms. Johnson moved to accept the agenda. Dr. Vogelaar duly seconded the motion, and upon the vote, the motion carried.

APPROVAL OF MINUTES

The Board of Advisors was presented minutes from the February 17, 2021 fourth quarter meeting. There being no corrections to the minutes, and upon motion made by Mr. Lindhorst and seconded by Mr. Northington, the minutes were approved as presented.

TRUSTEES REPORT

Mr. Lindhorst announced that the Trustees were pleased to welcome Richard Counts as the new Managing Director of the CSD Retirement Trust. Mr. Counts will begin the transition process August 1 and will officially take the reins on December 31, 2021. Mr. Counts stated he was excited and honored to serve and looks forward to leading the Trust. He thanked Mr. Keyser for his outstanding leadership over the last 11 years, acknowledging he has big shoes to fill.

ACTION ITEMS

INVESTMENT COMMITTEE REPORT AND RECOMMENDATIONS

Ron Orr, Investment Committee Chairman, reported that the Investment Committee received a detailed report on sector funds and self-directed brokerage accounts (SDBA). These

matters were brought before the Investment Committee because of requests by current participants, financial advisor/professionals, or prospective districts looking to join the Trust. Following due discussion, the Investment Committee approved the addition of self-directed brokerage accounts but did not add sector fund accounts to the investment line-up because those funds may be accessed through the SDBA. It was further explained that there is an annual fee associated with SDBA that is charged directly to the participant, and there is a multi-step enrollment process designed to protect the participant and contains restrictions, disclosures and other forms of documentation. Thereupon, Mr. Orr moved that the Board of Advisors approve the Investment Committee's recommendation to add self-directed brokerage accounts (Schwab Persona Choice Retirement Account) to the Trust's investment options, and that investment in such accounts would be limited to 50 percent of a participant's plan assets. Dr. Vogelaar duly seconded the motion, and upon the vote, the motion carried unanimously.

APPROVAL OF RESTATED PLAN TRUST AGREEMENT

The Board of Advisors was requested to adopt the Restated Plan Trust Agreement, which was emailed to all members of the Board of Advisors on May 4 in advance of the meeting. The document would become effective July 1, 2022. It was explained that an ad hoc Governance Task Force met in a series of meetings and was charged with the task of examining the current governance structure to determine if it remains an appropriate and viable model in light of future growth and geographic expansion, and what changes to the current structure might be recommended. The work of the Task Force resulted in the proposed Restated Plan Trust Agreement that is presented for adoption. Mr. Keyser called for questions about the document, and there being no questions or discussion, Dr. Vogelaar moved that the Board of Advisors adopt the Restated Plan Trust Agreement as presented. Ms. McMillin duly seconded the motion, and upon the vote, the motion carried unanimously.

Mr. Keyser then outlined a proposed transition plan to move operations to the new governance model. The plan includes formation of a transition Nominating Committee that would identify a slate of candidates to serve as either Trustees or as members of the Executive Committee. The Nominating Committee's work is particularly important because it would be developing criteria and a process going forward for electing the Trust's leadership. Those interested in serving on the Nominating Committee may express interest by contacting him, or he would follow-up with email communications to prospective Committee members.

APPROVAL OF 457(b) PLAN DESIGN

The Board of Advisors was requested to adopt the proposed 457(b) Plan Design. It was explained that the Trust worked with AIG's Legal and Compliance Departments to develop the plan using the IRS-approved prototype. Mr. Keyser called for questions about the document, and there being no questions or discussion, Mr. Lindhorst moved that the Board of

Advisors adopt the 457(b) Plan Design as presented. Mr. Kaup duly seconded the motion, and upon the vote, the motion carried unanimously.

ELIGIBLE EMPLOYEE COUNT AND DISTRICT POINT OF CONTACT

Board members were alerted that they would be receiving requests for updated eligible employee numbers and for updated contact information for the Board of Advisors representatives and district/employee communications points of contact. This information is collected annually, and prompt responses would be greatly appreciated. The eligible employee account is very important because it is used to gauge participation levels for each employer and to help the Trust and AIG Finance Professionals focus efforts on engaging employees at the Trust's member employers.

FINANCIAL STATEMENT

The Board was presented the quarterly financial statement for the period ending March 31, 2021 and the financial forecast for 2021-2023. Mr. Keyser reported that the Trust is in good shape and plan assets continue to grow. He noted contributions were only \$500K over distributions, and this will be closely monitored. He further noted the First Quarter Distribution report and highlighted distributions to PSRS and PEERS, along with distributions to other entities.

Mr. Keyser then directed attention to the Trust's balance of \$224,820 reflected on the Profit/Loss statement. While funds have been budgeted accordingly, he noted the following will impact the balance:

- Legal fees for Plan Trust Agreement and other document review and changes Q1;
- Crime insurance policy renewal in Q2;
- Fiduciary liability insurance renewal in Q4;
- Possible fiduciary liability insurance premium increase due to increase in plan assets and industry litigation;
- Membership in state education associations (MASA, MARE, MOASBO) and advertising;
- Return to traditional marketing model and travel in Fall 2021, and full-year return in 2022, 2023;
- Higher personnel expenses in 2021 to cover transition with new Managing Director.

BOARD REPORTS AND UPDATES

CESA 5 & 6 MEETING

Mr. Keyser reported that he had a recent meeting with the Chief Financial Officer of CESA 5 in Wisconsin. It is an education service agency serving approximately 35-40 school districts

in Wisconsin. He is hoping the phone call will lead to a presentation. He thanked Brian Adesso for making the connection.

ST. LOUIS AND KANSAS CITY FINANCIAL PROFESSIONALS

A meeting on March 18 with financial professionals from the St. Louis and Kansas City area was held. It was a good meeting. Ideas for future investment options come from these meetings.

AIG DIVISION VICE PRESIDENTS AND BUSINESS DEVELOPMENT PERSONNEL

A recent meeting with AIG Division Vice Presidents and Business Development personnel representing multiple states was held. It was a very positive meeting and will help the Trust expand geographically.

EMPLOYEE ENGAGEMENT AND AIG COMMUNICATION AND EDUCATION

Kitty Harstick reported that monthly workshops continue to be held on the topics of student loans, financial wellness, SAVI and PSRS/PEERS. Topics receiving the highest level of interest are on SAVI and PSRS/PEERS. Mike Anderson also mentioned that the topic of Social Security receives considerable interest from employees.

Ms. Harstick asked the Board of Advisors to consider granting their district's respective financial advisor/professional about 5-10 minutes at back-to-school meetings, open enrollment or other staff meetings to inform employees about the Trust.

GOT ZOOM UPDATE

Mr. Hinders announced that a co-branded brochure on Got Zoom is now available. It is a new marketing piece that districts may find helpful as they share information about Got Zoom with their employees.

Mr. Hinders also shared a report on savings by district employees who engaged the services of GotZoom. The report showed the current monthly student loan payment, the new loan payment, monthly savings, percentage of savings, term reduction, and annual savings for seventeen employees. The combined savings for the 17 employees came to \$1,424,754, a very impressive savings.

ARTICLE: REFORM NEEDED TO IMPROVE TEACHERS' RETIREMENT PLANS

Mr. Keyser reminded the Board about a recent article he shared entitled, "Reform Needed to Improve Teachers' Retirement Plans." The article is relevant and timely as it pertains to the Trust. He has reached out to the author of the article to discuss how the Trust is a solution to many problems identified in the article.

ARTICLE: AIG CASE FOR THE SINGLE PROVIDER

Mr. Dickson shared an article entitled, “AIG Case for the Single Provider.” It is published by AIG to be used to engage with AIG’s existing districts that are not in the Trust and serves as a marketing tool with prospective districts.

AIG REPORT

PLAN ASSETS

Mr. Dickson reported on Plan Assets as of March 31, 2021. They were:

403(b): \$165,983,409

457(b): \$40,683,947

Total: \$206,667,356

Plan assets as of today (May 19, 2021, including annuity assets) are over \$220 million.

GUIDED PORTFOLIO SERVICES

Mr. Dickson reported that there will be a fee waiver for participants enrolled in Guided Portfolio Services who have an account balance under \$5,000. This became effective April 1, 2021, and a letter was sent to those impacted. Those enrolled in Guided Portfolio Services over 12 months with no contributions in the last 18 months will be terminated.

CBIZ REPORT

FIDUCIARY REGISTERED INVESTMENT ADVISORY SOLUTION

TOP TEN

Mr. Hinders shared a Top Ten presentation on considerations when evaluating a single provider consortium solution. The considerations include:

- Serving as plan sponsor;
- Considering a single provider;
- Reducing visitors to schools;
- Focusing on participant education;
- Lower fees;
- Investment options;
- Investment monitoring;
- Flexible contributions;

- Purchasing service credits;
- Improving the bottom line.

SUCCESS TRACKER

Mr. Hinders reminded the Board about Success Tracker, a quality-control document that is a tool used to track fiduciary, governance, communications, fees, investment, plan design, and administration activities as they relate to the Trust. It is updated and monitored each quarter to reflect completion of tasks and activities.

FIRST QUARTER INVESTMENT REVIEW AND FUND PERFORMANCE

Mr. Hinders reported that the Investment Committee received a comprehensive report on First Quarter investments and fund performance. There are no funds on the Watch List at this time. Funds in the Plan continue to outperform primary benchmarks. Participants investing in target date funds are receiving lower pricing since the last quarter due to a move to the Vanguard Target Retirement Fund Instl, which offers institutional pricing.

ANNUAL AIG FIXED ACCOUNT REVIEW

Mr. Hinders reported that as part of its due diligence, CBIZ conducted its annual review of AIG's fixed interest account, which is currently crediting 1.75 percent. The comprehensive review of the account shows that AIG's credit rating is very strong.

RETIREMENT MATTERS NEWSLETTER

Mr. Hinders reminded the Board about the *Retirement Matters* newsletter, which is published and distributed electronically on a quarterly basis. It contains timely and relevant articles on topics of interest to everyone, and he asked Board members to share it with all employees, not just participants in the Trust.

ADJOURNMENT

There being no other or further business to come before the Board of Advisors, on motion duly made and seconded, the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Elise Reineck, Recording Secretary
CSD Retirement Trust