

**Iowa Association of School Boards
Meeting Minutes**

**Iowa Schools Joint Investment Trust
Digital Meeting**

05/14/2020 11:00 AM

Notice of Meeting of the Board of Trustees
Iowa Association of School Boards
6000 Grand Avenue
Des Moines, IA 50312-1417

Trustees and Officers: **Kevin Powell**, Trustee and Chair; **Kyle Grimes**, Trustee and Vice Chair; **Lisa Bartusek**, Ex-officio Trustee and Secretary; **Paul Bobek**, Trustee and Treasurer and Assistant Secretary; **Elizabeth Brennan**, Trustee; **Bob Hendrix**, Trustee; **Susie Meade**, Trustee and **Karen Young**, Ex-officio Assistant Secretary.

Service Providers: **Beth Grob**, Ahlers Law Firm, Legal Counsel; Debra Spencer and Jennifer Vucinovich, **U.S. Bank**, N.A. ("USB"), Custodian; **Bethany Jessen**, RBC Global Asset Management U.S., Inc. ("RBC GAM"); Investment Advisor, **Jim Davis**, **Charlie Czachor**, **Paula Cooper** and **Paul Kruse**, PMA Financial Network ("PMA"), Administrator, FTA Provider and Marketer

Others: **Stephanie Rousseau**, Iowa Association of School Boards ("IASB")

Attendees

Voting Members

Kevin Powell, District #3 Director
Kyle Grimes, District #1 Director
Paul Bobek, CFO-West DSM CS & ISJIT Board of Trustees
Elizabeth Brennan, President-elect
Bob Hendrix, District #7 Director

Guests

Lisa Bartusek, IASB Executive Director
Stephanie Rousseau, IASB Executive Assistant
Karen Young, IASB Chief Financial Officer
Beth Grob, ISJIT Partner - Ahlers & Cooney (Counsel)
Bethany Jessen, ISJIT Partner - RBC Global Asset Mgmt
James Davis, ISJIT Partner - CEO, PMA Financial Network
Paula Cooper, ISJIT Partner - PMA Financial Network
Charlie Czachor, ISJIT - PMA Financial Network
Paul Kruse, ISJIT Partner - PMA Financial Network

Attendee

Laurie Noll - Trustee-elect

1. Call to Order

A quorum being present, Kevin Powell, Chair and Trustee, called the meeting to order at 11:16 a.m.

2. Roll Call

It is impractical due to public health directives and to the work schedules and the distance that some board members would have to travel to get to Des Moines to hold the meeting on the 14th day of May, 2020 with all persons in person. Thus the meeting will be held by electronic means pursuant to Section 21.8.2011 Code of Iowa. The public will be provided access to the meeting at 11:00 a.m. at IASB, 6000 Grand Avenue, Des Moines 50312-1417.

All voting members were present digitally except for Susie Meade

Board Members:

Kevin Powell

Kyle Grimes

Elizabeth Brennan

Bob Hendrix

Paul Bobek

Susie Meade

3. Approval of Agenda

Chair Powell stated that the first item on the agenda was to approve the agenda for the meeting.

A motion was made and seconded to approve the agenda.

Motion made by: Kyle Grimes

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

4. Approval of Minutes - January 29, 2020

Chair Powell stated that the next item on the agenda was the approval of the minutes of the January 29, 2020 meeting of the Board.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the minutes of the Meeting of the Trustees held on January 29, 2020, in the form presented, be, and they hereby are, approved.

Motion made by: Elizabeth Brennan

Motion seconded by: Paul Bobek

Voting

Unanimously Approved

5. Appoint Meade Replacement

Chair Powell then stated the Trustees are asked to consider the IASB Board of Directors' recommendation for an appointment to an open Board of Trustee seat on June, 2020.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees hereby elect Laurie Noll as a Trustee of the ISJIT Board for a term ending September 2021.

Motion made by: Bob Hendrix

Motion seconded by: Kyle Grimes

Voting

Unanimously Approved

6. Reports

a. Quarterly Treasurer's Report

Paul Bobek reviewed the materials attached to agenda item 6(a) that were provided to the Board members prior to the meeting.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees accept and approve the Treasurer's Report for the quarter ending March 31, 2020.

Motion made by: Bob Hendrix

Motion seconded by: Elizabeth Brennan

Voting

Unanimously Approved

b. Quarterly Administrator's Report

Mr. Czachor reviewed the materials attached to agenda item 6(b) of the Board materials.

A motion was made and seconded to approve the following resolutions:

RESOLVED, that the Trustees accept and approve the Administrator's Report, including the Compliance Certificate, for the quarter ending March 31, 2020; and

FURTHER RESOLVED, that the financial statements for the Portfolio for the period ended March 31, 2020 be approved as presented; and

FURTHER RESOLVED, that the Trustees, upon review of the reports of distribution of fees for the Diversified Portfolio for the period ended March 31, 2020, finds that the fees are in accordance with the Royalty as approved on May 14, 2019, and approves their payment;

FURTHER RESOLVED, that the Trustees ratify and confirm dividend payments made to Participants prior to the date of this resolution; and that the Trustees declare, as of 3:00 p.m., Central Time, on each business day hereafter until the next regular meeting of the Trustees a cash dividend payable to Participants of record immediately before 3:00 p.m., Central Time, consisting of the net income of ISJIT, since the previous business day, with such dividends to be paid to such Participants on the last business day of the applicable month. For the purpose of calculating dividends, the net income of ISJIT consists of any discount or premium to the date of maturity, less accrued expenses of ISJIT, and pursuant to the administrator agreement, the administrator is authorized and directed to make payment of continuing dividends, in additional units of ISJIT on a monthly basis.

Motion made by: Kyle Grimes

Motion seconded by: Paul Bobek

Voting

Unanimously Approved

c. Quarterly Marketing Report

Mr. Kruse reviewed the information attached to agenda item 6(c) and discussed the fund balances and trends.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees accept and approve the Marketer's Report, including the Compliance Certificate, for the quarter ending March 31, 2020.

Motion made by: Kyle Grimes

Motion seconded by: Elizabeth Brennan

Voting

Unanimously Approved

d. Quarterly Adviser's Report

Ms. Jessen provided an overview of current economic conditions and portfolio composition and reviewed the materials attached to agenda item 6(d).

A motion was made and seconded to approve the following resolutions:

RESOLVED, that the Trustees accept and approve the Adviser's Report, including the Compliance Certificate, for the quarter ending March 31, 2020; and

FURTHER RESOLVED, that the Board of Trustees accepts and approves all transactions for the Diversified Portfolio for the quarter ended March 31, 2020; and

FURTHER RESOLVED, that the composition of the Portfolio, including the market value per share and the daily average portfolio maturity for the quarter ended March 31, 2020, be approved as presented;

Motion made by: Paul Bobek

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

e. Quarterly Custodian Report

Ms. Vuchinovich/Ms. Spencer reviewed the materials attached to agenda item 6(e).

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees accept and approve the Custodian's Report, including the Compliance Certificate, for the quarter ending March 31, 2020.

Motion made by: Bob Hendrix

Motion seconded by: Kyle Grimes

Voting

Unanimously Approved

f. Quarterly Legal Counsel Report

Ms. Grob reviewed the information attached to item 6(f).

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees accept and approve the Legal Counsel's Report, including the compliance Certificate, for the quarter ending March 31, 2020.

Motion made by: Bob Hendrix

Motion seconded by: Elizabeth Brennan

Voting

Unanimously Approved

7. New Business

a. Net Yield to Participants

Chair Powell turned to Ms. Jessen and Mr. Davis for their report and recommendation to set the minimum net yield basis point to participants.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Board of Trustees approves the minimum net yield payable to Participants be set to 0.005% basis point.

Motion made by: Kyle Grimes

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

b. Approve Administration Fund Fiscal Year 2021 Budget

Chair Powell asked Mr. Bobek to present the Administration Fund Budget for Fiscal Year 2020. Mr. Bobek reviewed the information attached to agenda item 7(b) of the Board materials.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Fiscal Year 2021 Administrative Fund Budget as presented is hereby approved.

Motion made by: Bob Hendrix

Motion seconded by: Kyle Grimes

Voting

Unanimously Approved

c. Auditor Engagement Letter

Chair Powell turned to Ms. Young for approval of the Auditor Engagement Letter for Fiscal Year 2020. Ms. Young directed the Trustees to the engagement letter behind agenda item 7(c) of the Board materials. Young discussed the audit RFP process and indicated this was the third and last year covered by the RFP.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Engagement Letter of BerganKDV for Fiscal Year 2020 as presented is hereby approved.

Motion made by: Kyle Grimes

Motion seconded by: Elizabeth Brennan

Voting

Unanimously Approved

d. D&O/E&O Coverage

The Chair stated the next item on the agenda was the annual approval of Directors and Officers Liability Insurance policy. Ms. Young reviewed the policy limits and the estimated premium. Ms. Young also reported she recently received the actual premium -- \$9,478 which is under budget.

A motion was made and seconded to approve the following resolutions:

RESOLVED, that after taking into consideration all relevant factors concerning the Directors and Officers Liability Insurance coverage, including the amount of the premium, the Trustees do, and they hereby have, approved CHUBB Insurance Company as the carrier for Directors and Officers Liability Insurance in the amount of \$1,000,000 and the payment of the annual premium in the estimated amount of approximately \$12,000; and

FURTHER RESOLVED, that the appropriate officers of ISJIT be, and they hereby are, authorized to execute and deliver such documents as may be necessary to commence coverage contemplated hereby.

Motion made by: Bob Hendrix

Motion seconded by: Elizabeth Brennan

Voting

Unanimously Approved

8. Review and Approve Investment Advisor Agreement

Chair Powell then turned to Ms. Grob who presented the Board with the Investment Advisor Agreement.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Investment Advisory Agreement between ISJIT and RBC Global Asset Management (U.S.) Inc. dated July 1, 2020 through June 30, 2025 is hereby approved and the President and Secretary be and are hereby authorized to execute

the attached Agreement.

Motion made by: Kyle Grimes

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

9. Review and Approve Marketing/Administrator Agreement

Chair Powell then turned to Ms. Grob who presented to the Board the Marketing/Administrator Agreement.

Digital meeting connection was lost at 1:08 p.m. Meeting reconvened at 1:14 p.m. with all voting members being present as stated at the beginning of the meeting.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Administrator, Marketing, and Fixed Term Automated Agreement between ISJIT and PMA Financial Network, LLC and PMA Securities, LLC dated July 1, 2020 through June 30, 2025 is hereby approved and the President and Secretary be and are hereby authorized to execute the attached Agreement.

Motion made by: Elizabeth Brennan

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

10. Review and Approve Investment Policies

Chair Powell turned to Ms. Jessen and Ms. Grob for the annual approval of the ISJIT Investment Policy and the Administrative Fund Investment Policy. Ms. Grob reviewed the policies attached to agenda item 10 in the Board materials.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees hereby approve the ISJIT Investment Policy and the ISJIT Administrative Fund Investment Policy in the form attached hereto.

Motion made by: Bob Hendrix

Motion seconded by: Paul Bobek

Voting

Unanimously Approved

11. Review and Approve Financial Depositories

Chair Powell asked Mr. Czachor for the review and approval of financial depositories. Mr. Czachor presented the report in the Board materials behind agenda item 11 on

financial depositories participating in the Fixed Term Program and those approved for direct investment by the Diversified Fund. Mr. Czachor reviewed the additions and deletions to the list of participating financial depositories.

A motion was made and seconded to approve the following resolution:

RESOLVED, that the Trustees determine that the certificates of deposit issued by Iowa Banks as set forth are first tier securities and that the list of banks approved for issuing the certificates of deposit present minimal risk of default based upon PMA's credit analysis for the quarter ended March 31, 2020.

Motion made by: Kyle Grimes

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

12. Confirmation of Upcoming Meeting Dates

Ms. Grob noted upcoming meeting dates for the remainder of calendar year 2020.

13. Adjourn

A motion was made and seconded to adjourn the meeting.

The meeting adjourned at 1:21 p.m.

Motion made by: Kyle Grimes

Motion seconded by: Bob Hendrix

Voting

Unanimously Approved

Board Chairperson

Secretary