

Iowa Association of School Boards
Meeting Minutes

Iowa Schools Joint Investment Trust
09/20/2018 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: **Jon Rowen**, Trustee and Chair; **Lisa Bartusek**, Ex-officio Trustee and Secretary; **Paul Bobek**, Trustee and Treasurer and Assistant Secretary; **Jill Morrill**, Trustee; **Bill Grove**, Trustee; **Susie Meade**, Trustee; **Troy Padellford**, Trustee and **Kevin Powell**, to be appointed Trustee.

Service Providers: **Beth Grob**, Ahlers Law Firm, Legal Counsel; **Matthew Dwenger** and **Jenny Blankenship**, Wells Fargo, N.A. ("WF"), Custodian; **Scott Cabalka**, RBC Global Asset Management U.S., Inc. (RBC GAM"), Investment Advisor, **Jim Davis**, **Paula Cooper**, **Charlie Czachor** and **Paul Kruse**, PMA Financial Network ("PMA"), Administrator, FTA Provider and Marketer

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

Attendees

Trustees:

Susie Meade, ISJIT Trustee
Jill Morrill, ISJIT Trustee/Vice Chair
Troy Padellford, ISJIT Trustee
Bill Grove, ISJIT Trustee/Vice Chair
Kevin Powell, ISJIT Trustee
Lisa Bartusek, Ex-Officio Trustee

Absent:

Paul Bobek, ISJIT Trustee/Treasurer/Assistant Secretary
Jon Rowen, ISJIT Trustee/Chair

Also Present:

Patricia Wright, Iowa Association of School Boards
Stephanie Rousseau, Iowa Association of School Boards
Beth Grob, ISJIT Partner - Ahlers Law Firm
Paula Cooper, PMA Financial Network (phone)
James Davis, PMA Financial Network
Paul Kruse, PMA Financial Network
Scott Cabalka, RBC Global Asset Mgmt
Jenny Blankenship, Wells Fargo
Matthew Dwenger, Wells Fargo

Ted Lodden, Brooks Lodden, P.C.
John Koppes, Brooks Lodden, P.C.

1. Call to Order

A quorum being present, Secretary Bartusek called the meeting to order at 11:00 a.m.

2. Approval of Agenda

Secretary Bartusek stated 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: Jill Morrill

Motion seconded by: Susie Meade

Voting

Susie Meade - Yes

Jill Morrill - Yes

Troy Padellford - Yes

Bill Grove - Yes

3. Approval of Minutes-May 17, 2018

Secretary Bartusek stated the next item on the agenda was the approval of the minutes of the May 17, 2018 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 May 17, 2018 in the form presented, be, and they hereby are, approved.

Motion made by: Troy Padellford

Motion seconded by: Jill Morrill

Voting

Susie Meade - Yes

Jill Morrill - Yes

Troy Padellford - Yes

Bill Grove - Yes

4. Election of Trustees

a. Term Ending 2021

Secretary Bartusek then stated the next agenda item is for the Board to consider for election Jon Rowen and Susie Meade as Trustees of ISJIT for a term ending September, 2021 and Kevin Powell as Trustee for a one year term ending September 2019.

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

RESOLVED, that the Trustees hereby elect Jon Rowen and Susie Meade as Trustees of ISJIT for a term ending September, 2021; and

FURTHER RESOLVED, that the Trustees hereby elect Kevin Powell as Trustee of ISJIT for a one year term ending September, 2019.

Motion made by: Jill Morrill

Motion seconded by: Troy Padellford

Voting

Susie Meade - Yes

Jill Morrill - Yes

Troy Padellford - Yes

Bill Grove - Yes

5. Election of Officers (one-year term)

Secretary Bartusek then stated the next item on the agenda was the election of officers.

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

RESOLVED, that the Trustees hereby elect the following officers for one (1) year terms: Chair: Jon Rowen; Vice Chair: Bill Grove; Treasurer and Assistant Secretary: Paul Bobek

Motion made by: Susie Meade

Motion seconded by: Troy Padellford

Voting

Unanimously Approved

6. Review and Approve General Purpose Resolution

Secretary Bartusek turned the gavel to Vice Chair Grove at 11:04 a.m.

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

RESOLVED, that, without in any way limiting the power, authority or discretion elsewhere granted or delegated, the Trustees of ISJIT authorize and direct the Chair, Vice-Chair, Secretary and Treasurer and all other officers, officials, employees and agents of ISJIT to carry out and perform actions as they, in consultation with Trust counsel, the Administrator, the Adviser, the Custodian and their counsel, consider necessary, advisable, desirable or appropriate to carry out the business of ISJIT in accordance with the Administration, Investment Advisory and Custodian Agreements, the Information Statement and other approved ISJIT documents, including without limitation and whenever appropriate the execution and delivery of such documents and certificates, the payment of such expenses and the taking of such other actions as may be reasonably necessary to implement directions and instructions approved by the Trustees. The execution and delivery of these documents and the taking of such actions shall constitute conclusive evidence of approval by the Board of Trustees, and any such actions taken prior to the date hereof are hereby ratified and confirmed in all material respects.

Motion made by: Troy Padellford
Motion seconded by: Kevin Powell

Voting
Unanimously Approved

7. Annual Report and Audit

a. Review and Accept Auditor's Report for Fiscal Year 2018

Vice Chair Grove turned to Ted Lodden to present the annual audit report to the Board. Mr. Lodden reviewed the report and issued an unmodified opinion regarding the financial statements and found no instances of material weaknesses, significant deficiency or material noncompliance.

b. Review and Approve ISJIT Annual Report as of June 30, 2018

Vice Chair Grove then turned to the Administrator for presentation of the ISJIT Annual Report for Fiscal Year ended June 30, 2018. Mr. Davis reviewed the draft report attached to agenda item 7(b). The Board reviewed and discussed the report.

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

RESOLVED, that the independent auditor's report for the fiscal year ended June 30, 2018, for ISJIT be, and it hereby is, accepted as presented after review and discussion.

RESOLVED, that the annual report for the fiscal year ended June 30, 2018, for ISJIT, be, and it hereby is, approved as presented.

Motion made by: Susie Meade
Motion seconded by: Troy Padellford

Voting:
Unanimously Approved

c. ISJIT 2017 Federal and State Tax Returns

Vice Chair Grove asked Ted Lodden to review the tax returns to be filed for fiscal year ended June 30, 2018.

8. Quarterly Reports

a. Quarterly Treasurer's Report

Ms. Cooper reviewed the materials attached to agenda item 8(a) that were provided to the Board members prior to the meeting.

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

RESOLVED, that the Trustees accept and approve the Treasurer's Report for the quarter ending June 30, 2018 as presented; and

FURTHER RESOLVED, that the Trustees ratify and confirm the payment of expenses from the Administrative Fund as indicated in the Treasurer's Report.

Motion made by: Susie Meade

Motion seconded by: Troy Padellford

Voting

Unanimously Approved

b. Quarterly Administrators Report

Mr. Davis then reviewed the materials attached to agenda item 8(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 June 30, 2018; and

FURTHER RESOLVED, that the financial statements for the Portfolio for the period ended June 30, 2018 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 June 30, 2018, finds that the fees are in accordance with the Service Provider Agreements and with the Sponsorship Agreement as approved on August 15, 2016, 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: Troy Padellford

Motion seconded by: Susie Meade

Voting

Unanimously Approved

c. Quarterly Marketing Report

Mr. Kruse reviewed the information attached to agenda item 8(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 June 30, 2018.

Motion made by: Kevin Powell

Motion seconded by: Susie Meade

Voting

Unanimously Approved

d. Quarterly Adviser's Report

Mr. Cabalka provided an overview of current economic conditions and portfolio composition and reviewed the materials attached to agenda item 8(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 June 30, 2018; and

FURTHER RESOLVED, that the Board of Trustees accepts and approves all transactions for the Diversified Portfolio for the quarter ended June 30, 2018; 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 June 30, 2018, be approved as presented;

Motion made by: Troy Padellford

Motion seconded by: Kevin Powell

Voting

Unanimously Approved

e. Quarterly Custodian Report

Mr. Dwenger reviewed the materials attached to agenda item 8(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 June 30, 2018.

Motion made by: Kevin Powell

Motion seconded by: Troy Padellford

Voting

Unanimously Approved

f. Quarterly Legal Counsel Report

Ms. Grob reviewed the information attached to agenda item 8(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 June 30, 2018.

Motion made by: Susie Meade

Motion seconded by: Troy Padellford

Voting

Unanimously Approved

9. New Business

a. Review and Approve Shadow Pricing Policy

Vice Chair Grove turned to Ms. Grob to discuss the Shadow Pricing Policy. Ms. Grob stated that the rating agency and compliance with the Governmental Accounting Standards Board require ISJIT have a mechanism in place to monitor the net asset value of the fund and procedures to address fluctuations. The amendments to the Policy reflect changes in the parameters of any fluctuation to comply with the rating agency's requirements.

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

RESOLVED, that the Trustees have reviewed and considered and hereby approve the Shadow Pricing Policy, substantially in the form attached.

Motion made by: Troy Padellford

Motion seconded by: Susie Meade

Voting

Unanimously Approved

10. Review and Approve Financial Depositories

Vice Chair Grove turned to Mr. Davis for the review and approval of financial depositories. Mr. Davis presented the materials attached to agenda item 10.

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 June 30, 2018.

Motion made by: Susie Meade

Motion seconded by: Troy Padellford

Voting

Unanimously Approved

11. Upcoming Meeting Dates

Ms. Grob noted upcoming meeting dates, including meeting dates for calendar year 2019.

12. Adjournment

Vice Chair Grove adjourned the meeting at 12:39 p.m.

Board Chairperson

Secretary