A regular combined meeting of the Finance Committee of the Board of Directors of Ewing Marion Kauffman School, Inc., and the Retirement Plan Committee of the Board of Directors of the Ewing Marion Kauffman School, Inc., a Missouri nonprofit corporation exempt from federal taxation under Internal Revenue Code § 501(c)(3), was held in the Marion Room at the Ewing Marion Kauffman Foundation in Kansas City, Missouri on February 10, 2020, pursuant to public notice provided at least 24 hours in advance.

The following directors were present in person: Aaron North and Tracy McFerrin. The following director participating by phone such that all could hear and be heard: Kristin Bechard.

Also present in person at the meeting was Robbyn Wahby, Executive Director of the Missouri Charter Public School Commission (the Sponsor for the Kauffman School), Tim Racer, Deputy General Counsel for the Ewing Marion Kauffman Foundation who served as recording secretary for the meeting, Jerrad Jones, Director of Finance & Strategy for the Kauffman School, and Joyce Jennings and Greg Koehler from Sageview, the retirement plan program manager for the Kauffman School’s retirement plan.

No other community members were present.

Mr. North chaired the meeting and Mr. Racer served as secretary. Mr. North called the meeting to order at 5:31 p.m. and welcomed those in attendance.

Mr. North introduced and welcomed Ms. Wahby with the MCPSA and the guests from Sageview and gave context for the meeting. Mr. North also previewed the agenda.

Finance Committee Meeting Minutes:

Mr. North then presented the minutes from the Finance Committee’s meeting on November 11, 2019. After discussion and upon motion duly made (McFerrin) and seconded (Bechard), the Finance Committee unanimously approved the minutes.

Retirement Plan Committee Discussions:

Mr. North then turned the meeting over to Mr. Jones who introduced the guests from Sageview. After a brief overview of the purpose of the meeting, Mr. Jones then introduced Mr. Koehler who led the discussion regarding the Retirement plan.

Mr. Koehler reviewed meeting minutes from the Sageview Investment Review Meeting that was held with various Kauffman School representatives on April 9, 2019. These minutes were attached beginning at page 5 of the Retirement Plan Committee meeting materials (the “RPC Board Packet”) that were distributed prior to this meeting. Mr. Koehler explained that Sageview shared these minutes to show the information it is considering as it serves as a fiduciary for the retirement plan, highlighting key points that Sageview monitors and that it
believes could impact the performance of the retirement plan investment options. This was informational only, there was no action taken with respect to these minutes.

Mr. Jones then reviewed the materials provided in the RPC Board Packet starting on page 10. Mr. Jones introduced the plan participation metrics chart on page 10 and turned the discussion back to Mr. Koehler to lead the discussion.

Highlights of the discussion included:
- There is a 60% participation rate among eligible Kauffman School employees in the program. The goal is for the participation rate to be higher, but no specific target has been identified.
- 95% of active participants are deferring money from their paychecks.
- There are no loans to plan participants outstanding at the current time.

Mr. Koehler then jumped to page 35 of the RPC Board Packet to review the funds that comprise the investment options available to plan participants. Mr. Koehler noted that:
- 99% of plan assets are invested in target date funds. Mr. Koehler also noted that the industry trend is that at least 80% of fund assets are normally invested in target date funds.
- Target Date funds are all funds of funds. All the Target Date funds invest exclusive in are other Fidelity mutual funds.
- The K6 designation in the RPC Board Packet by many of the funds denote that these are retirement designated funds and so the fees are lower than a “non-retirement” fund option. K6 is the share class and the fees are 25 basis points lower.
- Target Date funds are also the default if individuals do not make elections.

It was discussed that education and making sure that participants understand how the target date funds work and that they have invested in the one that is appropriate for them is a key goal for the upcoming year.

Mr. Koehler then reviewed information about how participants are accessing information about the plan, with the information beginning on RPC Board Packet page 54. A key takeaway is that a large number of individuals are visiting web sites and platforms via mobile devices.

Mr. Koehler then reviewed general market and economic performance headlines from 2019. This information started on page 63 of the RPC Board Packet.

Mr. Koehler then reviewed new SECURE Act requirements that were reflected on RPC Board Packet page 80. One change of note is that hardship withdrawals are now permitted for adoption and childbirth expenses. The SECURE Act regulatory changes will impact the plan.

Ms. Joyce then reviewed fund performance information on page 103 of the RPC Board Packet which showed how the Target Funds in which most participants are investing are comparing to their peer funds. A large majority of the target date funds are in the 2nd quartile. Those that are in the 3rd quartile are in that quartile by a very small percentage.

Mr. Koehler then reviewed the investment policy statement beginning on page 152 of the RPC Board Packet and focused on the information on page 154. He reiterated that the purpose of this investment policy statement is to make sure Sageview and the EMKS Retirement Plan Committee have a common vision regarding how the assets in the plan are invested.
commented that Legal Counsel (including John Tyler, General Counsel, and Phil McKnight, outside counsel) have reviewed this investment policy statement and have agreed that it is in acceptable form. At some point in the future, this policy statement will need to be approved by the Retirement Plan Committee.

- Ms. Bechard asked whether an evaluation of the fees for investment options should be incorporated as an evaluation component.
- Mr. Koehler did note that there is an evaluation methodology that does incorporate fees. It was noted that Sageview is compensated by the Kauffman School directly and that the Platform fees identified are also paid by the School directly. However, the fund fees are paid for by plan participants.

Upon completion of the presentation, Ms. McFerrin moved, and Ms. Bechard seconded that the Investment Policy Statement from page 152 to page 166 of the RPC Board Packet as distributed in advance of the meeting be adopted. After discussion, the Investment Policy Statement was unanimously approved. Mr. North and Mr. Jones confirmed that this Policy Statement is not going to be presented to the full board for approval.

Mr. Jones noted that the school’s plan participants have been enthusiastic about Sageview’s service and that Mr. Koehler has been very flexible in meeting with participants.

Mr. Jones then reviewed the plan document. This document is a full 250 plus page overview for how the plan is operated and establishes the parameters for what Fidelity is permitted to do in the management of fund assets. Sageview then assists the School in monitoring Fidelity’s compliance with this plan. This plan has been reviewed by outside counsel (again Phil McKnight).

Mr. Jones outlined the plan to conduct an annual audit of the retirement plan utilizing an independent auditor. This annual audit will be shared with the Retirement Plan committee each year.

The Plan Document which began on page 167 of the RPC Board Packet was then discussed. After discussion, it was motioned (Bechard) and seconded (McFerrin) that the committee recommend the full school board approve the plan document that is documented from page 167 to page 338 of the RPC Board Packet distributed in advance of the meeting. The plan document was then approved unanimously.

Mr. Jones then reviewed the 403(b) Retirement Plan audit covering the year ended 12/31/2018. The auditor’s report (which is listed on page 339 of the RPC Board Packet) reflected no adverse findings.

- The auditor selection process was discussed. CBIZ was selected previously in large part because of their familiarity with the plan when it was operated in conjunction with the Ewing Marion Kauffman Foundation’s retirement plan.
- Mr. Jones recommended continue to use CBIZ for one additional year and then issuing an RFP for auditor services.

After discussion, it was moved (McFerrin) and seconded (Bechard) that the auditor’s report appearing on page 339 of the RPC Board Packet distributed before the meeting be approved. The report was approved unanimously.
Mr. North then opened the meeting for a Community Forum. There were no community members present that wished to make a comment.

There being no further business, the meeting adjourned at 6:29 p.m.