SPRS
DEFINED CONTRIBUTION COMMITTEE
SUBCOMMITTEE WORKING GROUP MEETING
October 13, 2017

MINUTES

Present:
Mr. William T. Buividas, Chairman, Trustee
Mr. Jared A. Smout, Vice Chairman, Administrator
Mr. Bryan Jeffries
Mr. Daren Wunderle
Mr. Christian Palmer, Communications Director
Mr. John Briney, Enterprise System Architect – Excused
Mr. Michael Galloway, CEO, Galloway Asset Management, LLC
Mr. Jim Keeler, Arizona Program Director, Nationwide
Mr. Dave DeJonge, Deputy Administrator

Others Present:
Mr. Timothy Jackson, Compliance Officer
Ms. Vivian Padilla, Media & Publications Specialist

1. Call to Order; Pledge of Allegiance; Roll Call; Opening remarks.

The meeting was called to order by Chairman Buividas at 3:00 p.m., Roll Call was held and the Pledge of Allegiance was recited.

2. Discussion and possible Action or Recommendation regarding strategic communication and education plans for increasing and maintaining plan utilization.

Mr. William T. Buividas

During the first three months there has been a high leakage rate and the meeting today is to develop the best strategy to reduce this. For Tier 1 DROP money $12.8 million has transferred out while $30 million has been received. There is concern regarding the higher fees charged by outside firms vs. the state’s lower fees and higher interest rates which needs to be part of the communication and education processes. Discussion was held regarding disadvantages if money is moved out of the Plan since tax codes do not allow a retiree to return to the Plan once they have taken their assets out of the DC Plan. A suggestion was made that the retiree keep $500 in the Plan in order to return if so decided. Discussion was held that there is a better approach which is multi-pronged. Ideas included the following educational items:

- The Plan is cheaper with more protection than most plans
- Use a targeting approach to educate members financially
  - Seminars: a. To welcome you to DROP with an information packet
  - b. You are getting ready to leave DROP with information
  - c. DROP exit seminar packet
- Develop a personal strategic financial plan just prior to retirement and develop a personal budget
- Work on the perception regarding PSPRS
- Develop an e-mail campaign
- Customize contact lists based on retirement timing and/or DROP

The next step is to create “To Do Lists” for members of this working group and to develop a plan of action.
3. Call to the Public.

This is the time for the public to comment. Members of the Subcommittee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

There was no response to the Call to the Public.

4. Schedule future meeting date(s).

The date in the beginning of November has not been determined.

5. Adjournment.

The meeting was adjourned at 4:15 p.m.

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Mr. William T. Buividas, Chairman, Trustee