PSPRS
DEFINED CONTRIBUTION COMMITTEE
MEETING
December 21, 2017

MINUTES

Present: Mr. William T. Buividas , Chairman, Trustee
Mr. Jared A. Smout, Vice Chairman, Administrator
Mr. Bryan J. Jeffries
Mr. Ryan McKinnon
Mr. Brian Moore - Teleconference
Mr. William Thatcher
Mr. Daren Wunderle
Mr. Dave DeJonge, Deputy Administrator
Ms. Ivy Voss, Assistant Attorney General

Others Present:
Mr. Christian Palmer, Communications Director
Ms. Vivian Padilla, Media and Publications Specialist
Mr. John Briney, Enterprise Systems Architect
Mr. Timothy Jackson, Compliance Officer
Mr. Jim Keeler, Arizona Program Director, Nationwide Retirement Solutions
Mr. Jake, O’Shaughnessy, Sageview Capital
Mr. Michael Galloway, CEO, Galloway Asset Management, LLC
Ms. Nanette Eberhardt, COO, Galloway Asset Management, LLC
Mr. Chris Hoerchler, Regional Vice President, Galloway Asset Management, LLC
Mr. Charles W. Whetstine, Pension and Employment Benefits Attorney

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

Chairman Buividas called the meeting to order at 9:06 a.m.

2. Review, discussion and possible approval of the PSPRS Defined Contribution Committee Minutes from November 9, 2017.

MOTION:1-12/21/17
Motion: To approve the minutes of the Arizona PSPRS Defined Contribution Committee from November 9, 2017 meeting as presented.
Moved by: Mr. Jeffries
Seconded by: Mr. Wunderle
Discussion: None
In Favor: Unanimous
Motion: Passes:


Mr. Mark H. Kordonsky, Principal
Mr. Jake O’Shaughnessy, Managing Director
Mr. Stuart Payment, Retirement Plan Consultant
SageView Advisory Group
A regulatory overview, market overview and economic overview was presented by SageView Advisory Group. This was followed by a legislative update regarding tax reform, health care reform and hurricane and wildfire relief. As of September 30, 2017, the first 2-3 months of contributions to the PSPRS 401(a) plan total about $18 million with the majority of the funds in the 2.75% fixed account and overtime diversification is expected. The EODCRS 401(a) plan contributions total approximately $3 million and a brief analysis of the asset allocations was presented. Discussion included historical performance rankings of funds versus peers for both short and long terms. Review was held regarding performance of the active managers. Risk versus return was a topic.


   Mr. Jim Keeler
   Program Director
   Nationwide Retirement Solutions

   The third quarter Nationwide Retirement Solutions assets for the plan as of 9/30/17 was $21,443,021. Schwab usage was covered. Rollovers were discussed and to where they were transferred. Discussion was held regarding the Galloway portfolios that any correction of ticker symbols will be done by mid-January. Nationwide will validate requested changes regarding SageView and Galloway and affected individuals will be made whole. Rollovers out of PSPRS were discussed and will be analyzed monthly. Some payroll departments have not yet reported to Nationwide regarding contributions. Discussion was held as to when to take out the Nationwide monthly fee, whether on the 15th or the 30th of the month. Nationwide to go back to its corporate regarding their decision about full fee payment for one day.

5. Update, discussion and possible Action on implementation progress with Public Safety Financial/Galloway.

   Mr. Michael Galloway, CEO
   Galloway Asset Management, LLC

   This agenda item was included together with agenda item 6.

6. Update, discussion and possible Action on what has been done to maintain assets in the plan.

   Mr. William T. Buividas

   The goal of this committee is to develop a comprehensive strategy regarding maintaining the assets in the plan. Ideas were proposed that included obtaining a schedule of those from PSPRS who are to come out of DROP and where they are from in order to provide training and education opportunities nearby. This would include use of videos, video conferencing, webinars and workshops which would include stakeholders who are preparing to retire and their partners. Within the packet of information to be given to the potential retirees there will be a form that will necessitate their signature(s) regarding their acknowledgement that they understand the ramifications of all of the requirements. Other options to disseminate information will include Nationwide, Galloway and to partner with PSPRS during training. A goal is to have the first DROP workshop with Galloway in mid-January and to individually contact each person who will retire in January, February and March and to require an RSVP.

7. Discussion and possible Action on the role and responsibilities of the committee.

   Mr. William T. Buividas

   To develop a process to reach out to Tier 3 stakeholders for their e-mail addresses regarding the 90 day period in which to enroll on line in the plan and to contact us in return regarding their decisions.
8. Discussion and possible **Recommendations** on legislative changes that may or may not need to occur regarding the DC plan.

   *Mr. Jared A. Smout, Vice Chairman and Administrator*
   *Charles W. Whetstine, Esq.*

   Legislation was proposed during the November meeting to expand participants in the plan. A proposal was made to change legislation governing the DC Plan relating to both CORP and Public Safety to tie them together. Technical corrections were discussed. Other options were discussed for a possible second amendment.

9. **The PSPRS Defined Contribution Committee may vote to go into Executive Session (which will not be open to the public) to discuss matters pursuant to A.R.S. § 38-431.03(A) (3), including to receive legal advice from the Committee’s attorneys on any matter listed on the agenda.**

10. **Call to the Public.**

    This is the time for the public to comment. Members of the Committee 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 reply to the Call to the Public.

11. **Schedule future meeting date(s).**

    No date was set.

12. **Adjournment.**

    The meeting was adjourned at 12:39 p.m.

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Mr. William T. Buividas, Chairman