

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

DEFINED CONTRIBUTION COMMITTEE MEETING

February 8, 2022

MINUTES

Present: Mr. Brian Moore, Committee Chairman
Mr. Michael Townsend, Committee Vice Chairman
Mr. Daren Wunderle, Trustee – remote (intermittently off from 9:55 AM - 12:27 PM)
Mr. Bryan Jeffries
Mr. Dean Scheinert, Trustee – remote, left at 10:49 AM
Mr. Mark Steed, Chief Investment Officer - remote

Absent: Mr. Ryan McKinnon

Others Present: Bret Parke, Esq., Assistant Administrator/General Counsel
Ms. Claudia Martinez, Executive Assistant
Ms. Rajee Mohan, Jr. IT Systems Engineer
Mr. Christian Palmer, Communications Director
Mr. Chris Hoerchler, Galloway Asset Management, LLC – remote
Mr. Jim Keeler, Program Director, Nationwide Retirement Solutions
Ms. Taylor Galloway, Galloway Asset Management, LLC – remote
Mr. Jake O’Shaughnessy, Managing Director, SageView Advisory Group – remote

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

*Mr. Brian Moore
Committee Chairman*

Meeting was called to order by Committee Chairman Moore at 10:04 AM, Pledge of Allegiance was recited, roll was called and opening remarks were made.

2. 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 response to the Call to the Public, due to COVID19 physical presence of the public was not permitted.

3. Review, discussion and possible approval of the PSPRS Defined Contribution Committee Minutes from November 10, 2022.

Mr. Brian Moore

Minutes are from November 10, 2021.

Moved by: Mr. Bryan Jeffries
Second by: Mr. Michael Townsend
Time: 10:07 AM
Motion: Approval of minutes as presented.
Discussion: None
Vote: 4 – 0 Passed (Mr. Wunderle, ABSENT at the time)

4. Review, discussion and possible approval of the PSPRS Defined Contribution Committee Executive session Minutes from November 10, 2022.

Mr. Brian Moore

Minutes are from November 10, 2021.

Moved by: Mr. Bryan Jeffries
Second by: Mr. Michael Townsend
Time: 10:08 AM
Motion: Approval of executive session minutes as presented.
Discussion: None
Vote: 4 – 0 Passed (Mr. Wunderle, ABSENT at the time)

5. Review, discussion and possible Action regarding potential amendments to the plan document allowing employers to roll accrued sick leave monies into the 401a plan.

Mr. Brian Moore

Benefits of a plan amendment to allow employers to roll accrued employee sick leave monies, upon employment separation, into the 401a plan was detailed by Mr. Jeffries. The Committee, Mr. Parke and Mr. Keeler engaged in discussions on possibly incorporating such change into the plan. Committee directed staff and Mr. Keeler to further look into the option as well as talk to tax counsel.

Moved by: Mr. Bryan Jeffries
Second by: Mr. Michael Townsend
Time: 10:26 AM
Motion: Direct Staff to meet with Tax counsel on implementing a sick leave program for all employers and draft language to amend the plan document.
Discussion: None
Vote: 5 – 0 Passed

6. Review, discussion and possible Action regarding additional communications to all PSPRS Employers and employees pertaining to the employees' ability, upon request, to join the PSPRSDCP Supplemental 401(a) Plan.

Mr. Brian Moore

Mr. Moore detailed the purpose of item on the agenda advising there is a lack of information and/or inaccurate understanding between employees and employers. Committee, Mr. Keeler and Mr. Parke engaged in discussions regarding the Statute interpretation on whether employers have the option of allowing employees to joining the supplemental plan or if it is mandatory. Committee directed Staff to provide proper communication to employees and employers regarding such upon proper interpretation of Statute.

7. Update, discussion and possible Action on the Nationwide Retirement Solutions (NRS) Quarterly Administrative Review.

*Mr. Jim Keeler
Program Director
Nationwide Retirement Solutions*

Quarterly report was provided by Mr. Keeler. Report included a summary of all plans, forfeiture balance, plan balances, transfer out summaries, and Schwab reports. Mr. Moore, and Mr. Jeffries inquired on the implementation of the fee holiday, including administrative fees, and requested follow-up from staff. Mr. Hoerchler reviewed the pricing differences between Schwab Advisor Independent Investing vs. Schwab Individual Investors. Mr. Keeler advised he would have the new Schwab representative present on various items at a future meeting. Mr. Keeler detailed the email that was sent in error to a certain group of participants and how the error was rectified.

Meeting was recessed at 10:55 AM.

Meeting was resumed at 11:07 AM.

a. Update, discussion and possible Action regarding the plans transfer outs.

Mr. Jim Keeler

Item was discussed with prior item.

8. Update, discussion and possible Action on SageView Advisory Group Quarterly Investment Performance review of PSPDCRP.

*Mr. Mark Kordonsky, Principal
Mr. Jake O'Shaughnessy, Managing Director*

Quarterly report was provided by Mr. O'Shaughnessy. Report included inflation, economic scoreboard, equities, fixed income, COVID-19 pandemic jobs update, 2022 outlook, litigation, recent resources, internal employment changes, portfolio and investment summaries; and fund performance summary. Various Committee members and Mr. O'Shaughnessy engaged in discussion regarding several aspects of the report and collective investment trusts.

9. Review, discussion and possible Action regarding possible creation of a subcommittee to work with staff SageView to develop Record Keeper RFP.

Mr. Brian Moore

Mr. O'Shaughnessy detailed the RFP process, items to potentially include focus on, and considerations. Committee discussed creation of a subcommittee to assist in the process.

Moved by: Mr. Bryan Jeffries

Second by: Mr. Daren Wunderle

Time: 12:24 PM

Motion: Designate a subcommittee for the purposes of developments and recommendations to the DC Committee regarding an RFP as well as considerations for a potential extension of the current Nationwide contract. Subcommittee to consist of Mr. Moore, Mr. Jeffries, Mr. Wunderle and necessary staff.

Discussion: None

Vote: 4 – 0 Passed (Mr. Scheinert, ABSENT at the time)

10. Update, discussion and possible Action on the Public Safety Financial / Galloway review.

*Mr. Michael Galloway, CEO Galloway
Asset Management, LLC*

Quarterly activity report was provided by Ms. Nanette Eberhardt. There were 7 training webinars, 41 members attended, 34% requested follow-up counseling, 90% would review investment objective/asset allocations, and one foundation for retirement income supplement and one rate track security benefit contract were opened in 2021. Mr. Jeffries commented on the webinar attendances.

11. The 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.

Committee did not vote to go into executive session.

12. Schedule future meeting date(s). (Currently scheduled for May 11, 2022 at 10:00 AM)

Next meeting will be held May 11, 2022 at 10:00 AM.

13. Adjournment.

Moved by: Mr. Bryan Jeffries

Second by: Mr. Michael Townsend

Time: 12:27 PM

Motion: Adjourn meeting.

Discussion: None

Vote: 4 – 0 Passed (Mr. Scheinert, ABSENT at the time)

Mr. Brian Moore, Committee Chairman