

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
DEFINED CONTRIBUTION COMMITTEE MEETING**

May 8, 2023

MINUTES

Present: Mr. Brian Moore, Committee Chairman
Mr. Michael Smarik Deputy Administrator - Vice Chairman delegate
Mr. Joe Clure
Mr. Don Jongewaard
Mr. Daren Wunderle, Trustee

Absent: Mr. Dean Scheinert, Trustee
Mr. Mark Steed, Chief Investment Officer

Others Present: Mr. Michael Townsend, Administrator
Ms. Claudia Martinez, Executive Assistant
Bret Parke, Esq., Assistant Administrator/General Counsel
Ms. Cheryl Cohen, Investment Executive Assistant – remote
Ms. Rajee Mohan, Jr. IT Systems Engineer
Mr. Matt Gayman, Nationwide Retirement Solutions
Mr. Jim Keeler, Nationwide Retirement Solutions
Ms. Cathleen Davis, Chief Internal Auditor
Ms. Angela Egelhoff, Chief Compliance Officer
Mr. Stuart Payment, Retirement Plan Consultant, SageView Advisory Group – remote
Mr. Todd Thomas, Galloway Asset Management, LLC
Mr. Chris Hoerchler, Galloway Asset Management, LLC – remote
Ms. Nannette Eberhardt, Galloway Asset Management, LLC
Mr. Mark Kordonsky, Principal, SageView Advisory Group
Mr. Jake O’Shaughnessy, Managing Director, SageView Advisory Group

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 2:31 PM, Pledge of Allegiance was recited, roll was called and opening remarks were made and new members were introduced.

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

3. Review, discussion and possible approval of the PSPRS Defined Contribution Committee Minutes from February 8, 2023, February 13, 2023 and March 22, 2023.

Mr. Brian Moore

Moved by: Mr. Daren Wunderle

Second by: Mr. Michael Smarik

Time: 2:40 PM

Motion: Approval of minutes as presented.

Discussion: None

Vote: 3 – 0 Passed (Mr. Jongewaard and Mr. Clure ABSTAINED)

4. Review, discussion and possible approval of the PSPRS Defined Contribution Committee Executive Session Minutes from February 13, 2023 and March 22, 2023.

Mr. Brian Moore

Moved by: Mr. Daren Wunderle

Second by: Mr. Michael Smarik

Time: 2:43 PM

Motion: Approval of executive session minutes as presented.

Discussion: None

Vote: 3 – 0 Passed (Mr. Jongewaard and Mr. Clure ABSTAINED)

5. Update and discussion regarding the Record-keeper RFP process.

Mr. Brian Moore

Update was provided by Mr. Smarik. Mr. Smarik advised the RFP is still in process and contract is in the works for finalization.

6. Update, discussion and possible Action on recommendation to the Board of Trustees regarding plan document changes to the Public Safety Personnel Defined Contribution Plan and the Supplemental 401(a) plan.

Mr. Brian Moore

Mr. Smarik advised amendments to the PSPDCRP plan document were needed due to legislation changes in 2019 and amendments to the Supplemental 401(a) plan regarding the irrevocable election to be similar to the PSPDCRP were also needed.

Moved by: Mr. Daren Wunderle

Second by: Mr. Joe Clure

Time: 2:50 PM

Motion: Recommend to the Board of Trustees that the Plan Documents for the PSPDCRP and Supplemental 401(a) plans be amended as described.

Discussion: None

Vote: 5 – 0 Passed

7. Update, discussion and possible Action on recommendation to the Board of Trustees regarding the IRS proposed regulations pertaining to forfeitures.

Mr. Brian Moore

Mr. Smarik provided a presentation regarding forfeitures. Presentation included background regarding forfeiture funds was provided and Mr. Smarik advised the IRS issued proposed regulations governing the use of forfeitures making it clear that forfeitures accumulated in the plan year need to be depleted no later than the last day of the following year. Committee inquired on various aspects of the regulations. Mr. Kordonsky commented on such IRS regulations.

Moved by: Mr. Michael Smarik

Second by: Mr. Daren Wunderle

Time: 3:08 PM

Motion: Recommend to the Board a change to the utilization of forfeiture funds to include what is currently there and adding distribution to participants, to help ensure IRS regulations are met.

Discussion: None

Vote: 5 – 0 Passed

8. Update, discussion and possible Action on recommendation to the Board of Trustees regarding the status of consultant contracts.

Mr. Brian Moore

Presentation regarding the current consultant contracts was provided by Mr. Smarik. Mr. Smarik advised the SageView contract term was until March 31, 2023, the Security Benefit contract term is until June 30, 2023 and the Galloway Financial contract term is until October 15, 2023. Mr. Moore inquired on the extensions. Mr. Jongewaard inquired on procurement codes regarding contracts. Mr. Clure and Mr. Jongewaard advised the Committee that Galloway is their financial advisor and wanted such notice documented.

Moved by: Mr. Daren Wunderle

Second by: Mr. Michael Smarik

Time: 3:17 PM

Motion: Recommend to the Board of Trustees to extend or renew each consultant contract for one additional year beyond their current expiration date.

Discussion: None

Vote: 5 – 0 Passed

9. Update, discussion and possible Action on recommendation to the Board of Trustees regarding the CORP and EORP Defined Contribution Committee member nominations.

Mr. Brian Moore

Background on member nominations was provided by Mr. Moore. There were 2 nominations received for the EORP position and 2 nominations received for the CORP position. PSPRS Board Chair McCarty asked for the DC Committee to review the nominations and provide a recommendation to the Board. Committee engaged in discussions regarding the nominations.

Moved by: Mr. Daren Wunderle

Second by: Mr. Joe Clure

Time: 3:22 PM

Motion: Recommend to the Board of Trustees appoint Mr. Jason Hathcock for the CORP position and Mr. Paul Boyer for the EORP position based on their experience and education as recommended by the DC Committee.

Discussion: None

Vote: 5 – 0 Passed

10. 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 and Mr. Gayman. Report included plan summaries as of 3/31/2023, forfeiture account balances, plan balances, and Schwab reports.

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

Mr. Mark Kordonsky, Principal, SageView Advisory Group

Mr. Jake O'Shaughnessy, Managing Director, SageView Advisory Group

Mr. Stuart Payment, Retirement Plan Consultant, SageView Advisory Group

Quarterly report was provided by Mr. O'Shaughnessy and Mr. Kordonsky. Report included market and fed expectations, an overview of the market, economic scoreboard, equities, fixed income, litigation update, portfolio and investment summaries, and fund performance summary. Mr. O'Shaughnessy advised that due to a portfolio manager leave of absence the MFS Mid Cap Growth R6 should be put on watch. SageView also suggested placing American Funds 2065 Target Date Retire R6 on watch.

Moved by: Mr. Joe Clure

Second by: Mr. Michael Smarik

Time: 4:11 PM

Motion: Place MFS Mid Cap Growth R6 and American Funds 2065 Target Date Retire R6 on the watch based on the recommendations from SageView.

Discussion: None

Vote: 5 – 0 Passed

12. 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. Eberhardt and Mr. Todd Thomas. There were 18 training webinars for PSPRS education, 8 training seminars for Tier 3 education, 221 members attended, and 71% requested follow-up counseling, and 92% would review investment objective/asset allocations. Mr. Moore inquired if there was anything

that PSPRS could do to help Galloway with members. Mr. Wunderle inquired on the HB2028 bill and education thereof.

13. 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.

The Committee did not vote to go into Executive Session.

14. Schedule future meeting date(s). (Currently scheduled for Wednesday, August 2, 2023.)

Next meeting is scheduled for Wednesday, August 2, 2023.

15. Adjournment.

Moved by: Mr. Michael Smarik

Second by: Mr. Daren Wunderele

Time: 4:25 PM

Motion: Adjourn meeting.

Discussion: None

Vote: 5 – 0 Passed

Mr. Brian Moore, Committee Chairman