

MINUTES
Louisiana Deferred Compensation Commission Meeting
April 18, 2023

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, April 18, 2023 in the office of the Service Provider, 9100 Bluebonnet Centre Blvd, #203, Baton Rouge, LA, 70809 at 10:00 a.m.

Members Present

Virginia Burton, Chairman, Participant Member
Doug Buras, Co-Designee of Commissioner of Financial Institutions
Stewart Guerin, Designee of the Commissioner of Insurance
Beverly Hodges, Participant Member
Julius Roberson, Designee of the LA State Treasurer
Laney Sanders, Secretary, Participant Member

Members Not Present

Andrea Hubbard, Vice Chairman, Co-Designee of the Commissioner of Administration
Representative Lance Harris, Designee of the Speaker of the LA House of Representatives
Senator Ed Price, Designee of the President of the Louisiana State Senate

Others Present

Craig Cassagne, State of Louisiana Attorney General's Office, Baton Rouge
Brett Robinson, State of Louisiana Attorney General's Office, Baton Rouge
Marybeth Daubenspeck, Vice President, Government Markets, Empower, Denver-*via video conference*
Karen Monaghan, Sr Client Services Manager, Empower, Denver-*via video conference*
Michela Palmer, Communications Strategist Participant Mktg Comm Gov, Empower, Denver-*via video conference*
Shannon Dyse, Relationship Manager, Empower, Baton Rouge
Rich Massingill, Manager, Participant Engagement, Empower, Baton Rouge
Allen Berard, RPA, North Louisiana-*via video conference*
Will Parrie, RPA, New Orleans-*via video conference*
Jo Ann Carrigan, Sr. Field Administrative Support, Empower, Baton Rouge

Call to Order

Ms. Burton called the meeting to order at 10:00 a.m. Ms. Carrigan called roll of Commission members.

Public Comments

Ms. Burton stated that the meeting is accessible to the public and invited anyone who had joined the meeting to participate in the call. There were no public comments.

Approval of Commission Meeting March 21, 2023

The minutes of the March 21, 2023 Commission Meeting were reviewed. Ms. Hodges motioned to accept the minutes as presented. Ms. Sanders seconded the motion. The Commission unanimously approved the motion.

Service Provider's Report

Plan Update as of March 31, 2023: Mr. Dyse reviewed the Plan Update as of March 31, 2023. Assets as of March 31, 2023: \$2055.61 Billion; Asset Change YTD: \$73.04 Million representing a 3.7% increase over last year. Contributions YTD: \$27.27 Million; Distributions YTD: \$39.83 Million. Net Investment Difference YTD: \$85.60 Million. Ms. Hodges asked for a report of the types of distributions being taken.

UPA – March, 2023: Mr. Dyse reported the March, 2023 UPA report. The UPA balance at the end of March was \$1,434,499.01.

UEW Report – March, 2023: Mr. Dyse presented the UEW Report for the month of March, 2023. There were 16 requests submitted and all 16 were approved. With Secure 2.0, there is an optional provision whereby participants can self-certify. Empower is awaiting guidance from regulators on self-certification and will bring this topic to the Commission for approval once additional information is available. A Secure 2.0 folder has been created for the Commission's future reference.

Tarcza & Associates – Plan Document Changes

Mr. Cassagne reported that he met by phone with Bob Tarcza, Brett Robinson, Shannon Dyse and James Thompson to discuss changes/updates to the Plan Document including those related to the Secure Act 1 and 2 and the Cares Act. The Tarcza's team will thoroughly review the Plan Document and will make recommendations on the changes needed. Mr. Cassagne invited Commission members to make any suggestions/recommendations that they would like included in the revised document. Mr. Cassagne stated this will be a lengthy process and anticipates completion by year-end. It will take 120 days from the time that a draft of the document is available to the official promulgation. Mr. Dyse stated that one of the take-aways from the call was to put together a list of Plan Administrator duties which has been developed. Mr. Cassagne shared that there is a bill in the current legislative session that states that for every rule that Commissions/Boards promulgate, two rules must be repealed. Mr. Cassagne stated that he is not certain if the bill will pass but it is something to keep in mind as the Commission goes through the promulgation process.

Broussard and Company, CPA-Audit 2022

Mr. Dyse reported that he has been in contact with the auditor, Mr. Mike DeFalco, who has already begun his audit processes. Mr. DeFalco anticipates completion of the audit by June 30, 2023. Ms. Burton delegated an Audit Committee consisting of Mr. Buras, Mr. Guerin and Ms. Burton to oversee the work of the auditor and to address any questions that may arise. Ms. Hodges motioned to accept the delegation of Mr. Buras, Mr. Guerin and Ms. Burton to serve on the Commission Audit Committee. Mr. Roberson seconded the motion. The motion passed with no objection.

Q1-2023 Participant Engagement Report

Mr. Massingill reviewed highlights from the first quarter of 2023 noting the RSEA Annual Chapter Meetings and 2023 Assessor Annual Conference, among others. Monthly LADCP education and financial webinars are scheduled throughout the year presented by Retirement Plan Advisors (RPA's). Employer Training webinars are also being offered to payroll personnel. Mr. Massingill stated that heavy emphasis is being placed on scheduling recurring RPA on-site activities at key locations. Mr. Massingill listed agencies that have recently been adopted into the Plan in addition to those that are in the initial stages of adoption. Enrollment activity was reviewed from Q1-2023 noting the ten most active agencies. Q1-2023 staffing included four RPA's. One RPA has been added to the Baton Rouge area and another is completing the new-employee process. The goal is to have three RPAs in Baton Rouge with a fourth RPA to be added in the Baton Rouge or New Orleans area. Additional RPA's will afford a regular cadence of activity which will result in an increase in meeting and enrollment figures. One-on-one meetings prove to be significant in motivating action. Year-to-date group meetings are averaging 24 participants per event. There was a

significant increase in participants using the online booking site for appointments in Q1-2023. Feedback received from participant online appointment surveys has been positive in relation RPA performance. The Net Promoter Score (NPS) is the result of participant responses through online surveys. The Q1-2023 NPS score was 79 with 104 responses compared to last year with under 300 survey responses and an NPS of 73. Mr. Massingill was pleased to announce that Lakeisha Rose has returned to the Baton Rouge office as a Field Office Administrator. From a territory standpoint, Shannon Wheeler will now be covering north Louisiana and there will be some map adjustments in relation to the central and southwest regions. Mr. Massingill shared that 80% of participant population is in the Baton Rouge and New Orleans areas. Mr. Massingill responded to Mr. Buras' question related to RPA compensation by stating that RPAs are salaried employees and are not commission based.

Follow-Up to March 21, 2023 Commission Topics

Investment Policy Statement: Mr. Dyse presented the revised copy of the Investment Policy Statement (IPS) for the LA Deferred Compensation Plan noting that the revisions suggested during the March 21, 2023 meeting have been incorporated into the statement. The IPS was approved during the March meeting with the edits noted. The IPS and other Commission-related documents will be uploaded to the website within the next week once the current Empower "code freeze" is over. Additional revisions were suggested to the IPS which included:

- Additional detail to be added regarding how the Unallocated Plan Account is to be invested.
 - Third page, Plan Administrator, Section III, Number 9, "Maintaining the current unallocated plan assets". Mr. Roberson suggested that wording be added to include "liquid and secure asset." Mr. Buras suggested that this item be a "stand-alone" item. Mr. Roberson will meet with Mr. DiGirolamo and Mr. Dyse to finalize the wording.
- Third Party Administrator
- Section III, Item 5: Clarity on what is covered in the referenced 105.A.1.
- Appendix A - IV Approved Investments: Formatting adjustment needed to match the format of the overall document.
- Appendix A – VI Securities Lending: Remove BONY Policy from this section as Ms. Sanders observed that the BONY Policy no longer exists. The suggested statement should read as "Collateral shall be maintained at 102% of borrowed securities..."

Mr. Dyse and Mr. Roberson will review these changes with Mr. DiGirolamo. Going forward, the IPS will be reviewed annually on Mr. DiGirolamo's initiative.

Proposed Annual Calendar of Events: At the Commission's suggestion, an Annual Calendar of Events has been established. The calendar is flexible and can be amended, as necessary. Mr. Buras asked that a measurement of performance be added to the annual calendar relative to the IPS.

Secure 2.0 Employer Match Roth Money: Mr. Dyse shared that Empower can support this optional provision; however, legal must first approve this feature before it can be offered.

List of policies to be reviewed: Mr. Dyse stated that he is only aware of one policy that needs annual review and that is the Retention Policy. The Retention Policy was last updated in 2021. Mr. Dyse asked the Commission to let him know of any other policy that needs review. Ms. Hodges motioned that the Retention Policy be reviewed annually. Ms. Sanders seconded the motion. The motion passed with no objection.

Commission Election

Ms. Palmer reported that all election material has been printed and is ready to be mailed. The Q1-2023 statements were mailed on Friday, April 14th so the address list is now available, as well. The mailing envelope includes a printed statement that the contents enclosed relate to the Commission election. The mailing will take place no later than the end of the week. The CPA firm that will be counting ballots is Duplantier, Hrapmann, Hogan & Maher, LLP. Mr. Burton reported that there is ongoing discussion related to election costs that will be presented at a later meeting.

Other Business

There was no other business brought before the Commission.

Adjournment

With there being no further items of business to come before the Commission, Chairman Burton declared the meeting adjourned at 10:46 a.m.

Laney Sanders, Secretary