

MINUTES

Louisiana Deferred Compensation Commission Meeting

July 17, 2018

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, July 17, 2018 in the offices of the Plan Administrator, 9100 Bluebonnet Centre Blvd., Suite 203, Baton Rouge, Louisiana, 70809.

Members Present

Emery Bares, Chairman, Designee of the Commissioner of Insurance
Whit Kling, Vice-Chairman, Participant Member
Virginia Burton, Secretary, Participant Member
Andrea Hubbard, Co-Designee of the Commissioner of Administrator
James Mack, Designee of the LA State Treasurer
Kevin Pearson, Designee of the Speaker of the LA House of Representatives
Len Riviere, Co-Designee of Commissioner of Financial Institution

Members Not Present

Laney Sanders, Participant Member

Others Present

Margaret Corley, Senate Committee on Retirement
Craig Cassagne, State of Louisiana Attorney General's Office
Connie Stevens, State Director, Baton Rouge, Empower Retirement
Jo Ann Carrigan, Sr. Field Administrative Support, Baton Rouge, Empower Retirement

Call to Order

Chairman Bares called the meeting to order at 10:04 a.m. Roll call was taken by Jo Ann Carrigan.

Reinstatement of Participant Member

Mr. Cassagne swore in Ms. Burton to her 4th term as participant member on the Commission.

Election of Officers

Ms. Stevens distributed written ballots to each Commission member. The results of the election:

Emery Bares – Chairman
Whit Kling – Vice Chairman
Virginia Burton – Secretary

Ms. Hubbard motioned to officially accept the election results. Mr. Riviere seconded the motion. The Commission unanimously approved the motion.

Minutes
Louisiana Deferred Compensation Meeting
July 17, 2018
Page 2 of 3

Committee Appointments

Mr. Bares reviewed the list of Commission members currently serving on the Evaluation Committee and authorized the same members to serve in 2018-2019:

Virginia Burton
Andrea Hubbard
Len Riviere

Mr. Bares reported that the current Hardship Committee members expressed interest in continuing to serve. Mr. Bares authorized the same members to serve in 2018-2019:

Kent LaPlace
Ben Huxen
Reta McFarland
Lindsey Hunter (alternate)

The Nominating Committee will be selected in late December and/or early January. Mr. Kling is up for re-election in 2019.

Public Comments: There were no public comments.

Approval of Commission Meeting Minutes of June 19, 2018

The minutes of the June 19, 2018 Commission Meeting were reviewed. Mr. Kling motioned for the acceptance of the June 19, 2018 minutes. Ms. Burton seconded the motion. The Commission unanimously approved the minutes.

Acceptance of the Hardship Committee Report of July 6, 2018

The Hardship Committee Report of July 6, 2018 was reviewed. Mr. Kling motioned for acceptance of the Hardship Committee Report of July 6, 2018. Ms. Burton seconded the motion. The Commission unanimously approved the report.

Administrator's Report

Plan Update as of June 30, 2018: Ms. Stevens presented the Plan Update as of June 30, 2018. Assets as of June 30, 2018: \$1,694.32 Billion; Asset Change YTD: \$12.13 Million; Contributions YTD: \$48.24 Million; Distributions YTD: \$60.84 Million. Net Investment Difference YTD: \$24.73 Million.

Minutes
Louisiana Deferred Compensation Meeting
July 17, 2018
Page 3 of 3

UPA-June, 2018: Ms. Stevens reviewed the UPA for the month June, 2018. UPA balance as of June 30, 2018: \$1,929,485.80. Additions included: Gains on contribution corrections and interest for the month of June. There were no deductions. At the request of the Commission, Ms. Stevens will ask Wilshire Consulting to present an evaluation at the December meeting of fees and any action needed related to the UPA.

Audit Update: Ms. Stevens reported that the final statement of the annual financial audit performed by Aaron Cooper, CPA was received on July 6, 2018. Ms. Stevens expressed concern with the number of typographical errors and seemingly incorrect figures in the financial audit submitted by Mr. Cooper. Ms. Stevens reported that she would be contacting the LA Legislative Auditor to request a reissuance of the final audit to include corrections needed. Items noted:

Page 3: Conflict in numbers presented on page 3 from prior audits

Page 4: Reference to a fund change in 2017 which actually occurred in 2016.

Page 5: Participant loans in the amount of \$20 Million are listed as “assets”.

Page 6: Figures differ between Empower Retirement figures and those appearing in the audit related to administrative fees and contributions.

Page 7: Discrepancy in the number of participants noted in the report from the number of participants reported by Empower Retirement.

Page 9: Discrepancy in the loan interest rate range noted.

Page 13: Plan assets listed as 98.5%...what does the 1.5% represent?

Page 13: Reference made to a Fixed Annuity option when in reality, Stable Value is not a fixed annuity.

Page 14: Reference made to Revenue sharing income: There was no revenue sharing in 2017.

The current report is posted to the Legislative Auditor’s website and is now available for public viewing. The current contract with Aaron Cooper, CPA LLC is for a term of three years. The contract was approved by the Legislative Auditor. A meeting is scheduled with Mr. Cooper on Monday, July 23, 2018 at 10:00 a.m. in the office of the Plan Administrator. Ms. Stevens invited all Commission members to the meeting. Mr. Cooper is aware of the issue of how loans are being reported. Ms. Burton volunteered to review the Governmental Accounting Standards Board (GASB) reference that Mr. Cooper used in his report.

Other Business

There was no “other business” to discuss.

Adjournment

With there being no further items of business to come before the Commission, Chairman Bares declared the meeting adjourned at 10:26 a.m.

Virginia Burton, Secretary