**MINUTES**
**Louisiana Deferred Compensation Commission Meeting**
**July 16, 2024**

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, July 16, 2024, in the office of the Service Provider, 9100 Bluebonnet Centre Blvd, #203, Baton Rouge, LA, 70809 at 10:00 a.m.

**Members Present**
Doug Buras, Designee of Commissioner of Financial Institutions
Melissa Gibson, Designee of the Commissioner of Insurance
Beverly Hodges, Participant Member
Andrea Hubbard, Vice Chair, Co-Designee of the Commissioner of Administration
Cindy Rougeou, Participant Member

**Members Not Present**
Julius Roberson, Co-Designee of the LA State Treasurer
Laney Sanders, Secretary, Participant Member
Representative Tony Bacala, Designee of the Speaker of the LA House of Representatives
Senator Valarie Hodges, Designee of the President of the Louisiana State Senate

**Others Present**
Carla Roberts, Participant, LA State Senate
Stephen DiGirolamo, CFA – Managing Director, Wilshire Associates
Justin Lester, State of Louisiana Attorney General's Office, Baton Rouge
Les Theriot, State of Louisiana Attorney General's Office, Baton Rouge
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
Chad Anderson, Retirement Plan Advisor, Empower, Baton Rouge-*via video conference*
Jo Ann Carrigan, Sr. Field Administrative Support, Empower, Baton Rouge

**Call to Order**
Ms. Hubbard called the meeting to order at 10:00 a.m.

**Public Comments**
Ms. Hubbard reported that there were no public comments.

**Plan Audit Report**
Mr. Buras reported that the audit report was submitted to the Legislative Auditor by the June 30, 2024, deadline. Mike DeFalco contacted Mr. Buras on July 15, 2024, regarding the audit report, which he now believes includes a material event and should be recalled/reissued. Specifically, based on the reported level of defaulted loans, he believes a reserve should be established against the participant loans. Mr. Dyse confirmed that loans are borrowed by the participant from the participant's balance. If a loan defaults, there are tax consequences to the participant but there is no loss to the Plan and therefore, no reserve is needed. Mr. DeFalco will be reviewing/discussing this matter further, but in the meantime, he will not present the audit report to the Commission today. Should this materialize, he will recall/reissue the audit. Mr. DeFalco plans to present the completed audit report at the August meeting.

**Swearing in of Cindy Rougeou, Participant Member**

Ms. Hubbard welcomed Cindy Rougeou as the elected Participant Member to the Commission effective July 1, 2024. Ms. Hubbard also welcomed Justin Lester as the new contact from the Attorney General's office. Mr. Lester conducted the oath of office with Ms. Rougeou swearing her in as a Participant Member of the LA Deferred Compensation Commission. Mr. Lester will submit a signed, official copy of the oath of office to the appropriate agency.

**Delegation of Authority: LA Department of Insurance**

Mr. Dyse introduced Ms. Melissa Gibson to the Commission. Ms. Gibson has been appointed to the Commission as the duly authorized representative of the LA Department of Insurance, a position previously held by Stewart Guerin.

**Executive Session**

Mr. Buras asked that the Commission enter Executive Session. Mr. Lester reviewed procedures for entering the executive session. Ms. Hodges motioned to add an executive session to the agenda. Mr. Buras seconded the motion. Ms. Carrigan called for a verbal vote of the commission members. The motion passed unanimously. Mr. Dyse muted the Microsoft Teams presentation and Empower representatives removed themselves from the meeting prior to the beginning of the executive session. The regular Commission meeting resumed at 10:18 a.m.

**Election of Commission Officers**

Written ballots were submitted to each Commission member. Election results:

- Chairperson: Beverly Hodges
- Vice Chairperson: Andrea Hubbard
- Secretary: Laney Sanders

**Commission Sub-Committees**

Ms. Hodges requested a list of committee responsibilities and would report back to the Commission after her review. Ms. Hodges stated that she would gladly serve on the various committees that the previous chairperson served. Ms. Hubbard pointed out that the Evaluation Committee should be included on the list of Committees. The Evaluation Committee currently consists of Andrea Hubbard, Laney Sanders, and Beverly Hodges.

**Approval of Commission Meeting Minutes – June 18, 2024**

The minutes of the June 18, 2024, Commission Meeting were reviewed. Ms. Hubbard motioned to accept the minutes as presented. Mr. Buras seconded the motion. The Commission unanimously approved the motion.

**Wilshire 2Q24 Flash Report**

Mr. Dyse explained that travel issues prevented Mr. DiGirolamo from attending the meeting in person this month. Mr. DiGirolamo presented the quarterly report via Microsoft Teams noting that the information being reviewed was not 100% complete as some of the universes that are used in the compilation of the report were not available prior to the meeting. Mr. DiGirolamo will present the final report once all the information is available. Mr. DiGirolamo reported that markets rallied during the first half of the year, with positive results in most asset classes in anticipation of Federal interest rate cuts expected later this year. With markets up, the market value of the Plan has also increased. There were no major changes in participant asset class preferences. Consistent positive returns are expected given the life of the program and the current crediting rate. Ms. Hodges suggested that a Microsoft Teams or Zoom meeting be scheduled for the purpose of introducing Wilshire's role and responsibility to the newest members of the Commission. Mr. DiGirolamo will provide available dates to the Commission for the purpose of scheduling a meeting.

**Plan Document Rules/Legislative Updates**

Mr. Lester reported that the Plan Document rules update was filed with the Office of the State Register in July and will be published in the State Register on July 20th. Mr. Lester stated that there were no legislative updates to report and that, barring a constitutional convention, there will be no legislative updates until the next session. Mr. Lester will provide a stand-alone email account with a separate address for easy access to OnBoard. Members of the AG's office will use the stand-alone email account to load documents into OnBoard. Mr. Lester introduced Les Theriot as his backup. Mr. Theriot will attend Commission meetings with Mr. Lester. Ms. Hodges reminded Mr. Lester to familiarize himself with RFP procedures as the current 3-year Empower contract expires on December 31, 2025. Ms. Hubbard stated that Wilshire has aided in the past in RFP preparation including writing the language, reviewing the RFP draft, and working with the Commission's RFP committee. Ms. Hodges asked that a review be conducted to determine how to address the possibility of separating the administration function of the Plan from the contract.

**Service Provider's Report**

**Plan Update as of June 30, 2024:** Mr. Dyse reviewed the Plan Update as of June 30, 2024. Assets as of June 30, 2024: $2,303.17 Million; Asset Change YTD: $101.95 Million. Contributions YTD: $60.15 Million; Distributions YTD: $106.61 Million. Net Investment Difference YTD: $148.41 Million.

**UPA – June 2024:** Mr. Dyse presented the June 2024 UPA report. The UPA balance at the end of June 2024 was $1,944,708.83.

**UEW Report – June 2024:** Mr. Dyse presented the UEW Report for the month of June 2024. Of the twelve submitted requests, eleven were approved and one was rejected due to missing documentation.

**Plan Performance Insights**

Mr. Dyse presented a new report to the Commission called the Plan Performance Insights report . Mr. Dyse stated that he will present this report on a quarterly basis during the October, January, April, and July Commission meetings. Mr. Dyse highlighted key components of the report noting that it provides a more complete summary of the history of the Plan's performance. Mr. Dyse shared that the report compares the Plan to forty-one other 457 plans that are managed by Empower with similar asset range and greater than $500 Million in assets. Mr. Dyse reviewed average participant balances, number of participants, investment allocations/money type and distribution types. Ms. Hodges emphasized the need for education of the participant population concerning retirement readiness. Ms. Palmer shared topics on deck for the October National Retirement Security emphasis. The email campaigns are focused on:

- Scheduling a meeting with a Retirement Plan Advisor.
- Highlighting the tools available on the website to assist in retirement readiness.
- Encouraging participants to register their online account.

Two other versions of a retirement readiness checklist campaign are also on deck – one for participants under the age of fifty and the other for those 50 years of age and older. Ms. Palmer will provide the Commission with copies of the various email campaigns for review. In relation to loans, Mr. Dyse shared that Empower now has the capacity to allow for electronic loan remittance payments after the participant separates from service. Ms. Hodges asked that this topic be added to the list of upcoming proposed Plan Document changes that is being maintained by Mr. Lester.

**Secure 2.0**

Mr. Dyse shared with the Commission that Empower continues to bring on certain Secure 2.0 capabilities. If approved by the Commission, amendments can be added to the changes being made to the Plan Document.

**<u>Commission Credit Card Update</u>**
Mr. Dyse provided an update on efforts being made to secure an expense card for Commission expenses. Mr. Dyse has spoken with a US Bank representative who instructed him to ask a member of the Commission to reach out to her to begin the process of securing an expense card. Ms. Hodges will respond to the request from the US Bank representative. Mr. Buras stated that, once the card becomes available, he would like to make sure that proper controls over its use are established. Ms. Hodges created an Expense Card Committee consisting of Mr. Buras, Ms. Rougeou, and Ms. Hodges.

**<u>Other Business</u>**

**Change Commission meeting time:** Ms. Hodges asked for confirmation that all future Commission meetings start at 9:00 a.m. instead of 10:00 a.m.

**OnBoard Meeting Invitations:** Mr. Buras reported that he received multiple July Commission Meeting notices from OnBoard. Mr. Dyse stated that Empower personnel are still in the learning-phase of OnBoard procedures. It appears that when a change was made to the agenda, Commission members were notified resulting in multiple email notices. Mr. Dyse has been in contact with the OnBoard training representatives who have been helpful. Mr. Dyse shared that additional historical documents have been added to the OnBoard resources page.

**<u>Adjournment</u>**
With there being no further items of business to come before the Commission, Chairperson Hodges declared the meeting adjourned at 11:32 a.m.

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Laney Sanders, Secretary