

MINUTES

Louisiana Deferred Compensation Commission Meeting

July 21, 2015

The Monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, July 21, 2015 in the offices of the Plan Administrator, 2237 South Acadian Thruway, Suite 702, Baton Rouge, Louisiana 70808.

Members Present

Emery Bares, Chairman, Designee of the Commissioner of Insurance
Virginia Burton, Secretary, Participant Member
Andrea Hubbard, Designee of the Commissioner of Administration
Whit Kling, Vice-Chairman, Participant Member
Len Riviere, Designee of Commissioner of Financial Institutions

Members Absent

Lela Folse, Designee of the State Treasurer
Laney Sanders, Participant Member

Others Present

Rick McGimsey, Louisiana Attorney General's Office
Connie Stevens, Client Relationship Director, Baton Rouge, Empower Retirement
Jo Ann Carrigan, Lead Office Coordinator, Baton Rouge, Empower Retirement

Call to Order

Chairman Bares called the meeting to order at 10:06 a.m.

Approval of Commission Meeting Minutes of June 16, 2015

The minutes of June 16, 2015 were reviewed. Mr. Kling motioned for acceptance of the minutes. Ms. Hubbard seconded the motion. The Commission unanimously approved the minutes.

Acceptance of Hardship Committee Report of July 10, 2015

Mr. Kling motioned for acceptance of the Hardship Committee Report of July 10, 2015. Ms. Burton seconded the motion. The Commission unanimously approved the report.

Public Comments: There was no one from the public in attendance.

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Election of LA Deferred Compensation Commission Officers

The election of officers (Chairperson, Vice Chairperson and Secretary) was postponed until the August 18, 2015 when all members of the Commission will be present.

Administrator's Report

Plan Update as of June 30, 2015 was presented by Ms. Stevens. Assets as of June 30, 2015: \$1,466.65 Billion. Asset change YTD: \$28.92 Million, Contributions YTD: \$52.49 Million. Distributions YTD: \$49.44 Million. The Net Investment gain YTD was: \$25.87 Million. This is the first time in 2015 when contributions exceeded distributions.

Unallocated Plan Account Review – June, 2015: Cash balance on hand as of May 31, 2015 was \$2.606 Million. Activity for the month of June included interest earned and a reversal of funds sent to Wilshire Associates in error. There were no deductions in the month of June. The balance as of June 30, 2015 was \$2.616 Million.

Automation of Payrolls Update: A continual monitoring of payroll department processing, reflects approximately 26 political subdivisions that are not submitting deferral files via the Plan Service Center as mandated by the Commission. Ms. Stevens pointed out that 94% of all political subdivisions are in compliance. A final draft of a letter written and reviewed by Mr. McGimsey and Ms. Stevens to be sent to the remaining 6% of political subdivisions was presented to the Commission. The letter will be sent to the person “in charge” of the agency (sheriff, assessor, etc) and include a copy of the Plan Service Center Authorization Form paperwork already received from the agency’s payroll representative. A similar letter will be mailed to subdivisions that have not previously sent in paperwork.

Reality Investing Rate Reduction: Ms. Stevens proposed that AAG would like to reduce the Managed Account Annual Fees paid by participants from 50 bps at the highest down to 45 bps with breakpoints depending on balance. This move will require a contract amendment to be signed by Mr. Bares. Mr. Kling motioned to approve the reduction in Managed Account Annual Fees and to authorize Mr. Bares to sign the amendment. Ms. Hubbard seconded the motion. The Commission unanimously approved the motion.

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Commission Record Retention Policy: Mr. McGimsey presented a “Commission Document Management Policy” that was written in March of 2010. This document was written as a result of previous input from the Secretary of State’s office indicating that records must be kept on microfiche, which has become antiquated. Mr. McGimsey reported that the Commission document is consistent with all other record retention documents that he has seen. At some point however, Mr. McGimsey suggested that the Commission revisit procedures established by the Secretary of State to determine what methods are currently being used for record retention. Should the Commission submit their own record retention policy, the Secretary of State must first approve the document and then must also approve the actual destruction of documents. Mr. Kling motioned to authorize Ms. Stevens to review and dispose of Commission records in accordance with the Commission document of 2010. Mr. Riviere seconded the motion. Ms. Hubbard pointed out that according to the document, some of the records must be saved electronically prior to disposal. Ms. Stevens agreed with this observation. There was no objection and the motion carried.

Plan Audit: The Plan audit was completed by the Hienz & Macaluso, LLC CPA Firm, and resulted in no findings. The audit must be approved by the Legislative Auditor prior to it becoming public record. The audit is contracted through Hienz & Macaluso but the Commission pays the Legislative Auditor who in turn, pays Hienz & Macaluso.

Marketing Report

Ms. Stevens reviewed the Marketing Report for the month of June, 2015. There were 226 new applications, averaging \$2,152 per application and 260 increases/restarts, averaging of \$6,253 per application. Year-to-date, there have been 115 online enrollments which is significantly higher than we have seen in the past. The majority of activity in June came from the following agencies: Department of Corrections-Probation and Parole, Desoto Parish Sheriff’s Office, Red River Parish Sheriff’s Office, LSU Baton Rouge and Franklin Parish Sheriff’s Office. The group meeting goal is 1,300 per year. There have been 821 group meetings, year-to-date, which is 126% of the annual YTD goal.

Other Business

NAGDCA-2015: The NAGDCA Conference is scheduled for September 27-30, 2015 and will be held in Indianapolis, IN. The registration deadline is August 27, 2015. Ms. Burton is the only member of the Commission who will be attending the meeting. The 2016 NAGDCA Conference will be held in Denver, Colorado.

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Adjournment

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 10:31 a.m.

Virginia Burton, Secretary