

# MINUTES

## Louisiana Deferred Compensation Commission Meeting

April 21, 2015

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, April 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  
Whit Kling, Vice-Chairman, Participant Member  
Virginia Burton, Secretary, Participant Member  
Lela Folse, Designee of the State Treasurer  
Susan Pappan, Participant Member  
Len Riviere, Designee of Commissioner of Office of Financial Institutions

### **Members Absent**

Andrea Hubbard, Designee of the Commissioner of Administration

### **Others Present**

Rick McGimsey, Louisiana Attorney General's Office  
Andrea Barry, 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 10:03 a.m.

### **Approval of Commission Meeting Minutes of March 17, 2015**

The minutes of March 17, 2015 were reviewed. Mr. Riviere motioned for acceptance of the minutes. Mr. Kling seconded the motion. The Commission unanimously approved the minutes.

### **Acceptance of Hardship Committee Report of April 2, 2015**

Ms. Burton motioned for acceptance of the Hardship Committee Report of April 2, 2015. Mr. Riviere seconded the motion. The Commission unanimously approved the report.

**Public Comments:** No member of the public was in attendance.

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#### **Administrator's Report**

Ms. Stevens reported that Mr. Charlie Nelson, president of Retirement Services with Great West resigned effective April 30, 2015 to accept a position with Voya Financial.

**Plan Update** as of March 31, 2015 was presented by Ms. Stevens. Assets as of March 31, 2015: \$1,460.60 Billion. Asset change YTD: \$22.87 Million, Contributions YTD: \$24.68 Million. Distributions YTD: \$26.90 Million. The Net Investment gain YTD was: \$25.09 Million. The Lifepath Index 2060 Fund J, for participants born after 1995, has been added to the Plan and now has a balance of \$6,200.

**2015 Strategic Partnership Plan** was presented by Ms. Stevens. The report reflects a high-level comparison of the LA Deferred Compensation Plan to other industry-wide governmental 457 plans. The data presented included, industry data from plan sponsored surveys, plan design and industry trends, administrative considerations, retirement readiness benchmarking and plan action items. Plan action items included: improving state employee participation, adding product to fund lineup that offers income for life and improving retention of assets for participants. Ms. Stevens will bring additional research findings in the future related to "Active Choice," auto escalation, and what, if any, legislation/contractual amendments may be required to offer these specific options to participants.

**Unallocated Plan Account Review – March, 2015:** Cash balance on hand as of February 28, 2015 was \$2.562 Million. Activity for the month of March included the deduction of the Wells Fargo Bank annual custodian fee and the addition of March interest. The balance as of March 31, 2015 was \$2.564 Million. Ms. Stevens will provide a bar chart tracking values for the purpose of visualizing progress.

**Banking Arrangement Follow-Up:** Currently, the Plan uses two banks: JP Morgan Chase for state payroll and US Bank for trading. Empower Retirement uses US Bank. Originally (1980's), the State of Louisiana required that checks be issued on a local bank and that the recordkeeper not debit the state's general fund account. Empower Retirement recommends moving all accounts to US Bank so that the Plan can take advantage of preferential pricing. Doug Buras, Co-Designee of Commissioner of Office of Financial Institutions, responded to the meeting materials email by stating that US Bank has no local presence in the state of LA. Commission members pointed out that any conversion decision must be approved by the state's auditor and Cash Management Board. The Commission chose to table the discussion until a future time. Banking arrangements will remain "status quo" until such time that the Commission chooses to make a change.

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**Payroll-PSC Usage Update:** A list of 25 political subdivision payroll departments that have completed Plan Service Center paperwork but continue to send paper-copy deferral lists was reviewed by the Commission. Ms. Stevens will send written correspondence under Mr. Bares' signature to each payroll that is out of compliance with the Commissions' mandate that all deferral lists be electronically submitted through the Plan Service Center. The Attorney General's office will be cc'd on the letter. The letter will be emailed to Commission members for review prior to mailing.

### **Marketing Report**

Ms. Stevens reviewed the Marketing Report for the month of March, 2015. There were 131 new applications, averaging \$3,496 per application and 185 increases, averaging of \$8,668 per application. Ms. Stevens pointed out that more participants are enrolling online than previous years (55 YTD compared to 20). The majority of activity in March came from the following agencies: DOTD, OYS-Bridge City Ctr for Youth, Calcasieu Parish Sheriff, DCFS-Office of Child/Family Services, LSU-Baton Rouge and Ascension Parish Sheriff. There have been 360 group meetings in 2015. The quarterly group meeting goal is 325 and the annual group meeting goal is 1,300.

### **Other Business**

**Empower Retirement Site Visit** – This topic was rescheduled to be addressed at the May, 2015 meeting when David Lindberg of Wilshire will be in attendance. Mr. McGimsey pointed out that the NAGDCA Annual Conference is scheduled to be held in Denver, CO in 2016. The NAGDCA Annual Conference is scheduled for Indianapolis, IN in 2015.

**May Meeting Date Change:** Ms. Stevens reminded the Commission Members that the May meeting has been rescheduled for May 12<sup>th</sup> (instead of May 19<sup>th</sup>).

Mr. McGimsey thanked the Commission for allowing Ms. Barry to attend the meeting. Ms. McGimsey stated that Ms. Barry has been a great help to his office since the departure of Lindsey Hunter.

**Evaluation Committee Report** – Mr. Burton reported that the last Evaluation Committee report was completed in 2012. The report must include a review from Wilshire and a 2014 audit report. As such, the Evaluation Committee Report will be submitted in the fall of 2015 to include Wilshire's report and the 2014 audit findings.

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**Ethics Reporting Forms** – Mr. McGimsey reminded Commission Members to complete their Ethics Report Forms by May 15<sup>th</sup>. Mr. Kling pointed out a discrepancy in deadline dates between the website/forms (May 15<sup>th</sup>) and the actual statute (May 1<sup>st</sup>). Fines are assessed if the deadline is missed.

**Adjournment**

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 11:05 a.m.

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Virginia Burton, Secretary