

MINUTES
Louisiana Deferred Compensation Commission Meeting
March 19, 2024

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, March 19, 2024, 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, Chair, Participant Member
Doug Buras, Designee of Commissioner of Financial Institutions
Stewart Guerin, Designee of the Commissioner of Insurance
Beverly Hodges, Participant Member
Andrea Hubbard, Vice Chair, Co-Designee of the Commissioner of Administration
Julius Roberson, Co-Designee of the LA State Treasurer
Laney Sanders, Secretary, Participant Member

Members Not Present

Representative Lance Harris, Designee of the Speaker of the LA House of Representatives
Senator Valarie Hodges, Designee of the President of the Louisiana State Senate

Others Present

William Thornton, Senior Manager, Client Portfolio Svcs, AAG, Denver-*via video conference*
Cindy Rougeou, Retired LASERS Executive Director, Participant Member
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
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 Minutes – February 27, 2024

The minutes of the February 27, 2024, Commission Meeting were reviewed. Ms. Hodges motioned to accept the minutes as presented. Mr. Robinson seconded the motion. The Commission unanimously approved the motion.

4Q2023 LA Market Overview and Stable Value Quarterly Review

Mr. Thornton presented the 4Q2023 Market Overview noting:

- Deflation is keeping real rates restrictive without the need for more hikes.
- Inflation measures have clearly rolled over, but the “last mile” has proven stubborn.

- The labor market has the economy on its shoulders.
- Growth in 2023 was above 3%.
- Consumer spending has been solid.
- Fixed income yields remain attractive.

Mr. Thornton reviewed the 4Q2023 Stable Value statement as of December 31, 2023, with the Commission. Upon request from Ms. Hodges, Mr. Thornton will include a cash flow statement in his quarterly report going forward.

LA Credit Letter: Mr. Thornton reported that there were no changes to the credit letter noting that the recommendation is to continue holding Lehman Brothers Unsecured Notes so that the Plan may benefit from any future distributions. There were no derivative securities being used within the Stable Value portfolio as of the date of the letter.

Securities Sold: Mr. Thornton reviewed the securities sold list for the period of November 2023 – January 2024.

Plan Documents Rules/Legislative Updates

Mr. Robinson provided an update of the Plan Document revisions noting that the changes will be filed on Wednesday, March 21, 2024. The process should be completed by July or August of 2024.

Secure 2.0

Mr. Dyse shared an update on the Secure 2.0 provisions that included a road map and timeline of the new product offerings of Secure 2.0. Mr. Robinson stated that the Plan Document can be written to include a generic statement regarding the adoption of Secure 2.0 provisions but stated that these changes would still have to go through the “Public Comment” process as they are adopted. Rather than submitting the changes one at a time, it was determined that changes would be submitted a minimum of twice annually. Ms. Burton recommended a bi-annual review of Secure 2.0 provisions and availability. Each time the Commission adopts a Secure 2.0 provision, a digital election form must be signed by the Commission chairperson. Mr. Dyse will bring Secure 2.0 topics to the next meeting for the Commission’s review.

Records Retention

Mr. Robinson reported that he is currently working on edits to the Records Retention Schedule. Mr. Dyse and Ms. Carrigan are scheduled to participate in records retention training offered by the LA Secretary of State, State Archives and Records Services on March 20, 2024.

Service Provider’s Report

Plan Update as of February 29, 2024: Mr. Dyse reviewed the Plan Update as of February 29, 2024. Assets as of February 29, 2024: \$2,249.49 Million; Asset Change YTD: \$48.27 Million. Contributions YTD: \$18.84 Million; Distributions YTD: \$37.03 Million. Net Investment Difference YTD: \$66.46 Million.

UPA – February 2024: Mr. Dyse presented the February 2024 UPA report. The UPA balance at the end of February 2024 was \$1,814,468.89. Mr. Dyse reminded the Commission of the discussions had with Steven DiGirolamo of Wilshire regarding options related to the UPA balance.

UEW Report – February 2024: Mr. Dyse presented the UEW Report for the month of February 2024. Seven requests were submitted and approved.

Board Portal Update – OnBoard

Mr. Dyse reported that the purchase of 10 Lenovo tablets for use during Commission Meetings has had its complications, but the tablets should be available for the April 16, 2024, meeting. Three OnBoard training sessions for Commission members are scheduled prior to the April meeting. There was discussion that the tablets may require Microsoft Office to be purchased and installed.

Delegation of Authority

Mr. Dyse shared with the Commission that Senator Valarie Hodges has been appointed to serve as the designee of J. Cameron Henry, Jr., President of the Senate. The Office of Financial Institutions submitted an appointee letter confirming that Mr. Buras will continue to serve as the authorized representative on the Commission. The Department of Insurance submitted an appointee letter confirming that Mr. Guerin will continue to serve as the authorized representative on the Commission.

Other Business

Mr. Dyse stated that the Plan's Auditor, Mike DeFalco will begin work on the 2023 audit this month. Mr. Dyse forwarded to Mr. DeFalco a copy of the engagement letter that was signed by Ms. Burton in January so that work may begin. Mr. DeFalco's deadline is to complete the audit by June. Mr. Burton asked that Ms. Hodges be placed on the Commission Audit Sub-Committee.

Loan Review

Ms. Carrigan presented a participant request to be allowed to borrow from his LA Deferred Comp account even though his record reflects a previously defaulted loan. It was determined that the loan defaulted due to an administrative error by his agency. Based on the participant's current balance, years of participation, regular contributions into the Plan and the fact that the previously defaulted loan was paid in full, Ms. Hodges motioned to allow the participant to take out another loan from his account. Ms. Sanders seconded the motion. The motion passed unanimously.

Mr. Dyse shared with the Commission that Empower now has the capability to accept electronic loan payments from participants who left State employment with an outstanding LA Deferred Comp loan balance. The current Plan Document states that loan payments must be made through payroll deduction. If the Commission chooses to allow loan payments after separation-from-service, the Plan Document would need revision. Currently, participants have 90 days after separating from State Service to pay the loan off in its entirety.

Adjournment

With there being no further items of business to come before the Commission, Chair Burton declared the meeting adjourned at 10:55 a.m.

Laney Sanders, Secretary