

MINUTES
Louisiana Deferred Compensation Commission Meeting
November 14, 2023

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, November 14, 2023, in the office of the Service Provider at 9100 Bluebonnet Centre Blvd, #203, Baton Rouge, LA, 70809 at 10:00 a.m.

Members Present

Virginia Burton, Chair, Participant Member
Doug Buras, Co-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, 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 Ed Price, Designee of the President of the Louisiana State Senate

Others Present

Marc Dummer, CIAA, CIMA – Managing Director Client Portfolio, Principal Diversified Real Asset Fund-*via video conference*
Jim Robinson, Principal Diversified Real Asset Fund-*via video conference*
Stephen DiGirolamo, CFA – Managing Director, Wilshire Associates-*via video conference*
Craig Cassagne, State of Louisiana Attorney General’s Office, Baton Rouge
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.

Principal Diversified Real Asset Fund

Ms. Drummer and Mr. Robinson presented an overview of the Principal Diversified Real Asset Fund.

Approval of Commission Meeting September 19, 2023

The minutes of the September 19, 2023, Commission Meeting were reviewed. Mr. Burras pointed out one edit required for the minutes related to how the total asset amount was presented. Mr. Buras motioned to accept the minutes as amended. Ms. Hubbard seconded the motion. The Commission unanimously approved the motion.

Wilshire 2Q23 Investment Performance

Mr. DiGirolamo presented the 3Q23 LA Deferred Comp Plan investment performance summary and market review.

Service Provider's Report

Plan Update as of September 30, 2023, and October 31, 2023: Mr. Dyse reviewed the Plan Update as of September 30, 2023, and October 31, 2023. Assets as of **September 30, 2023:** \$2,057.82 Million; Asset Change YTD: \$75.25 Million. Contributions YTD: \$84.58 Million; Distributions YTD: \$124.53 Million. Net Investment Difference YTD: \$115.20 Million. Assets as of **October 31, 2023:** \$2,022.71 Million; Asset Change YTD: \$40.14 Million. Contributions YTD: \$93.74 Million; Distributions YTD: \$135.80 Million. Net Investment Difference YTD: \$82.20 Million.

UPA – September 2023 and October 2023: Mr. Dyse presented the September and October 2023 UPA reports. The UPA balance at the end of **September 2023** was \$1,601,007.02. The UPA balance at the end of **October 2023** was \$1,999,845.74.

UEW Report – September 2023 and October 2023: Mr. Dyse presented the UEW Report for the months of September and October 2023. **September 2023:** Sixteen requests were submitted and approved. **October 2023:** Eighteen requests were submitted and approved. Ms. Hodges requested that the amount of each UEW distribution be included going forward.

Quarterly Fee Reconciliation-3Q 2023: Mr. Dyse presented the 3Q 2023 Fee Reconciliation report. My Total Retirement Service (Managed Accounts) was reviewed to provide more details of this program. Mr. Dyse shared an Investment Strategy Utilization report with the Commission. Ms. Daubenspeck stated that Managed Accounts is a service and not an investment option. Ms. Daubenspeck highlighted features of the Managed Account service, noting that it is much more than an investment and is an excellent option for a portion of the Plan's population. Ms. Burton shared that, at one time, participants were defaulted into the Managed Account service. Research is being conducted on when the Managed Account default was changed to Target Date funds. Participants in the Managed Account service receive multiple communications throughout the year including an annual review. Mr. Massingill stated that Retirement Plan Advisors meet regularly with participants for the purpose of educating and reviewing investment selections. There was discussion related to providing quick, educational videos on the website. Ms. Palmer mentioned that an email was sent from Commissioner Dardenne's office on October 9, 2023, which resulted in an increase in Plan enrollments and website traffic. Additional figures will be presented at the December retreat.

DOJ-Monthly Training of State Commissions

Mr. Brett Robinson presented a letter from Angelique Freel, Director, Civil Division, announcing the continuation of monthly training for state government boards and commissions. Topics include, Open Meetings, Public Records, Dual Officeholding, Attorney General Opinions and La Governmental Ethics. Commission members were asked to register for training through Mr. Robinson.

Open Meetings Law Changes

Mr. Brett Robinson reviewed a letter from the LA Legislative Auditor regarding changes to the Open Meetings law. Only one third of meetings can be held electronically under the new law and cannot be

successive unless warranted. The meetings cannot be hybrids of both in-person and virtual. Each board may use their own platform.

Tarzca Update

Mr. Brett Robinson reported that a draft of revisions to the Plan Document will be available at the December 2023 meeting.

Secure 2.0

Mr. Dyse reminded the Commission that the elimination of the Same Month Rule will be accommodated by Empower on December 18, 2023. Ms. Hubbard stated that the State payroll is also ready to implement the change in the Same Month Rule in December.

Commission Nominating Committee

Ms. Carrigan reported that the LA Deferred Comp Commission Nominating Committee has been formed and will meet on January 5, 2024, to endorse a candidate. The Committee members are Ben Huxen, Kent LaPlace and Afranie Adomako. Ms. Burton's seat is up for election in 2024. An article regarding the election will be included in the fourth quarter newsletter to be released in January. Any change in the election process related to the number of words that a candidate can submit in their election presentation would be required to go before the legislature along with all the other rules being updated. Ms. Sanders motioned to approve the Commission Nominating Committee. Ms. Hodges seconded the motion. The motion was approved unanimously.

December Retreat Details

The Commission agreed to start the December 12, 2023, meeting at 8:00 a.m. The meeting will be held in the boardroom of the LASERS building. Breakfast and lunch will be catered and served at the meeting. Topics to be include:

- Review of policies and Investment Policy Statement
- Review of specified duties and responsibilities
- Summary findings of IT audits
- On Board Portal: Amount of workload involved in setting up the portal, hardware requirements and Wi Fi access
- Fiduciary Duties: Empower and Commission responsibilities
- Cyber Security
- Tarzca's Plan Document Amendments
- Secure 2.0
- Plan Investment lineup review, fee study and Self-Directed Brokerage (Equity Wash Rule)
- Retirement Plan Advisor Presentation

Designee Letter – State Treasurer's Office

A letter from John Schroder, State Treasurer, was received noting the Commission designees of the State Treasurer's office.

Other Business

Loan Payoff Option for Terminated Employees

Empower now has the capability of servicing loan repayments for terminated employees via ACH which will keep them from defaulting on loans taken while still employed. The Plan Document clearly states that loan remittance payments must be processed through payroll deduction so changes may be needed to accommodate this change. Mr. Dyse will provide additional details once available.

Mr. Buras pointed out that Ms. Burton was recently recognized for being a licensed CPA for 50 years.

Adjournment

With there being no further items of business to come before the Commission, Chair Burton declared the meeting adjourned at 11:51 a.m.

Laney Sanders, Secretary