MINUTES
Louisiana Deferred Compensation Commission Meeting
November 16, 2021

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, November 16, 2021 in a virtual format at 10:00 a.m.

Members Present
Whit Kling, Chairman, Participant Member
Virginia Burton, Vice Chairman, Participant Member
Stewart Guerin, Designee of the Commissioner of Insurance, *via virtual conference*
Andrea Hubbard, Co-Designee of the Commissioner of Administration, *via virtual conference*
Scott Jolly, Co-Designee of Commissioner of Financial Institution, *via virtual conference*
James Mack, 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
John Schroder, Treasurer, State of Louisiana-*via audio conference*
Sheriff Brett Stassi, Iberville Parish Sheriff Dept.
Monty Migliacio, Iberville Parish Sheriff Dept.
Sheriff Mike Cazes, West Baton Rouge Parish Sheriff Dept.
Craig Cassagne, State of Louisiana Attorney General's Office, Baton Rouge
Brett Robinson, State of Louisiana Attorney General's office, Baton Rouge
Stephen DiGirolamo, CFA – Managing Director, Wilshire Associates-*via video conference*
Danette Rausch, AVP Partner Strategy, Empower Retirement, Denver-*via video conference*
Karen Scott, Senior Client Service Manager, Empower Retirement – Denver-*via video conference*
Jennifer Bailey, Lead Strategist Participant Mktg Comm Gov – Denver-*via video conference*
Michela Palmer, Sr. Communication Strategies Comm Gov – Denver-*via video conference*
Rich Massingill, Manager, Participant Engagement, Empower Retirement, Baton Rouge
Jo Ann Carrigan, Sr. Field Administrative Support, Empower Retirement, Baton Rouge

Mr. Mack began the meeting by announcing that the November 16th Commission would be his last meeting as he has been hired as the Executive Director of the Baton Rouge City Parish Employees Retirement System. Mr. Mack stated that he has enjoyed working with the Commission members and will miss everyone.

On Sheriff Stassi's request, those in attendance introduced themselves and stated their affiliation with the Commission.

Call to Order
Mr. Kling called the meeting to order at 10:04 a.m. Ms. Carrigan called roll of Commission members.

Mr. Kling, based on public meeting rules, clarified that Commission members attending the meeting virtually could be recognized as "in attendance," but could not be counted for purposes of a quorum. Mr. Kling also stated that those members may participate in the meeting, but they could not vote on any issue as the commission meeting notice was posted as an in-person meeting.

Public Comments

Mr. Kling stated that the meeting is accessible to the public and invited anyone who had joined the meeting to participate.

Approval of Commission Meeting Minutes of October 19, 2021

The minutes of the October 19, 2021 Commission Meeting were reviewed. Mr. Kling asked that the minutes be amended on page 4, 2nd to last paragraph regarding management participation structure to read as follows: "Commission members discussed the management participation structure proposal but decided they needed more information from Empower. Mr. Kling requested that each member submit their desired information and questions to the Chair for a submission proposal (to be prepared by Empower) for consideration by the full board at the next board meeting."

Ms. Burton motioned for acceptance of the October 19, 2021 minutes as amended. Mr. Mack seconded the motion. The Commission unanimously approved the motion.

Tarcza Opinion – Transfer Letter

Mr. Kling recapped the Commission's adoption of the deconversion transfer process that incorporated the requirement that participant signatures be notarized. Mr. Tarcza was asked to respond on whether the notary was a 457b requirement or a State requirement. Mr. Tarcza's response stated that the requirement is governed by Civil Code, Article 518 which states that there is no requirement for a contract under these circumstances to be notarized but that notarization is a desirable protection feature. Mr. Kling stated that it is up to the Commission on whether to require notarization and at this time, the transfer document does include a notarization requirement. Mr. Kling opened the meeting to discussion at which time Sheriff Stassi stated that he is the current president of the Sheriff's Association and has been involved with Empower Retirement for approximately 15-20 years. Once Mr. Stassi became Sheriff, he was contacted by another deferred comp provider who asked about the status of his agency's relationship with the LA Deferred Comp Plan. Mr. Stassi stated that contact with a LA Deferred Comp representative has been once a year coinciding with employee raises. The new agency offered to have private talks with the Sheriff's employees and their spouses throughout the year and as a result, the Sheriff changed to the new Plan. Leaving the LA Deferred Comp Plan was not difficult. Since then, other sheriffs have met with the new provider and, based on the services being offered, a change in providers was a "no brainer". In relation to the notary requirement, Mr. Stassi stated that it would be a large task to notarize employee signatures especially for the larger agencies. Mr. Stassi stated that it seems that Empower Retirement has created a hurdle mechanism to stop the flow of funds from the Plan. Mr. Stassi observed that the LA Deferred Comp Plan used to be the only game in town and now, it is not. If the notary requirement is to protect from lawsuits, Mr. Stassi stated that we already know that the Commission cannot be sued by the people. Mr. Stassi pointed out that local governmental agencies such as district attorneys, fire chiefs, mayors and sheriffs, all run their own group Plan. Mr. Stassi stated that Empower Retirement's change in deconversion procedures is an "over-reach" of power. Further, Mr. Stassi stated that when the Lincoln Parish Sheriff's Office objected to the notary requirement, they received no response from the Commission related to why the changes were initiated. Mr. Stassi concluded his comments by stating that Empower should not create stumbling blocks for those agencies wishing to leave the Plan. From the outside world, it seems that the Commission is protecting something and hurting other people in the process.

Mr. Kling responded by stating that in terms of operations and policy determinations, Empower Retirement is following directives of the Commission. If there appears to be stumbling block in place, it is the Commission that set the policy. Mr. Kling stated that it is understood that Mr. Stassi is the Plan Sponsor for his organization. Under the code however, once contributions are made to a Plan, they are no longer under the Plan Sponsors' control. The contributions are a trust and belong to a participant – the Plan Sponsor cannot direct what happens with the contributions/earnings once that occurs. As a result, a transfer document is required allowing the participant to direct the movement of funds from one Plan to another. There is no problem with an entity leaving the Plan and Empower will stop receiving contributions from the moment the deconversion request is received. In terms of the transfer, the Commission needs direction from the plan participant. Mr. Kling stated the Commission chose the notary statement requirement because it provided the best certification process. The notary is not required by the Civil Code. Under the State's statutes, the Commission's determination is what is viable. Mr. Kling pointed out that in retirement systems, if participants want to withdraw funds, a notarized signature is required as a protection feature. Mr. Kling referenced the 5601 Code which does not state that the Commission cannot get sued. Instead, the 5601 Code states that if the Commission is sued, it will have counsel. Mr. Kling stated that there is no problem with the agency choosing to leave the Plan, but money cannot be transferred without the participant's direction under the Code. Mr. Mack reviewed the process followed in the past:

1. A letter is sent alerting the Plan that a transfer is desired.
2. A signature page with each participant's signature is required.
3. The signature page must be notarized.

Mr. Mack stated that there appears to be two different conversations:

1. Transfers require that each participant sign off on the transfer. This is a requirement that cannot be undone by the nature of the Plan.
2. Should the Commission require signature notarization on participant transfer forms?

Mr. Mack reiterated that Empower is acting on the Commission's directive and this takes Empower completely out of the conversation. Mr. Mack stated that based on his research and speaking with other third-party providers, most of them do not require a notary on transfer out paperwork. Mr. Mack suggested that the notary be removed but understands Mr. Tarcza's viewpoint in terms of covering the Commission. Mr. Cazes stated that he has 44 years in law enforcement and has been in five different Plans. Mr. Cazes said that the current provider meets once per month with new employees. They also meet with retirees and once a year they participate in the annual insurance meetings. Mr. Cazes has experienced no difficulty in moving his funds from Plan to Plan except in one case when the Plan refused because they considered themselves a better Plan.

Mr. Stassi asked for clarification on what happens if an employee doesn't sign the transfer paperwork. Mr. Kling stated that employees may join the new Plan but would leave their assets with the LA Deferred Comp Plan. The issue is solely the notarization requirement. Mr. Stassi requested that the notarization requirement be lifted as it places an undo burden on the agency. Mr. Kling reiterated that the intent of the Commission is not to be a hinderance to agencies leaving the Plan. Mr. Kling stated that several years ago, the Commission allowed an agency to leave the Plan without signatures in error. A written determination is required. Mr. Kling asked Mr. Stassi what he would consider acceptable certification. Mr. Stassi stated that the employee's signature should be sufficient. Mr. Cazes asked the Commission how many times it has been sued over the years. Mr. Kling stated that the first administrator ran away with all the funds, and it took years to clear the mess up. Mr. Stassi and Mr. Cazes both stated that they would be willing to sign the transfer forms of their employees. Mr. Stassi stated that he wants Empower to know that they can learn from this in terms of how to take care of their participants. Empower needs to look at the Plan and the amount of effort being put into it. Mr. Massingill stated that he has been with Empower for two years and reported that Retirement Plan Advisors have been meeting with thousands of employees throughout the pandemic. Mr. Massingill stated that he is very proud of the quality of Empower advisors in terms of their engagement and relationships. The retirement advisors are not just in the field for the money, but they realize they impact lives and can help people with their retirement. Mr. Stassi stated that this meeting has already been a success. Ms. Burton shared that the Plan has had issues related to family members trying to access participant funds. Individuals must request the transfer. Criteria would need to be established if the Commission reduced the amount of assurance that the actual individual signed the form. There should be some sort of a witness addition or the administrator of the agency signifying each signature. It would have to be from Plan to Plan, not to an individual. This brings with it fiduciary responsibility on the part of the Commission, the agency and the new Plan. Fiduciary involves taking sufficient steps to assure that individuals are not being strong armed to move their money and making sure that the individuals have been asked if they want to move their money. Ms. Sanders stated that as a Commission member, she looks at the notary requirement as a protection for the member and not a hurdle. Mr. Stassi stated that the deconversion rules have changed over the years since the agency signed up and it appears to be as a result of Empower losing funds. Mr. Kling stated that the LA Deferred Comp Plan was originally developed as a State Plan. Local political subdivisions were added because there was nothing available to them at the time which is no longer the case. Local agencies have left the Plan over the years due in part to competition of other providers. Mr. Kling suggested that if the sheriffs and the new plan administrator is willing to sign the transfer paperwork, that will be enough for Mr. Kling. Mr. Stassi and Mr. Cazes stated that this arrangement was fair and agreed to this change in procedure. Mr. Cassagne stated that an issue could arise if a plan administrator chose not to sign the paperwork. Mr. Cazes stated that if the new plan sponsor refused to sign, the agency would not move from the existing Plan. Mr. Cazes stated that they would meet with LSA to see if they would accept the signature requirement. Mr. Cassagne pointed out that the change in procedure would also affect mayors of cities/towns. Mr. Mack suggested the simple solution would be to provide a form that would include notarization or the plan administrator's signature along with the participant's signature. Mr. Cazes again stated that they would speak with his agency's lawyers and respond back to the Commission.

In closing, Mr. Stassi thanked Treasurer Schroder and Mr. Mack for reaching out and staying in touch. Mr. Kling asked that in the future, if other sheriffs are considering leaving, the Commission or Mr. Massingill be notified so that discussions can be had to address areas of dissatisfaction. Mr.

Massingill stated that advisors in the field are meeting with employees on a one-on-one basis and those meetings aren't always being reported to management. Mr. Massingill stated that it is his responsibility to make sure that management knows what activity is being conducted with employees. Mr. Stassi stated that there must be flexibility in scheduling time with employees to consider employee work-shifts. Mr. Kling asked if Mr. Stassi was disappointed with the Plan performance of his investment options. Mr. Stassi replied that he doesn't look at his account and doesn't recall much movement in investment allocations during his 15 years. Mr. Massingill stated that movement can occur if the employee instructs Empower to do so. Newsletters, letters, emails, statements are sent to participants letting them know that they may not be in the best investment portfolio for them. Mr. Stassi stated that he prefers the safest option. The new provider promised to make 6% returns on Mr. Stassi's investments. Ms. Sanders stated that this would also come with more risk. Mr. Massingill stated that any advisor that leads with "greater returns," is a concern. Advisors should lead with a discussion of the participant's goals first and foremost.

Treasurer Schroder stated that one shoe doesn't fit everyone. The young men and women who protect the street, don't know much about finances or investing. Treasurer Schroder recommended that efforts be made to better educate and promote the Plan. Treasurer Schroder thanked the Commission for letting the sheriffs attend the meeting and voice their concerns. Treasurer Schroder stated that he would keep in touch to see how the procedural changes move along.

Treasurer Schroder thanked Mr. Mack for the work he has done for the State of Louisiana. Mr. Schroder stated that he was sad that Mr. Mack was leaving the Department of Treasury but was very happy for him and his family. Treasurer Schroder stated that he was hopeful that Mr. Mack's replacement would be of the same caliber and character.

Mr. Stassi, Mr. Cazes and Mr. Migliacio thanked the Commission for their time and left the meeting.

<u>Wilshire 3Q21 Performance</u>

Mr. DiGirolamo presented the Quarterly Investment Performance report as of September 30, 2021.

US Equities were up 0.1% for the third quarter.

- A slim majority of the eleven sectors were in positive territory with financials and utilities representing the best performing sectors. The worst performing sector for the quarter was materials.
- Large cap outperformed small cap. Large cap was the only US segment in positive territory for the quarter.
- Consumer sentiment dropped falling to the lowest point in almost a decade. The drop occurred with the August results and followed a six-month period when headline inflation surged to 7.8% (annualized), the largest six-month increase in 30 years.

Non-US Equity: Economic conditions appear to be rapidly deteriorating.

- Supply chain issues and Covid-19 infections along with a spike in inflation were contributing factors.
- Consumer prices in the U.K. rose to 3.2% in August.

Emerging markets experienced a meaningful drop in the third quarter, down -8.0%.

- The main sources of weakness were South Korea (-13.2%) and China (-18.1%).

Fixed Income: The US treasury yield curve was up, generally, during the quarter.

- Yields with 3-to-10-year maturity rose the most.
- The 10-year treasury yield ended the quarter at 1.49%, up two basis points from June.
- The FOMC met twice, as scheduled, with no change to their overnight rate.
- The Fed's current intent is for a 25-basis point increase in the overnight rate before the end of 2022.

Real Assets are at the top of the Asset Class Returns. Real Assets were at the bottom in 2020.

Inflation will continue to be a topic to focus on in the foreseeable future.

Mr. DiGirolamo reviewed asset allocations noting strong quarterly performance. There has been some growth in the trailing four quarter period. There have been no major trends in terms of moving of assets.

The MFS Core Equity R5 outperformed its benchmark by 78 basis points for the quarter. The EuroPacific fund added 64 basis points of relative value. Prudential had a small drag versus the benchmark, but it is doing well over the long run. The Principal Div Real Asset R6 had nice absolute performance over a longer period. The Stable Value Fixed Income Fund yield is strong as compared to money market funds. Target Date Funds had a slight negative performance based on exposure to international equities and fixed income within the funds. Ultimately, all the funds have performed better than their peer medians. Mr. DiGirolamo concluded that all the funds are performing as expected over the long run. It is a nice lineup for the participants to get exposure to all the different asset classes that they should build portfolios with. There are no major changes with any of these funds.

Mr. DiGirolamo reported that Black Rock is doing a deep dive into the fixed income allocation within Life Plath funds. In the past, the exposure has been specifically to the Barclays Aggregate Index. Black Rock is coming out with a better approach to getting exposure to fixed income. This will involve breaking up the index into sub-sectors and investing in the sub-sectors based on time to retirement. Mr. DiGirolamo will send information on this to the members of the Commission but noted that Black Rock has not yet enacted this change. It will most likely happen in 2022. Wilshire's position is that this move is a good idea and is appropriate for the funds going forward. Mr. Kling asked that Mr. DiGirolamo provide additional information on how the change will impact the Life Path Funds once the change appears to be happening.

Mr. Kling asked that agenda items 6 and 7 be moved to the end of the meeting.

<u>Administrator's Report</u>
Ms. Rausch presented the Administrator's Report for the period ending October 31, 2021.
Plan Update as of October 31, 2021: Assets as of October 31, 2021: $2,279.75 Billion; Assets change YTD: $198.03 Million; Contributions YTD: $90.68 Million; Distributions YTD: $120.18 Million. The Net Investment Difference YTD: $227.53 Million

UPA – October 31, 2021: Ms. Rausch reviewed the UPA report for the month ending October 31, 2021. The closing balance at the end of October was $1,527,515.20. Additions included participant recoveries and interest for October. Deductions included the LA Dept of Justice and Wilshire Associates.

UEW Report – October 2021: Ms. Rausch presented the UEW Report for the month of October 2021. Seventeen requests were submitted and seventeen were approved.

Quarterly Fee Reconciliation: Ms. Rausch reviewed the Quarterly Fee Reconciliation Report including fees collected and paid out to Great-West per the contract.

Securities Sold: Ms. Rausch presented the securities sold report for the month of September noting twelve securities having matured or sold. Ms. Rausch noted the correction made to the August report related to the Simon Property Group LP, Senior Unsecured Global Notes. The previous report reflected a $5 Billion gain in error. The correct gain amount totaled $205,395.15.

<u>DOL Changes to Electronic Delivery</u>

Ms. Rausch presented an enhancement to electronic delivery of statements. Ms. Rausch reviewed electronic delivery procedures noting that participants can either choose to receive their documents delivered online or those who don't act, are placed into what is called a "deemed consent" status. The Department of Labor has changed the rule and the new rule is providing a great opportunity to contact participants more than once a year. The new rule goes into effect in January 2022 which means it will impact the 4Q21 statements. The rule indicates that Empower must notify all participants first in a paper format that the e-delivery process is in place. This will exclude those who have volunteered to receive electronic documents. Documents will be placed online (as they are today) and anytime there is a change or a quarterly statement, an email will be sent to participants. The email will be sent to the work email address on file first. If that email bounces back as undeliverable or there is nothing in that work email field in the recordkeeping system, an email will be sent to the personal email address on file. If that email bounces back or there is nothing in the personal email address field, the notification will be mailed to the participant. In today's world, Empower notifies participants once a year reminding them that they are in a default to electronic delivery of statements and documents. The notification includes instructions on how to change their delivery option. With the new rule, this process will be followed quarterly as opposed to annually. Ms. Rausch stated that this new procedure is a great opportunity for the participant to be notified on a more regular basis. Mr. Kling asked if the DOL rules are effective for 457b plans. Ms. Rausch stated that the new DOL rule provides a better experience and Empower is delivering this across all Plans. The DOL rule came out as part of ERISA rules and Empower is applying it to 457b plans as well. Mr. Kling asked for further clarification on whether DOL is making the determination to incorporate the new procedures or if Empower is. Ms. Rausch stated that she was not familiar with that level of detail but would research and report back to the Commission. Ms. Burton stated that in the current world, most people are not reading their emails. Ms. Burton requested clarification if a person has asked for a mailed notification, are the notifications changing to electronic delivery. Ms. Rausch stated that anyone who has asked for a paper notification will remain on paper even under the new procedure. Ms. Sanders asked if Empower can determine when an email is opened. Ms. Rausch stated that monitoring is taking place on bounced-back emails but is unaware if the system can determine whether an email has been opened. Mr. Mack asked if the new procedure should be delayed until such time as it is determined if this change is required by DOL or if it is Empower's decision to implement. Ms.

Rausch stated that the new procedure is being rolled out in January of 2022. Mr. Kling asked Ms. Rausch to present the answer to the two questions noted at the December meeting. Ms. Hubbard stated that she thought this process was already in place. Ms. Hubbard also stated that it was her understanding that Empower would mail one paper copy of statements once a year to all participants along with an election ballot. Ms. Rausch stated that current procedures are that a notification is mailed once a year that does not include the statement. Ms. Burton stated that it is her understanding that the only correspondence being mailed is a postcard to all participants reminding them that statements are available. Ms. Burton stated that the Commission requested that the newsletter be mailed once a year to those participants requesting electronic delivery as they are not receiving a copy of the newsletter. Mr. Kling asked that Ms. Rausch provide clarification on what is being mailed throughout the year.

Distribution Options Summary

Ms. Rausch presented a draft of the "Distribution Option Summary" brochure that was developed to share with participants as a way of making them aware of their distribution options. Options include, staying in the Plan, rolling money out and full/partial withdrawals. This brochure will be used by the field team, offered to participants coming into the office and posted to the website. Mr. Mack asked for a timeline on when the brochure would appear on the website which was the focus of the Commission. Ms. Bailey stated that once the brochure is approved, it will be sent to compliance and then post to the website probably in December.

Ms. Bailey confirmed that a paper copy of the newsletter is being mailed to all participants once a year in the first quarter. Mr. Kling noted that the notification of election must be included in the fourth quarter statements.

Loan Default Update

Mr. Kling reviewed the history of the loan default request submitted by a participant who had undergone hardship resulting in her failing to make remittance payments. The material provided confirmed that significant life events occurred during the period of 2016-2021 including two floods, Covid-19 for she and her husband, death in the family and a loss of her home. Late payment notices were mailed to the participant in the past. The participant has stated that the loan would be paid off in full once the loan is removed from default. Ms. Burton stated that all loan remittance payments are now processed through payroll deduction. The loan in question was requested prior to the mandate that loan payments be payroll deducted. Ms. Burton stated that she has a problem with the use of email notification based on her own experience with email correspondence. Ms. Burton motioned that the loan default be removed from the participant's record and that all future loans must be paid back through payroll deduction. Ms. Sanders seconded the motion. Ms. Hubbard wanted clarification on how the current loan would be paid. Ms. Burton amended the motion that based on the repayment of the defaulted loan, the default be removed. Ms. Sanders seconded the amended motion. There was no objection and the motion passed unanimously.

Nominating Committee

Mr. Kling stated that the Commission chairman normally appoints a Nominating Committee. It is Mr. Kling's seat that is up for election and he has asked Ms. Burton to handle this function. Ms. Burton reported that she asked, Emery Bares, Ben Huxen and Afranie Adomako to serve on the Nominating Committee and all three have agreed to do so. Mr. Mack motioned to approve the members who have agreed to serve on the Nominating Committee. Ms. Sanders seconded the motion. There was no objection to the motion. The tentative election process schedule was provided to each Commission member. Ms. Burton added that Empower would be responsible for setting up the logistics of the Nominating Committee meeting. Mr. Kling stated that he intends to run for re-election.

Commission Document Retention

Mr. Cassagne stated that he and Ms. Carrigan reviewed the Commission's Document Retention schedule. The main changes included:
2B-Hardship records: Removed from the schedule as Hardship requests are no longer processed through the local office.
2C-A certified copy of the election results will be kept on file for three years and then should be shredded.
2J-Audio recordings of Commission meetings will be kept for a period of at least two years.

Ms. Burton motioned to adopt the new Document Retention schedule. Mr. Mack seconded the motion. There was no objection to the motion and the schedule was adopted.

Other Business

Mr. Kling reported that he has completed the filings for the LA Auditor and the Senate for all the Commission members. The filing requirement has been met. No personal information was provided per member.

Management Structure of the Baton Rouge Office

Ms. Rausch reported that Ms. Marybeth Daubenspeck was unable to attend today's meeting due to a death in the family. Ms. Daubenspeck sent her apologies for not being able to participate in the meeting.

Ms. Rausch began the discussion by stating that the proposed service model is 100% the Commission's decision to make. Ms. Rausch stated that as the Plan has grown over the years in size and complexity it now needs changes based on what participants and employers are asking for. The separation of duties between the Relationship Management Team and the Engagement Management Team that has been in place for a little over two years has worked out quite well. Ms. Daubenspeck leads the Management Relationship Team with Mr. Dyse and Ms. Rausch reporting directly to her. Mr. Massingill's responsibility is the local office administrative staff and the field Retirement Plan Advisors. The Plan's Client Service Manager is Karen Scott and Jennifer Bailey and Michela Palmer make up the Communications Team.

Mr. Massingill reviewed the different roles and responsibilities of the Managing Director and the Participant Engagement Manager under the service model that was rolled out two years ago. Mr. Massingill stated that the role that Connie Stevens served during her tenure with the Plan no longer exists. Ms. Stevens' role has been divided into two positions/functions. Mr. Dyse is responsible for the Plan level relationships, design and features along with implementation of the Commission's directives. Mr. Dyse and Mr. Massingill work closely together on this Plan in addition to retirement system Drop Plans and 401a Plans. Mr. Dyse' duties include leading and attending the Commission meetings and serving as the first level of escalation. Mr. Massingill stated that he is proud of the way escalations are handled especially in determining who and how the issue should be addressed. Mr. Dyse and Mr. Massingill meet with the Communications Team assuring that communications to employers and participants are driven out on a regular basis. Mr. Massingill's role in managing the Retirement Plan Advisors is to determine how more participant meetings can be held. The goal is to get more participant engagement from an educational perspective. Mr. Massingill stated that the Retirement Plan Advisors are as capable and passionate as those referenced in Mr. Stassi's discussion earlier in the meeting. In the pre-Covid years, the only way a manager could spend time with an advisor was to go out into the field resulting in the manger being away from the office for several days throughout the month. In the virtual environment of the last 18-20 months, advisor meetings were being recorded which allowed the manager to pull calls and have immediate coaching sessions. Listening to RPA meetings takes up a large part of Mr. Massingill's time as he makes sure that the participant experience across the State of LA is similar from one advisor to the next. In 2021, the RPA's have facilitated over 4,000 one-on-one meetings which is similar to pre-Covid types of meeting numbers. 2021 new enrollments have matched 2019 totals in a fully virtual environment. The number or comprehensive "retirement readiness" review meetings are 50% higher than service-related meetings. There is a lot of growth in what the team is capable of doing over the past two years. Retirement Plan Advisors are not only meeting with participants, but they are also engaging with employers through marketing pieces, phone calls, emails and letters. Mr. Massingill admitted that part of 2020 was spent determining how to do the job during a pandemic and in 2021, how to do the job efficiently without committing to 100% live meetings on the road. The team has found a good balance of the two. Mr. Massingill stated that his day-to-day responsibility does not require that he be present every day in the office. In the pre-Covid period, there was one person that Mr. Massingill met with in person during the four-month period when the office was open in 2020. Mr. Massingill offered to meet with the participant because he overheard her mentioning that she needed someone to help her with her retirement planning. Now that the office is open, participant grievances are triaged by Ms. Carrigan. Ms. Carrigan is the "gate keeper" and will continue in this capacity. Mr. Massingill stated that he is confident in his ability to lead the team and to be available to participants and employers from a remote location. The big take away is that the roles and responsibilities are not changing. What Mr. Dyse is responsible for will continue as will Mr. Massingill's responsibilities regardless of where Mr. Massingill will be working.

Ms. Rausch addressed questions previously submitted by the Commission. In response to the question of how many days Mr. Massingill would be in the local office during a month, the answer was, at a minimum, 2-3 days. His local presence would align around Commission meetings as well as employer meeting requests that are received. Employer engagement also includes automation options available that may make the employer's responsibilities easier. Mr. Massingill will continue to shadow the Retirement Plan Advisors' in-person group meetings across the State of Louisiana as appropriate. In 2022, the hybrid, virtual meeting will be a key component in employer engagement. Ms. Rausch confirmed that Mr. Dyse and Mr. Massingill will both attend Commission meetings throughout the year. The lead contact and decision maker in the Baton Rouge office will remain Ms. Carrigan who knows how to escalate issues appropriately. The Baton Rouge office will have two additional office associates that are licensed Retirement Plan Advisors to be available to assist participants who come by the office requesting retirement review meetings. Mr. Massingill will continue to lead the field team and the office staff. If there is any escalation, Mr. Massingill will be contacted to meet with the participant in a telephone or virtual meeting capacity. Mr. Massingill will be readily available to provide any escalation resolution.

Mr. Kling asked for clarification on who is the lead contact and decision maker for the Plan. Ms. Carrigan would remain the lead contact and escalations would be forwarded to Mr. Massingill by Ms. Carrigan for decision making. A headcount of three will be maintained in the local office consisting of two administrators and a Retirement Plan Advisor. Having a Retirement Plan Advisor in the local office on a regular basis will add value and may even open further outreach to a particular segment of the participant population such as retirees. The objective is to have a licensed Retirement Plan Advisor in the office on a regular basis during normal business hours. Ms. Hubbard asked for clarification of the organization chart which reflects three administrative staff members currently in place. Mr. Massingill stated that one of the administrative staff positions will be modified to an in-office RPA with some administrative tasks included. Mr. Massingill stated that Retirement Plan Advisors currently hold Series 6, 63 and 65 licenses. Series 6 and 63 is the combination for education guidance and Series 65 allows advisors to engage in "advice" conversations. Ms. Carrigan, the Senior Administrator in the local office, currently holds the Series 6 license. In-house Retirement Plan Advisors would be able to continue to have virtual meetings while being stationed in the local office.

Mr. Mack stated that he had lunch with the area president of a local professional advisory firm. The individual shared that he had a group reach out to him about transferring out of the LA Deferred Comp Plan. The individual stated that it was a District Attorney's office that contacted him. The individual shared that the DA's office felt that they were not getting the level of service that is expected from the State's Plan so they were looking at what could be done in terms of going someplace else. Mr. Mack asked if the biggest concern was related to investment options or service quality and the response was that they don't get an adequate level of service in terms of representatives visiting the agency. Mr. Mack has already shared this information with Mr. Dyse and believes that the process should be reviewed to assure that service levels are appropriate.

Mr. Massingill stated that he agreed with Mr. Mack's comments and shared concern that perception becomes reality as was evident in the comments made by the sheriffs earlier in the meeting. Mr. Massingill stated that the pandemic played a part in this as Retirement Plan Advisors were not able to go out to visit. There are 600+ employers in the Plan and Mr. Massingill agreed that a plan/strategy needs to be in place to execute going into the new year. Mr. Massingill reported that he has done a complete profile of every sheriff's office in the Plan. Retirement Plan Advisors were instructed to connect with each sheriff's office and from that, Mr. Massingill has met with a couple of sheriff's offices already. To date, Mr. Massingill has met with the Calcasieu Parish Sheriff, will meet be at the LaFourche Parish Sheriff's office on November 30th , the DPS Academy with the Executive Director of the LA Police Academy on December 6th, St Charles Parish Sheriff on December 7th and is currently coordinating a meeting with the St Tammany Parish Sheriff. Mr. Massingill's goal is to bring the most value when he is in town. Mr. Massingill stated that 20% of sheriff's offices make up 80% of the assets. Four sheriff offices fall in the New Orleans area where the newest Retirement Plan Advisor is assigned. LSU is in a very good spot. There are monthly onsite meetings established and Mr. Massingill attended an onsite meeting at LSU Baton Rouge a couple of weeks ago. Between Mr. Massingill and the Retirement Plan Advisors, all agencies should receive visits. Mr. Mack and Mr. Dyse reiterated to Mr. Stassi that if there are any sheriffs concerned with customer engagement, Empower would be more than happy to set up a meeting or call. Mr. Stassi assured Mr. Mack that he would let the sheriffs know and get back in touch. To date, no one has gotten back in touch. Mr. Massingill stated that one of the most frustrating things about the statements made today is that we are unavailable. Mr. Massingill's email address and telephone number is on the LA Deferred Comp website. Ms. Sanders asked if it would be possible to conduct some sort of exit survey so that from those agencies that are leaving, we would know what, in their mind, was the problem. Based on the responses received, Empower could determine if there is really a problem and understand how things could be done better. For organizations that are currently served, could a survey be distributed to determine what is needed or what could be done better? LASERS conducts annual reviews with some of their vendors to go over anything that may need to be added. This also serves to maintain the relationship with the vendors. Mr. Massingill stated that the biggest issue with the sheriff's offices recently is their response that everything is great and that they want to enhance features like adding Roth. Rephrasing the question to ask what the expectations are and what is needed from Empower is spot on. This will also serve to make Mr. Massingill aware of when and where to get involved instead of getting in the way of already solid relationships forged by the Retirement Plan Advisors. Ms. Sanders suggested that the survey require objective responses that would facilitate in determining if standards have been met. Ms. Burton stated that the primary reason for the need for more staff in the Baton Rouge office is because the Commission members volunteer their time. The Commission has no staff of its own. Ms. Burton stated that the amount of time and effort that Mr. Kling has been devoting to the Plan is not realistic going forward. The initial legwork that Mr. Kling has been handling during the transition from Ms. Stevens to the current management structure is excessive. As an example, Ms. Burton stated that organizing the Commission Nominating Committee had previously been the function of Ms. Stevens. Ms. Burton further stated her concern regarding the staffing level of the Baton Rouge office as the predominance of membership are probably concentrated in the Baton Rouge area. Ms. Burton referenced several meetings that the staff must be mindful of such as SHERMA, the Commissioner of Administration and insurance fairs. Ms. Burton stated she knew for a fact that the Department of Transportation was having a benefits fair that Empower was not participating in. Benefit fairs are typically handled by a Retirement Plan Advisor or someone of Ms. Stevens' level. Mr. Burton asked how Empower can only have one RPA assigned to the Baton Rouge area in view of the number of participants located in Baton Rouge. Employee turnover has been an issue and typically, Ms. Stevens would fill in when turnover occurred. Ms. Burton stated that it was her opinion that going forward, employers/employees would not be as comfortable connecting virtually as they have over the past 20 months. Ms. Burton stated that regardless of what service model is followed, she feels that Empower is understaffed in the Baton Rouge area. Further, Ms. Burton stated that she has a continued concern over the ability of the Commission to be able to carry out all the functions that are required of this type of program on a volunteer basis. More consideration should be given for in-person customer support. Mr. Massingill responded by saying that he appreciated the perspective regarding staffing. A greater effort has been made over the past months toward optimization and efficiency to where transactions are handled through the website and the call center as opposed to the local office. The local staff doesn't have as much on their plate from a daily administrative perspective. Mr. Massingill is trying to get the second RPA spot filled for the Baton Rouge area and this has proven to be challenging. Once filled, there will be two RPA's in the local environment serving in an onsite and/or a field capacity. Mr. Massingill shared that based on participant headcount, most of the participant population is in the New Orleans area. Ms.

Burton asked why Empower was not participating in the DOTD Benefits Fair. Mr. Massingill stated that Empower remains cautious about sending its employees into a large group setting of 200-300 people. Mr. Massingill stated that time usage is being reviewed to determine where to get the most bang for the buck which, at the present time, is in the one-on-one meetings with participants as opposed to standing at a table all day waiting for visitors. Going forward, Mr. Massingill assured Ms. Burton that Retirement Plan Advisors will be attending benefit fairs but maybe not as many as in the past. Currently, DOTD has invited Empower to hold one-on-one meetings with participants (new hires and existing employees) twice a month at their location.

Ms. Hubbard stated that in some cases, the HR Departments contact vendors inviting them to attend. These fairs always happen around October and November. Ms. Hubbard stated that a lot was learned from the sheriffs' comments earlier in the meeting especially in relation to what the new provider can offer. Ms. Hubbard stated that we all know that Empower can offer the same support, but employers must know this. Ms. Hubbard suggested the there is a communication piece that needs to be investigated regarding services of the Plan. Ms. Hubbard also stated that she believes that participants need to take a more active role in their retirement planning. Ms. Hubbard shared that she does not want to see a move to eliminate the Baton Rouge Office by Empower. Ms. Hubbard's concern is that because administrative tasks are being moved to the national office, Empower would see no need for a local presence. Ms. Hubbard was also concerned that Empower may move Ms. Carrigan's position to a virtual one since she was able to perform her tasks from home during the pandemic. Ms. Hubbard agreed with Ms. Sanders that there is a need for a customer satisfaction survey. Ms. Hubbard suggested that there be two surveys. One survey would go to participating employers/individual agencies and another would go out to participants to determine the type of service they want from the Plan.

Mr. Kling stated that when the existing service model was presented to the Commission, it was simply a division of function with no loss of functionality or services. If, whether by the design or the result of the pandemic, we are not getting the full level of service as we have in the past. Mr. Kling spends an inordinate amount of time related to the Plan, but the ultimate question remains, who is in charge. It is difficult to know who to go to for information or explanation. One of the issues related to responsibilities is to identify and effectively report key indicators. This has not happened even though it has been requested. Mr. Kling stated that he will not push one way or another. He is not opposed to the current model but frankly it is not operating the way it needs to operate. The Commission has had a long and good relationship with Empower and hopes it will continue. Mr. Kling is not ready to decide today on the proposed model and is not convinced that this is going to solve the problem with what is going on with Plan right now. Someone is going to have to come forward and tell Mr. Kling who is in charge and to whom should he go to address issues/questions.

Mr. Mack stated that he does not have an issue with the proposal to have Mr. Massingill's position as a remote one. Mr. Mack stated that he agreed with Ms. Burton that there appears to be a need for at least one other RPA locally – possibly sharing territory between New Orleans and Baton Rouge. Mr. Mack felt that some of the issues presented by the sheriffs were perhaps warranted but some may have been as a result of miscommunication. A process needs to be in place to make sure that engagement with employers is where it needs to be. The issues may or may not be related to Covid or staffing. Mr. Mack agreed with Mr. Kling that the proposed service model decision be delayed until such time as all the Commission members could be present to vote on the issue.

Mr. Kling was hopeful that Empower could address the concerns expressed at the next meeting. It was Mr. Kling's opinion that the Plan has somewhat floundered over the past 2.5 years due in part to the pandemic and/or leadership. Mr. Kling reiterated the he doesn't understand why it is so difficult to get the reports/information requested. Mr. Kling agreed with Mr. Mack that a decision should be delayed until all Commission members were present. Ms. Sanders stated that there appears to be several functions that Mr. Kling is now performing that were previously handled by Ms. Stevens. Ms. Burton stated that those responsibilities now need to be pushed back to Empower because the Commission does not have a paid staff. Empower needs to understand that there is a process in place that requires the legwork to be done by the administrator. Mr. Kling asked that the 2022 Employer Engagement agenda item be deferred to the December meeting. The Commission's ability to make decisions previously was supported by the fact the they were given much more information such as monthly RPA activity and how employers were being contacted. The Commission's ability to respond to both positive and negative comments was based on the information provided. Empower must have the information because it was there before. Mr. Mack suggested that between now and the next meeting that Mr. Kling list the reports that were previously provided as well as the tasks he has taken on since Ms. Stevens' departure so the Empower can review and provide specific responses to the Commission. Mr. Kling stated that he asks a great deal more of Ms. Carrigan now than he or the previous chairman ever did. Mr. Mack stated that Ms. Carrigan has taken on additional responsibilities over the past couple of years. Mr. Mack stated that Empower needs to use today's experience as a learning tool going forward.

Ms. Rausch confirmed that Empower would very much like to receive a list of reports and services that are not currently being provided so that an adequate response can be submitted to the Commission. Ms. Burton suggested that the marketing plan include both the employers' perspective and the employees' perspective. The newsletter has historically been the method of notifying participants/employers of important Plan information. Ms. Burton also shared that it looks too much like there is a plan to continue with the pandemic form of operation going forward and she would not like to see that.

The Commission congratulated Mr. Mack on his career move and expressed that it has been nice working with him. Mr. Mack asked that he be notified if a participant seat becomes open in the future. Mr. Mack was not aware of who would be taking his place on the Commission.

Adjournment

With there being no further items of business to come before the Commission, Mr. Kling adjourned the meeting at 12:35 pm.

Laney Sanders, Secretary