

Minutes of the meeting of the Board of Trustees of the Louisiana District Attorneys' Retirement System held at the DoubleTree by Hilton Lafayette Hotel in Lafayette, Louisiana, on November 17, 2015, at 12:00 noon.

Present: Anthony Falterman, Houston C. Gascon III, Van Kyzar, Scott Perrilloux, David Burton, Andy Shealy and Reed Walters

Also Present: Pete Adams, Roxanne Barrios Juneau, Steve Mergler, Michael Blackmon, Thomas Anderson, Phil Dorsey, Steve Rubb, Curt Pabst, Gary Curran, Kristi Spinosa, and Gwen Hicks.

Absent: Representative J. Kevin Pearson and Senator Elbert L. Guillory

Mr. Adams asked if there were any Board members who had conflicts of interest for items on the agenda and none were reported at that time.

Mr. Falterman addressed the Board and specifically representatives present from Boston Private on the issue of the temporary restraining order (TRO) obtained by Boston Private preventing John Vann from attending this meeting. Mr. Falterman expressed extreme frustration and concern over the inability to have Mr. Vann present at this meeting. He described the over 30 year relationship between Mr. Vann and DARS. He further stressed that the TRO's effect of preventing the Board from hearing all parties' versions of events has potentially damaged DARS and impacted the Trustees ability to fulfill their fiduciary duty to the system.

Next, Mr. Mergler responded by apologizing to the Board and briefly described the rationale behind Boston Private's actions stating that Mr. Vann had a contract with the bank that included both non-solicit and non-compete clauses. He further stated that Boston Private discovered information that led the bank to believe Mr. Vann had violated said clauses and took legal action.

Mr. Falterman responded that based on his long-term business relationship with Mr. Vann, there was a level of trust he did not have for others involved. He further noted concern over the number of negative newspaper reports alleging instability at Boston Private. Discussion was had.

The representative from Boston Private assured the Board that all accounts were unharmed at this time and that Mr. Mergler and others were familiar with DARS and were closely monitoring account activity in the normal course of business.

Mr. Falterman inquired whether Mr. Mergler was licensed to conduct investment activity in Louisiana. Mr. Mergler said he was because he was an employee of Boston Private and the company was appropriately licensed to do business in Louisiana. At this time Mr. Mergler also notified the attendees that he must be very careful discussing matters involving Mr. Vann because he has been personally named in legal action with Mr. Vann.

Mr. Falterman then asked if any other Trustees had questions for Mr. Mergler or Boston Private. Mr. Walters spoke and also stressed the high level of trust the Board has for Mr. Vann based upon their long standing business relationship. Mr. Mergler responded that he and Boston Private also have the best

interest of the system in mind and had no prior knowledge of Mr. Vann's decision to leave Boston Private, until recently. Discussion was had.

Mr. Burton next addressed the attendees and also stressed that he was concerned about several months of negative press reports on Boston Private and thought the timing of these actions was poor.

Mr. Gascon expressed that the TRO was not in the best interest of DARS. He further stated he was uncomfortable that he is unable to contact Mr. Vann.

Mr. Falterman then requested that Boston Private consult its legal team and seek permission for the DARS Trustees to invite Mr. Vann to attend an emergency meeting on these issues. Mr. Falterman further stated he would like representatives from Boston Private to also attend so that the Board can hear all parties' positions as soon as practical. Discussion was had.

Mr. Mergler agreed to take the request back to Boston Private's attorneys.

Mr. Adams noted that the Board's concerns were not personal, especially as to Mr. Mergler. He reiterated that the Board simply has a long-term relationship with Mr. Vann and the TRO has damaged the Board's ability to contact Mr. Vann.

It was agreed that after Mr. Mergler discussed the issue of a meeting with DARS, Boston Private, and Mr. Vann, he will notify Mr. Adams and Mr. Falterman whether such meeting can be scheduled. The issue was then tabled and the meeting proceeded.

A motion was made and seconded to amend the minutes of the September 13, 2015, meeting to reflect that the Board ended its executive session prior to the conclusion of said meeting.

A motion was made and seconded to approve the September 13, 2015, meeting minutes as amended. The motion was unanimously approved.

A motion was made and seconded to approve the financial statements for September and October 2015. The motion was unanimously approved.

A motion was made and seconded to approve the following retirements. The motion was unanimously approved:

- Sherry Patrick, effective July 1, 2015, maximum benefit amount \$5,086.78.

Mr. Falterman advised the Board of the following retirement death:

- Duncan S. Kemp III, died September 13, 2015, survivor benefit \$4,154.55.

Mr. Dorsey and Mr. Steve Rubb presented an update on the bond market and the DARS bond portfolio. Overall performance has been favorable.

Mr. Mergler then updated the Board on the status of the portion of the DARS portfolio managed by Boston Private. He reported that the DARS portfolio as of November 17, 2015, was \$349 million. He also noted that he had investigated the five checks from Smarttop and stated they have been reissued. He next reviewed the investment fees and gave a summary of current market conditions.

Mr. Curt Pabst, from Eagle Goba, then addressed the Board presenting an update on MLPs.

Mr. Curran then presented the valuation report for fiscal year 2014-2015. He stated that the system was overall in excellent condition and the employer rate for next fiscal year is anticipated to be 0%.

Mr. Falterman then brought up the recent legislation enabling the Board to set the employer contribution rate above the minimum required under certain conditions. Discussion was had. A motion was made and seconded to propose a retention of or 2% employer contribution to the District Attorneys at the Midyear Meeting of Elected District Attorneys scheduled in mid-February 2016.

Next, the Board discussed whether to grant a COLA. Discussion was had and a decision deferred until the February meeting. Mr. Adams requested permission to include notice of the possible COLA in his Line-for-Line, and the Board agreed. DARS staff was instructed to begin researching any computer programming changes that would be necessary if a COLA is granted.

A motion was made, and seconded, to approve the Actuarial Valuation report for 2014-2015. The motion was unanimously approved.

Ms. Spinosa then gave an update on benefit-related issues. She reported that per Mr. Schmidt, there is not current statutory authority to complete requests to repay prior refunded contributions to restore prior service credit. She further reported that Mr. Schmidt recommends the Board promulgate a rule to permit this common practice. A motion was made, seconded, and approved. Mr. Burton and Mr. Perrilloux abstained from the vote and discussion on this issue.

Ms. Spinosa also reported that Mr. Schmidt recommended that all DARS forms be promulgated pursuant the Louisiana Administrative Procedures Act. A motion was made, seconded, and unanimously approved.

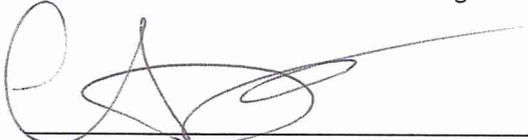
Mr. Adams and Ms. Spinosa updated the Board on recent inquiries on retirees on "re-hire." Discussion was had. A motion was made, and seconded, and unanimously approved directing Ms. Spinosa to research options to monitor rehires and report at the February meeting.

Next, Ms. Spinosa informed the Board of the failure of the 14<sup>th</sup> Judicial District Attorney's office to properly enroll ADA Larry Regan in DARS. Since the error was not found for over one year, Mr. Curran recommends the actuarial costs of all contributions be paid to DARS. A motion was made, and seconded, and unanimously approved.

Ms. Hicks then offered a memo on proposed meeting dates for 2016, which are subject to change with Board approval. A motion was made, seconded, and unanimously approved to approve the schedule and to change the February meeting date to Wednesday, February 17, 2016, in Point Clear, Alabama, in conjunction with the LDAA Midyear Meeting of Elected District Attorneys.

Mr. Adams reported that the Pomerantz agenda item was advise only.

With no further business the meeting was adjourned.



Anthony G. Falterman, Chairman



E. Pete Adams, Director