

District Attorneys' Retirement Systems
Board of Trustees Meeting
July 18, 2019

Minutes of the Board of Trustees of the Louisiana District Attorneys' Retirement System that was held at the District Attorneys' Retirement System office on Thursday, July 18, 2019, at 9:30 AM.

Present: Anthony Falterman, Don Burkett, David Burton, Dale Lee, Scott Perrilloux, Andy Shealy, and Reed Walters

Also Present: Kristi Spinosa, Gwen Hicks, Sharon Hill, Aaron Vann, Gary Curran, Todd Nesom, and Roxie Juneau.

Absent: Senator Peacock and Representative Abraham

Roll call was conducted and there was a quorum.

Tony Falterman asked the group to review the agenda regarding the following two statements concerning conflicts disclosure:

- I have reviewed the agenda, and I have no conflicts of interest to disclose.
- If a conflict arises during this meeting, I will disclose it and take appropriate action to resolve it.

The group reviewed the agenda and no conflicts were reported.

A motion was made and seconded to approve the minutes of the May 16, 2019, meeting as published. The motion carried.

Mr. Falterman thanked David Burton for his years of service as a DARS Trustee.

Mr. Falterman introduced Todd Nesom who is newly elected to Mr. Burton's seat.

A motion was made and seconded to approve the financial statements for April, May, and a draft of June 2019. The motion carried.

A question was asked as to why a loss was reported on the May financial in unrealized gain or loss account. Aaron Vann stated he would find out and report to Ms. Spinosa and the trustees as soon as possible.

A motion was made, seconded, and unanimously approved to accept the following retirements:

- Ralph Brandt, retired effective January 1, 2019, Maximum, benefit amount of \$10,685.48;
- Carolyn Ott, retired effective April 3, 2019, Maximum, benefit amount of \$1,180.67;
- Diana Sanders, retired effective February 1, 2019, Maximum, benefit amount \$2,931.82;
- George D. Ross, retired effective March 16, 2019, Option 2, benefit amount \$5,030.00;
- Janet Perrodin, retired effective January 1, 2019, Maximum, benefit amount of \$6,351.42;
- Leigh Anne Wall, retired effective April 27, 2019, Maximum, benefit amount of \$7,259.44.

There were no deaths to report.

Aaron Vann reported that Phil Dorsey passed away on July 12, 2019. DARS currently has \$106M invested with Dorsey & Company as of June 30, 2019. Steve Rueb will continue to monitor our investments and will attend our next meeting in September. Mr. Vann reported that Per Stirling will re-vet Dorsey & Company due to the death of Mr. Dorsey.

Mr. Vann reported that assets have appreciated 12.47% between January 1, 2019, and June 30, 2019. The 2nd quarter has outperformed benchmarks and is up 5.91%. The updated value of assets is \$426,346,249 as of June 30, 2019. There have been no significant events with the alternative managers thus far in 2019.

Jack Lazzaro, TCW, has completed all the paperwork for the \$10M commitment with a closing date of June 28, 2019. He will forward to Mr. Falterman for his signature and DARS can participate in the 2nd quarter earnings.

Mr. Vann stated that we have realized an outstanding return on structured growth notes of 2.07% for the quarter and overall we are up 4.3%.

He also reported that U.S. growth is set to decelerate in the second half of 2019. Employment gains will likely be at a slower pace. Corporate profits should achieve low to mid-single digit growth. Inflation will likely remain subdued through 2019. The global economy has slowed but not stalled. The Fed may cut rates this year. Careful fixed income positioning is necessary in a changing environment. International stocks offer long-term opportunities, and broad diversification and careful portfolio management are required in late cycle.

Mr. Vann stated that asset allocations are exactly where they need to be, so no changes need to be made.

John Vann is making plans for the trustees to go to Austin in November.

Kristi Spinosa disseminated handouts concerning the *Diaz v. DARS* matter. Mr. Diaz is inquiring whether discovery has been completed so the matter can be set for trial. A motion was made and seconded to verify prescription dates. Kristi Spinosa was authorized to handle the case at least until it is set for trial. The motion carried.

Ms. Spinosa disseminated transition-related updates to the travel policy, personnel manual, and internal control procedures. Discussion was had. A motion was made and seconded to approve as presented. The motion carried.

Discussion was had on employed lawyer's professional liability insurance and cyber risk insurance. The employed lawyer's professional liability insurance rate is approximately \$2,900 annually. A motion was made and seconded to obtain the insurance for Ms. Spinosa. The motion carried. Ms. Spinosa is still gathering information on cyber risk policies and will report at a later date.

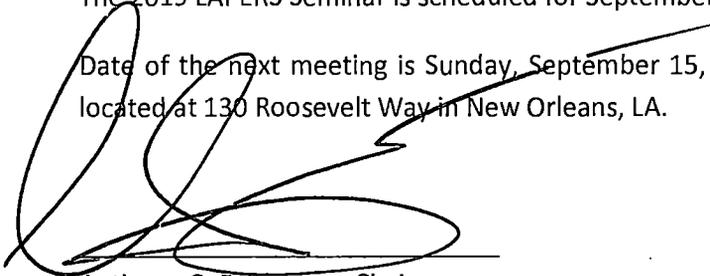
Gary Curran reported that they are comfortable with our current funding level based on last year's valuation results of 93.51% ratio of AVA to actuarial accrued liability.

Andy Shealy led a discussion on looking at the membership to change the election process. Mr. Shealy will draft modifications for discussion at the next meeting.

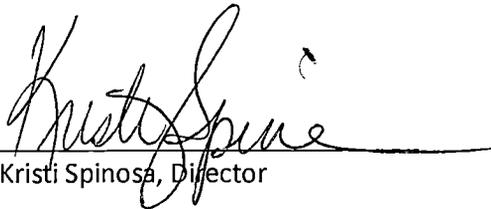
Mr. Shealy also led a discussion on how to establish compliance on the rehire issue. One option discussed was the need to draft a policy requiring DAs to report rehires to ensure compliance with salary limitations. Another suggestion was to add rehire language to the retirement application. Ms. Spinosa will prepare options for discussion at the next meeting.

The 2019 LAPERS Seminar is scheduled for September 15-17 at The Roosevelt New Orleans.

Date of the next meeting is Sunday, September 15, 2019, at 9:00 a.m. at The Roosevelt New Orleans located at 130 Roosevelt Way in New Orleans, LA.



Anthony G. Falterman, Chairman



Kristi Spinosa, Director