

**District Attorneys' Retirement System**  
**Minutes of the Meeting of the Board of Trustees**  
**October 26, 2023**

The Board of Trustees of the District Attorneys' Retirement System held a special meeting on Thursday, October 26, 2023 at the DARS Office, located at 2525 Quail Drive Baton Rouge, Louisiana 70808.

**I. Call to Order**

The meeting was called to order by Andy Shealy at 9:34 am

**II. Roll Call**

Ms. Danielle Ball called roll.

**Members Present**

Mr. David Burton  
Mr. Hammy Gascon  
Mr. Scott Perrilloux  
Mr. S. Andrew Shealy  
Mr. Todd Nesom  
Representative John R. Ilg Jr.

**Member Absent**

Mr. Brad Burget  
Mr. Don Burkett  
Mr. J. Reed Walters  
Senator Kirk Talbot

A Quorum was present.

**Others Present**

Mr. Philip Qualls, Director  
Ms. Danielle Ball, Benefits Supervisor  
Ms. Gwen Hicks, Pension Assistant  
Mr. Greg Curran, Curran Actuarial  
Mr. Stephen Brouillette, Curran Actuarial  
Ms. Laura Gail Sullivan, Attorney

**III. Conflicts Disclosure**

Mr. Andy Shealy inquired if any member of the board needed to disclose a conflict of interest with items on the agenda. There were no conflicts reported.

**IV. Public Comment**

Mr. Shealy called for public comment. There were no public comments.

Mr. Philip Qualls introduced Ms. Laura Gail Sullivan as DARS system legal counsel. Ms. Laura Gail Sullivan has extensive experience with legislative practices and specifically with Louisiana state retirement systems.

Mr. Philip Qualls introduced Ms. Danielle Ball as DARS newest staff member in the Benefits Supervisor position. Ms. Ball has experience at three separate retirement systems for a cumulative total of nine years.

**V. Review and Approval of Minutes**

**Motion by Mr. Scott Perrilloux and seconded by Mr. Houston Gascon to approve the minutes of the meeting held September 10, 2023. Without objection, the motion carried.**

**VI. Financial Statements: August 2023 and September 2023**

Mr. Philip Qualls stated that payroll and salary expenses were slightly higher due to payout of Ms. Sharon Hill's vacation time. Mr. Qualls also noted that professional legal fees are higher due to the Mr. Glenn Diez case. DARS has filed for a summary judgment and the hearing is scheduled for 10/26/23. Auditing and accounting expenses are marginally higher than normal due to engagement of auditing and accounting firms for the fiscal year end audit.

Mr. Shealy inquired as to whether any of the professional legal fees were allocated to the BREC case. Mr. Qualls advised that there has not been motion on the BREC case since the September meeting.

**Motion by Mr. Scott Perrilloux and seconded by Mr. Todd Nesom to approve the financials for August and September 2023. Without objection, the motion carried.**

**VII. Retirement:**

Mr. Shealy advised that Mrs. Patricia Means began receiving an Option 2 benefit effective 3/1/2023 as beneficiary of Mr. Jesse means, deceased.

Mr. Qualls advised that this item does not need board activity as the survivor benefit was approved at the inception of Mr. Means' retirement but is noted for general advisement to board.

**VIII. Director's Report**

**B. DARS Member Benefit**

At Mr. Shealy's request, Item VIII. B. was moved up in sequence due to Mr. Greg Curran's limited availability.

Mr. Qualls explained that since the last meeting, DARS staff confirmed with sources that no additional salary information for Mr. Michael Pitman was available. Mr. Qualls called attention to Article 10 Section 29 of the Louisiana Constitution, which includes verbiage that the accrued benefits of members should not be diminished or impaired. Mr. Qualls explained that the original confirmed benefit to Mr. Pitman incorporated a salary cap that was approved in 2019, after the member departed service, and was inappropriately applied to Mr. Pitman's benefit.

Mr. Perilloux inquired if it was fair to state that DARS gave the benefit of the doubt to all questionable statutes and interpretations as applicable to Mr. Pitman's benefit calculation. Mr. Qualls explained that DARS has applied all rules of legislation in calculating and reviewing Mr. Pitman's benefit as fairly and generously as the parameters of law will allow.

Mr. Shealy clarified that the only room to give by law, was on the salary cap question. Mr. Qualls expanded that in the original calculation, there were some questions in regards to leave without pay. Mr. Qualls explained that DARS reasoned if any salary was reported from any source, DARS considered that contributable membership and service credit was applied, thus decreasing the amount of leave without pay.



Mr. Curran commented that as an actuary of the plan, it is preferable to definitively determine the future benefit of the member amount at the time of the member's departure, without worry for future statutory changes. This approach allows for system valuations to be as accurate as possible, due to calculations on liabilities based on estimates. Mr. Curran explained that this approach applies the law that was in affect at the time the member terminated service and the approach gave deference to the member as much as the law would allow. Mr. Curran advised that it would be preferable if the DARS board and director enacted policy that benefits are determined based on statutes applicable at the time a vested member leaves service, as opposed to the time a member applies for retirement.

Mr. Shealy clarified that Mr. Curran is only referencing a policy for members who terminate employment, but leave money in the system.

Mr. Curran explained that yes, only a person who terminates service and leaves money in the system, who qualifies for a vested benefit upon attaining retirement eligibility.

Mr. Shealy inquired how this would apply to someone who left employment, attained a vested benefit calculation, and then became an active contributing member again, thus increasing their service credit.

Mr. Perilloux asked for suggestions as to best practices as a system for what can be done when someone leaves money with DARS but goes on to become a judge, etc.

Mr. Curran explained that in such a case where someone came back to work, the vested calculation would be nullified and if necessary, a second vested calculation would be computed following the statutes in place at the time of the final departure. Mr. Curran clarified that he is specifically referencing cases when a member terminates and does not come back to employment.

Upon Mr. Gascon's inquiry, Mr. Qualls explained that our current estimate request form and our website has sufficient disclaimers that members can choose to either have in house calculated benefits or actuarially calculated benefits. The disclaimer states that estimates are non binding and all benefits must be confirmed by both the board and the actuary prior to payment.

Mr. Curran explained since the last meeting, both DARS and actuarial staff confirmed that the original computer generated estimate picked up 12 entries of quarterly salary, rather than 12 entries of monthly salary, inflating the average final compensation.

Upon no further questions or comments, Mr. Shealy prompted movement to item VIII. A. under the director's report.

#### **A. Investment RFP Draft**

Mr. Qualls opened the floor for questions or modifications to the General Investment Consultant Request for Proposal (RFP). Mr. Qualls explained that the intention is to be comprehensive in measuring character and capabilities before entering into any long term contract. Mr. Qualls highlighted a concern that Mr. Walters had for the speed at which the RFP process was outlined, and explained that he moved the deadline to have an answer after the 1<sup>st</sup> quarter of 2024 to accommodate this concern.

Mr. Shealy explained that one reason to entertain the RFP is due to the fact that DARS has not reviewed contracts in some time and that DARS Trustees have a fiduciary duty to review contracts.



Mr. Gascon inquired what the expiration terms were of our current contracted investment adviser. Mr. Qualls explained that the current contract is at will and does not have an expiration date. Upon Mr. Perrilloux's questioning, Mr. Qualls explained that our current investment protocol is not an uncommon structure.

Discussion was had on active vs passive investment structure and managers, and the benefits to each as pertains to the DARS investment structure.

**Motion by Mr. Houston Gascon, seconded by Mr. Scott Perrilloux, to approve the RFP draft as penned and presented by Mr. Philip Qualls. Without objection, the motion carried.**

Mr. Qualls presented options to post the RFP to *Pensions and Investments*, at a cost, and additionally to the NCPERS website, as a complimentary part of our retirement association dues.

**Motion by Mr. Todd Nesom, Seconded by Mr. David Burton, to post the RFP to both proposed locations. Unanimously, the motion passed.**

### **C. Rehire Status**

Discussion was had DARS IRS qualification status and how rehired retirees affect this qualification. Mr. Qualls explained that currently, it is up to the DA offices to track rehires and ensure they meet the requirements including pay limitations and adequate break between retirement and rehire status.

It was suggested by Mr. Shealy that we add rehire approval to the board agenda, similar to retirement approval.

Mr. Curran explained that it is an actuarial concern of the cost structure of the plan to build in a hidden incentive for DA's to rehire retired members where contributions to the system are not required. Mr. Curran explained that another approach could be to require contributions regardless of status. Mr. Curran advised that in his experience working with 14 retirement systems over a span of decades, it is imperative for the director to collect and monitor as much data as possible to collect on rehire status to complete fiduciary duty.

Mr. Perrilloux suggested that we send a memo to all DA offices to double check status of rehires and ensure qualifications are met. Mr. Shealy questioned whether we should interfere with DA's decision to rehire retirees. Mr. Shealy stated that in his opinion, the rehires service important function and the current outlined provisions are essential. Mr. Perrilloux, Mr. Burton, and Mr. Nesom explained that inquiring and collecting data on the number of rehired retirees and ensuring compliance is a fair inquiry due to the hard cost impact rehires have to the system.

**Motion by Mr. Todd Nesom, seconded by Mr. Scott Perrilloux, to send a letter to all offices determining who has been rehired and under what conditions. The motion passed unanimously.**

### **D. Death Auditing Service**

Mr. Qualls proposed that DARS contract with Pulse 419 to solicit their services for death auditing. DARS' auditor recommends performing a death audit at least twice per year. Previously, DARS was contracted with Berwyn Group to provide a similar death audit service. Berwyn was acquired by PBI and the cost to renew the contract would be four times greater than proceeding forward with Pulse 419.

**Motion by Mr. Todd Nesom, seconded by Mr. Scott Perrilloux, contract with Pulse 419 for death audit services. The motion passed unanimously.**

## E. Website Update

Mr. Qualls explained that he would like to drive more traffic to our website with the intent of providing more education and disclosures on DARS membership. Mr. Qualls proposed migrating to a service, Point2point, that would utilize WordPress as the website engine. The benefit to this would be that DARS staff could update and maintain the website themselves – currently, the website is built on HTML, which requires a software programmer to update and maintain at an hourly cost. DARS would also see cost savings on hosting the website as Point2point charges \$50 per month as compared to the current vendor rate of \$75 per month hosting fee.

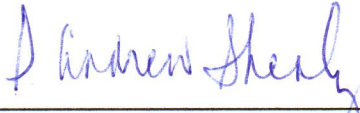
Discussion was had on the monetary benefits of upgrading the website platform from HTML to WordPress, current and proposed maintenance and hosting fees, and posting more comprehensive, transparent information to the digital website.

Mr. Burton expressed that DARS should have links to each statute directly on the website, in addition to the generalized summary plan.

**Motion by Mr. Todd Nesom, seconded by Mr. Houston Gascon, to engage Point to Point to create new website, under the condition that Board of Trustees reviews new website before it goes live. With no objection, the motion carried.**

Next Meeting Date: November 27, 2023.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held on October 26, 2023.

  
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S. Andrew Shealy, Chairman

  
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Philip Qualls, Director