

Minutes of the Board of Trustees of the Louisiana District Attorneys' Retirement System that was held at the Louisiana District Attorneys Association on Thursday, May 16, 2019, at 9:30 AM.

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

Also Present: Pete Adams, Roxanne Barrios Juneau, Kristi Spinosa, Gwen Hicks, John Vann, Gary Curran, Aaron Vann and Sharon Hill.

Absent: Senator Peacock, Representative Abraham and Reed Walters

Roll call was conducted and there was a quorum.

Mr. Falterman reported for the record on Senate Concurrent Resolution 59 to commend E. Pete Adams on for 43 years of exemplary service as the Executive Director of the Louisiana District Attorneys Association, and over 20 years as the DARS Director, and to congratulate him upon his retirement effective July 12, 2019.

He reported that Mr. Adams served as Director of the District Attorneys' Retirement System since 1997.

Mr. Falterman also reported that this would be the last meeting for Roxie Juneau. He thanked both Mr. Adams and Ms. Juneau for their for many years of service with DARS.

A motion was made and seconded to adopt the Senate Concurrent Resolution 59 honoring Mr. Adams. The motion carried.

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

A motion was made and seconded to approve the financial statements for March and April 2019. The motion carried.

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

- Cherrilyne Thomas retired effective December 5, 2018, Maximum, benefit amount \$4,704.17;
- Dixie Brown retired effective January 1, 2019, Maximum, benefit amount \$2,736.19;
- Donald D. Akers, Jr. retired effective January 1, 2019, Maximum, benefit amount \$1,410.39;
- Kim Hayes retired effective January 1, 2019, Maximum, benefit amount of \$2,343.14.

Mr. Falterman advised the Board of the following retiree deaths:

- Charles Carr, died July 29, 2019, survivor benefit \$2,209.79;
- Field Gremillion III, died May 8, 2019, survivor benefit \$2,815.32.

Mr. Vann reported to the Board that he would not be able to attend the meeting in July, but Aaron Vann will report for Per Sterling

Mr. Vann reported that assets have appreciated 9.16% between January 1, 2019 and March 31, 2019, vs. the Benchmark +7.48. As of May 12, 2019, assets have appreciated 10.28% vs. the Benchmark +8.21%. The updated value of assets is \$421,107,316. There have been no significant events with the alternative managers thus far in 2019.

He reviewed the current asset allocation as of March 31, 2019, reporting that the stock market has gone far in the last six months. Our current equity allocation is 47.96%.

Mr. Vann reported that the Alternative Investments have a commitment of \$47,000,000 and market value valuation is \$46,548,793. Only small amounts are in Louisiana I and II.

Aaron Vann reviewed the chart on the economic growth and the composition of the GDP. He stated that without fresh tax cuts and with the dragging of trade uncertainty, overall GDP growth is likely to slide back to the roughly 2% pace that it averaged between 2010 and 2016. He further stated that the Federal Reserve appears to be on a pause and may not raise rates in 2019.

Aaron Vann also reported on the bond market stating that a Fed-pause has led to a negative-slope yield curve in some ranges as well as generally very low normal and yields. For the short run, a pause in rising rates and a growing economy still favors stocks over bonds.

Aaron Vann reported that equity markets are up, and we will be cutting back on the international market.

Mr. Curran presented the fiscal year 2020 contract for G. S. Curran & Company. He reported that the monthly retainer in the proposed contract is unchanged from the prior year, but a few changes have been made to the list of basic services, including the limits on certain transactions covered by the retainer.

Discussion was had on the basic services provided by the Currans.

A motion was made and seconded to approve the contract from G. S. Curran & Company for fiscal year 2020. The motion carried.

Mr. Curran next reported that every five years an experience study on the retirement system is required by R. S. 11:1657(C). The study will begin after the June 30, 2019, actuarial valuation is completed.

The fee for this study is not included in the contract retainer. The project fee will be \$7,400.00 and they expect to complete the project by March 2020.

A motion was made and seconded to approve the project fee of \$7,400.00. The motion carried.

Mr. Curran then presented to the Board the actuarial equivalence assumptions, effective July 1, 2019, which was adopted by the Board. Staff will post these assumptions on the DARS website and include with the next newsletter.

Ms. Spinosa reported that a member has requested an actuarial upgrade of transferred service credit post transfer.

Discussion was had on the controlling statutory language concerning the upgrade.

A motion was made and seconded to adopt the conservative interpretation, specifically, that the upgrade must be executed at the time of the transfer. The motion carried; Mr. Lee opposed.

Mr. Adams gave an update on the DARS elections and stated that all seats are filled. The Honorable Todd Nesom will fill the seat of Mr. Burton effective August 15, 2019. Mr. Burkett and Mr. Walters were re-elected without opposition.

A motion was made and seconded to adopt all election results. The motion carried.

Ms. Spinosa reported that the proposed budget for fiscal 2020 has an increase for overall operating expenses, primary due to the new DARS/LDAA lease and one-time expenses related to the move to 2525 Quail Drive. The salary category is also temporarily higher due to the transition but is projected to decrease in 2021.

A motion was made and seconded to adopt the DARS budget for fiscal year 2020. The motion carried.

Ms. Spinosa reviewed the latest DARS/LDAA lease. It reflects \$6,000.00 for monthly and \$1,000.00 for the memorandum of understanding (MOU) of included services to be provided by LDAA. The lease term is 10 years, and the MOU will be reviewed annually.

A motion was made and seconded to approve the DARS/LDAA lease and MOU. The motion carried.

Mr. Adams reported that there was only one DARS bill of interest still active, SB16, which addresses DROP benefits in specified retirement systems. No action was taken on the bill.

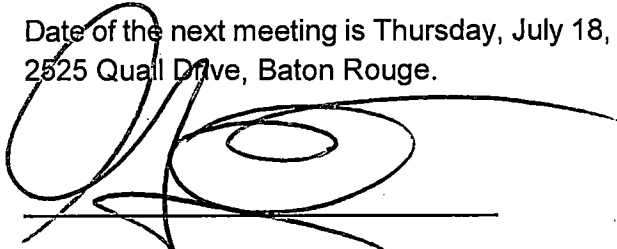
Ms. Spinosa reported that she has spoken to the insurance agent about professional liability insurance, which would have an estimated premium of \$4,000.00 since she and Mr. Adams are attorneys.

Mr. Falterman suggesting checking with the bar association or other insurance agencies for additional quotes. Ms. Spinosa agreed to do so.

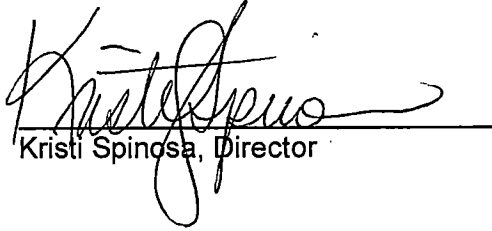
Ms. Spinosa reported that she had checked on a cyber risk policy. This item was deferred to the next meeting.

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Date of the next meeting is Thursday, July 18, 2019, at 9:30 a.m. at the new DARS Headquarters,
2525 Quail Drive, Baton Rouge.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Anthony G. Falterman, Chairman

A handwritten signature in black ink, appearing to read 'Kristi Spinoso', with a long horizontal stroke extending to the right.

Kristi Spinoso, Director