

THE PROSECUTION RESTS

NEWS AND INFORMATION ABOUT DARS

September 2019 – Vol. 7

NEW DARS DIRECTOR



The new DARS Director, Kristi Spinosa, is no stranger to our members. Prior to her appointment in July as DARS Director, she served for nearly thirteen years combined as the DARS Staff Attorney and LDAA Senior Staff Attorney. During her time as the DARS Staff Attorney, Kristi worked closely with DARS leadership to implement the necessary changes related to IRS qualification and helped revise internal procedures within the System. During her tenure at LDAA, she worked in a variety of areas including legislative support, child support enforcement, victims' services, and traffic safety. Her professional experience also includes service as a public defender and Assistant Attorney General. Kristi first worked with the LDAA as a law clerk and joined the LDAA as a Staff Attorney in 2006. She also taught for several years at the University of Phoenix where she was a criminal justice and business law instructor, as well as the School of Business, Law

Lead Faculty Area Chair. Kristi is a graduate of the LSU Law Center and the LSU College of Business.

Kristi is a native of Baton Rouge and currently resides in Denham Springs with her husband, John. They have three children, Grayson, Kathryn, and Abby.

WE HAVE MOVED! OPEN HOUSE SEPTEMBER 18



LDAA and DARS will host an open house on September 18, from 11 am until 1:30 pm to allow members and colleagues to view the new facility at 2525 Quail Drive, Baton Rouge. We are excited about all this new facility has to offer our members. If you plan to attend, please email KRISTI@LADARS.ORG.

DARS INVESTMENT SNAPSHOT

The DARS investment portfolio return fiscal year-to-date through July 15 was approximately 13.63% vs. 11.71% for the benchmark. The total value of holdings on July 15, 2019, was \$430,658,252.

BOARD OF TRUSTEES

CHAIRMAN

Anthony G.
"Tony" Falterman

BOARD MEMBERS

Don M. Burkett
Dale R. Lee
Scott M. Perrilloux
H. Todd Nesom
S. Andrew "Andy" Shealy
J. Reed Walters

EX-OFFICIO MEMBERS

Rep. Mark Abraham
Sen. Barrow Peacock

DARS STAFF

DIRECTOR

Kristi Garcia Spinosa

PENSION ASSISTANTS

Gwen Hicks
Sharon Hill

Is Your Information Up To
Date?

UPDATE YOUR ADDRESS,
PHONE NUMBER, AND
BENEFICIARY
INFORMATION TODAY!

EARNABLE COMPENSATION FOR RETIREMENT PURPOSES

Recently we have received several questions about salary and earnable compensation for retirement purposes. This can be especially confusing for our members since so many are paid from multiple sources. For example, it is not unusual for an ADA to receive warrant pay, DA pay, and other local pay from agencies such as a policy jury. Employer and employee contributions are due on all salary payments, regardless of source. Other payments such as car allowances and expense payments should NOT be reported to DARS. Also, R.S. 11:1581 prohibits the inclusion of "fees" earned in connection with official duties. If you have any questions, please contact the DARS office.

RETIREE EMAIL ADDRESSES

Currently we only have mailing addresses on file for most retirees. If you are a retiree, please consider completing the attached form to provide DARS with an email address. This is not mandatory, and we will continue to send all members essential communications by U.S. Mail, even if an email address is provided.

QUESTIONS & ANSWERS

Question: I am divorced. Does that impact my retirement benefit with DARS?

Answer: Because Louisiana is a community property state, retirement benefits received or earned during the marriage, as well as contributions made to DARS, are generally classified as community property. As such, they may be subject to division under community property laws. For additional information, it is advisable to contact an attorney that specializes in this area of law. DARS requires a valid, signed court order addressing your benefits with us prior to retirement. Please call the DARS office if you have any questions.

Question: Is it mandatory that I name a beneficiary while I am an active member?

Answer: While we strongly suggest you do so, it is not mandatory. If you die during active service, we will refund your contributions to your estate unless another provision of law applies to your survivor(s).

Question: I am a recent law school graduate and have been hired by my local district attorney's office as I await my bar results. Am I eligible to be a member of DARS?

Answer: Not yet. In this situation, R.S. 11:1581 would prohibit your entry into DARS since you are not an ADA at present. As soon as you are sworn in as an ADA, you immediately become a *mandatory* member of DARS, assuming you earn an annual salary of at least \$18,000. There is no probationary period for DARS membership.

We suggest that you speak with your supervisor and/or human resource

staff about what system you appropriately belong in prior to DARS eligibility.

NEXT BOARD MEETING DATE

We will have our next Board meeting on September 15, 2019, 9:00 a.m., at 130 Roosevelt Way, New Orleans. You can also find upcoming meeting dates on the DARS website.

REPORTING CHANGES IN SALARY

As part of our new contribution evaluation procedure, DARS will now "test" each month's contributions against prior month's figures to help isolate issues in real time. While this may create a bit more work on the front end, it should drastically reduce the time needed to research salaries at retirement.

In order to reduce questions, we strongly encourage offices to notify DARS of salary changes such as raises, retroactive pay, or leave without pay when contributions are submitted.

Training for employers is available upon request. Contact the DARS office for more information.

If you have a topic you would like to see discussed in a future newsletter, please e-mail KRISTI@LADARS.ORG.

**DISTRICT ATTORNEYS' RETIREMENT SYSTEM
2525 QUAIL DRIVE
BATON ROUGE, LA 70808**

Member/Survivor Name: _____

Email Address: _____

If you prefer, you may email provide this information via email to SHARON@LADARS.ORG or by calling the DARS Office at (225)267-4824.

Thank you,

DARS Staff

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.

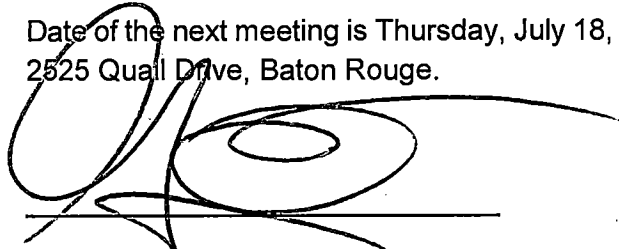
Ms. Spinosa reported that she has spoken to the insurance agent about professional liability insurance, which would have an estimated premium of \$4,000.00 since she and Mr. Adams are attorneys.

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

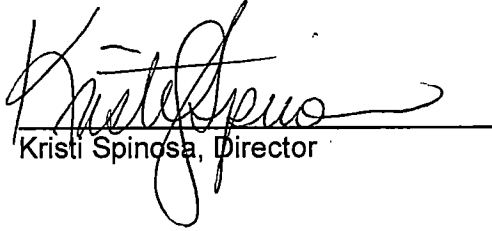
Ms. Spinosa reported that she had checked on a cyber risk policy. This item was deferred to the next meeting.

May 16, 2019
DARS Board of Trustee Meeting
Page 4

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