

THE PROSECUTION RESTS

NEWS AND INFORMATION ABOUT DARS

February 2020 – Vol. 8

FISCAL YEAR 2019 ACTUARIAL VALUATION REPORT

Each year, the DARS Actuary, G.S. Curran & Company, performs a legally mandated actuarial valuation of the System. This report details the results of the actuarial valuation of assets and liabilities, as well as funding requirements. Based upon the fiscal year 2019 valuation report, here are a few highlights about the System as of June 30, 2019:

There were 734 active members and 357 retired members and survivors. The average active member is 48 years old with 11.5 years of service and an annual salary of \$82,750. This is an increase in average annual salary of approximately \$1,431. The average service retiree is 70 years old with a monthly benefit of \$4,529. Over the last five years, the number of retirees has increased by 107.

Copies of DARS actuarial valuation reports for the last 10 years can be found online at:

[https://www.doa.la.gov/Pages/prsac/Retire Systems.aspx](https://www.doa.la.gov/Pages/prsac/Retire%20Systems.aspx).

DARS INVESTMENT SNAPSHOT

The DARS investment portfolio return fiscal year-to-date through December 31, 2019 was approximately 18.21% vs.

17.49% for the benchmark. The total value of holdings is approximately \$426,346,249.

LIMITED REEMPLOYMENT OF RETIREES IS ALLOWED

DARS has recently received several questions regarding retirees going back to work for a district attorney's office after retirement. This practice is often referred to as "re-hire."

The general rule under R.S. 11:1631(F)(1) is that if a retired member goes back to work for a district attorney the retirement benefit shall be suspended during the reemployment period. However, if a member has retired with at least 24 years of creditable service, then reemployment is permitted, provided that the new annual salary is less than the ADA warrant amount. Members who retire under the "60 years of age/10 years of service" tier are NOT ELIGIBLE for re-hire without suspension of benefit. We actively encourage all members to call the DARS office with questions prior to returning to work.

If you are a reemployed retiree, please complete the enclosed form and return it to the DARS office.

2020 DARS LEGISLATION

The DARS Board has requested one bill be filed this session, SB 8, by Senator

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

Sen. Ed Price
Rep. TBD

DARS STAFF

DIRECTOR

Kristi Garcia Spinosa

PENSION ASSISTANT

Sharon Hill

Peacock. This bill primarily makes technical changes to existing law. Under current law, earnable compensation is defined as "the full rate of compensation that would be payable to the member (employee) if he worked the full working time..." Further, fees are excluded from

average final compensation pursuant to R.S. 11:1581(5)(a). SB 8 adds DARS to R.S. 11:233 to clarify the current law that only actual, normal salary shall be earnable compensation for retirement purposes.

SB 8 also codifies current law setting the minimum salary to participate in DARS. R.S. 11:1601 gives the DARS Board of Trustees authority to set the minimum salary. The minimum salary has been \$18,000 since the early 1990s. SB 8 also limits membership eligibility by applying that salary minimum to DARS and LDAA employees. In addition, SB 8 closes a gap in the law regarding reemployment of retirees by DARS or the LDAA.

TAX TIME!

Each year DARS Headquarters mails 1099-R form by January 31. These forms are issued for refunded service credit, monthly pension benefits, "rollovers" out of the system, and DROP/BackDROP withdrawals. If any of these situations apply, and you have not yet received a 1099-R form for 2019, please contact the DARS office.

If you have any questions about the proper amount to withhold from your pension, we suggest you consult a tax advisor or visit the IRS website. You can find a tax estimator online at <https://www.irs.gov/individuals/tax-withholding-estimator>.

To change your federal income tax withholding amount, the most recent

IRS W-4P form can be found in the forms section of our website, WWW.LADARS.ORG.

QUESTIONS & ANSWERS

Question: I recently quit my job as an ADA. What are the options for my service credit and employee contributions?

Answer: A terminated employee has several options upon leaving the system prior to retirement.

- The former member can request a refund of employee contributions. In order to request this refund, a Refund of Contributions Form must be submitted to DARS. No refunds may be processed until 60 days after termination. It is possible to "roll-over" sheltered funds to avoid tax liability.
- Do nothing. A former member has the option to leave all contributions on deposit with DARS in order to preserve service credit. If vested, the member should contact DARS 60 days prior to attaining the appropriate age to retire. Please note that interest will not be earned if a member is inactive.
- If moving to a position that permits membership in another La. Public retirement system, your service credit and all contributions may be transferred to another system or the member may enter into to a reciprocal recognition of service agreement. Contact DARS for more details.
- If a former member has attained the years of service

and age necessary to retire, that is an option as well.

Question: Can I borrow money from my DARS contribution balance?

Answer: No. Because DARS is a defined benefit contribution plan, no contributions may be withdrawn for any reason until termination of employment or retirement.

Question: Will I receive a "stub" with my monthly benefit?

Answer: No. Our pension software system does not generate any type of check stub or statement of account with your payment. If written documentation is needed, please contact DARS.

NEXT BOARD MEETING DATE

We will have our next Board meeting on March 19, 2020, 9:30 a.m., at DARS Headquarters.

HAVE A QUESTION? NEED A FORM?

Visit WWW.LADARS.ORG for a variety of information that may be helpful to active members and retirees.

Is Your Information Current?

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

**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 Perrodon, 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.

July 18, 2019
DARS Board of Trustee Meeting
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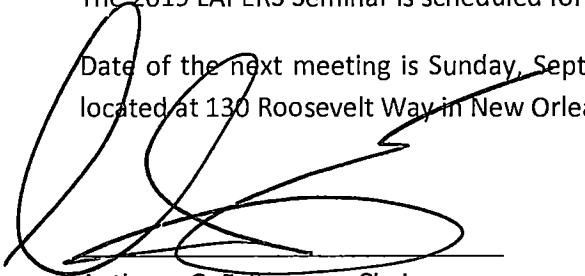
Gary Curran reported that they are comfortable with our current funding level based on last year's valuation results of 93.51% ratio of AVA to actuarial accrued liability.

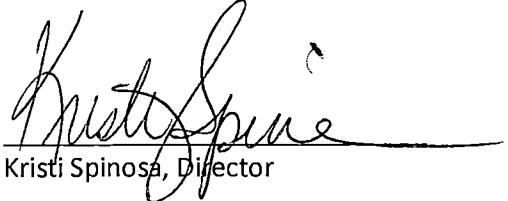
Andy Shealy led a discussion on looking at the membership to change the election process. Mr. Shealy will draft modifications for discussion at the next meeting.

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

District Attorneys' Retirement Systems

Board of Trustees Meeting

September 15, 2019

Minutes of the Board of Trustees of the Louisiana District Attorneys' Retirement System that was held at The Roosevelt Hotel in New Orleans on Sunday, September 15, 2019, at 9:00 AM.

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

Also Present: Kristi Spinosa, Gwen Hicks, Sharon Hill, John Vann, Aaron Vann, and Greg Curran

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 July 18, 2019, meeting as published. The motion carried.

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

Ms. Spinosa disseminated a budget to actual report as of August 31, 2019, for informational purposes. John Vann stated that a profit and loss report is CPA-approved but investments can be misleading due to market fluctuations.

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

- Robert Randall Smith, retired effective March 1, 2019, Option 2, benefit amount of \$5,563.97;
- Monisa Thompson, retired effective June 1, 2019, Option 3, benefit amount of \$9,238.97.

There were no deaths to report.

John Vann reported that assets have appreciated 13.08% vs. the Benchmark +11.69% as of September 15, 2019. Fiscal year 2019 appreciation since June 30, 2019, is positive 0.71% vs. the Benchmark +0.59%. 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. DARS can participate in the 2nd quarter and 3rd quarter earnings.

Mr. Vann suggested that we should reduce equity and put more into alternatives. If we move more than 10% they will need a letter of authority from the Board due to a Per Sterling internal policy limit on percentage of structured notes. A motion was made and seconded to reduce equity up to 15% and put into structured notes. The motion carried.

A motion was made and seconded to have Kristi Spinosa write a letter to Per Stirling authorizing purchase of structured notes in excess of Per Stirling's internal policy limit as follows:

The investment policy shall reflect that (1) Structured Notes shall be authorized to a limit of 15% of total assets of the fund; and (2) Structured notes shall be considered as part of the fixed income asset allocation.

The motion carried.

John Vann and Greg Curran led a discussion on whether we could have a reduction in the actuarial rate. Our current rate is 6.5%, Assessor's is 6.25%, and no other system is above 7%. After this year's valuation, the Curran's will give us a full analysis with a rate range. This issue will be addressed in more detail after completion of the valuation.

PERSAC is scheduled to meet in January 2020 instead of at the end of February 2020 which should give us more time to look at legislation to set our employer rate up to 3% above the PERSAC rate.

Todd Nesom asked John Vann about the Louisiana funds going down. Mr. Vann stated that he has been trying to get our funds back. He will submit an official report between now and November 1, 2019.

Mr. Vann 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. 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.

John Vann asked the Trustees about shifting the meeting cycle to the last week of the month so Per Stirling will have extra time to prepare the investment reports for the previous month. Staff will prepare a list of possible dates for 2020 to be approved at the next meeting.

Ms. Spinosa disseminated a Reemployment Notice to help establish compliance on the rehire issue. It would become a mandatory document in the retirement application process to ensure compliance with salary limitations if rehired. She also disseminated language that will be added to the retirement application. A motion was made and seconded to approve the Reemployment Notice and the language to be added to the retirement application. The motion carried.

September 15, 2019
DARS Board of Trustee Meeting
Page 3

Discussion was had on whether we should require a true break in service for rehires. A motion was made and seconded to draft legislation for discussion, after consultation with Bob Tarcza, prior to January 2020. The motion carried.

Andy Shealy led a discussion on looking at the membership to change the election process to ensure Trustee diversity. Dale Lee and Andy Shealy will draft modifications for discussion at the next meeting.

Kristi Spinosa disseminated R.S. 11:233 concerning earnable compensation and fees for review as possible legislation for next session. This is the same language as approved last year, but no bill was filed due to lack of an author. Motion and second to move forward with legislation for this session.

Ms. Spinosa reported that a hearing is scheduled for October 28 in the *Diaz v. DARS* matter.

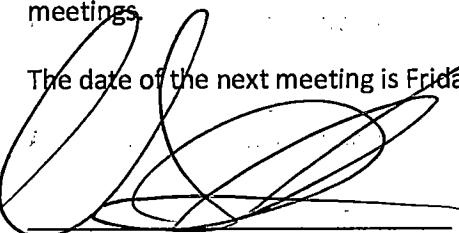
She also reported that we are awaiting an Ethics Advisory Opinion concerning personal investments of a DARS Trustee with a provider that currently has a contractual relationship with DARS for similar services.

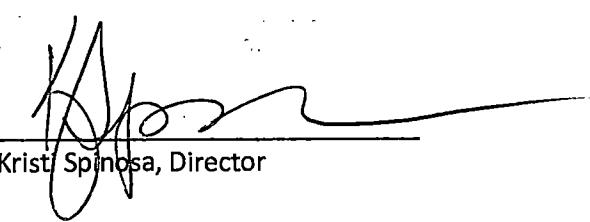
Open house will be held on Wednesday, September 18, 2019, from 11 a.m. - 1:30 p.m., at the new LDAA and DARS offices.

Ms. Spinosa disseminated the draft agenda for the Trustee Workshop scheduled for November 1-2, 2019, at PerStirling in Austin, TX.

Andy Shealy requested that we make efforts to have more local training in the future, perhaps after Board meetings.

The date of the next meeting is Friday, November 1, 2019, at 1:30 p.m. at PerStirling in Austin, TX.


Anthony G. Falterman, Chairman


Kristi Spinosa, Director

**Special District Attorneys' Retirement Systems
Board of Trustees Meeting
November 19, 2019**

Minutes of the Special Board of Trustees of the Louisiana District Attorneys' Retirement System that was held at the DARS Office located at 2525 Quail Drive, on Tuesday, November 19, 2019, at 9:30 a.m.

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

Also Present: Kristi Spinosa, Gwen Hicks, Sharon Hill, John Vann, Aaron Vann, Greg Curran, Ari Rastegar, Sandy Fliderman, and Arthur Weissman

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. Tony Falterman stated he has investments with Rastegar Holdings and with John Vann but that he does not participate or vote on those matters. Don Burkett stated that he has an issue with any DARS Trustee that has personal investments with DARS-related representatives. It was agreed to discuss further later in the meeting.

Greg Curran presented summary of the valuation report stating that a full discussion will be held the next meeting. There has been a slight decrease in active members, so we are not quite 100% funded but in great shape. The valuation recommends the valuation rate remain at 6.5% and the employer rate be reduced to 3.25%.

A motion was made and seconded to approve the valuation report as presented with full discussion at the next meeting. The motion carried.

Tony Falterman discussed a letter he received from Per Stirling regarding an undisclosed personal relationship between John Vann, and Rastegar Holdings. John Vann clarified that his company JVC has a personal, unsecured loan with Rastegar Holdings with a current balance of approximately \$834K. Mr. Vann reminded the Trustees that he has 29 years with DARS and has been registered with the SEC for 50 years and has never had a finding, and that this issue is an internal issue with Per Stirling and absolutely no SEC rule violation.

Rastegar disclosed this loan appropriately with their 3rd party financial administrators, Sandy Fliderman, and Arthur Weissman, who made all disclosures appropriately and timely.

November 19, 2019
Special DARS Board of Trustee Meeting
Page 2

Ari Rastegar stated that he does make both corporate and real estate loans, and the loan to John Vann was one that he was comfortable making and his auditors did not have any findings in his audit.

John Vann stated that he will be retiring by the end of March 2020. He will need to find new back office support. Aaron Vann is in the process of becoming an Advisor of Record. Discussion was had on how Aaron Vann would transition with Per Stirling.

A motion was made and seconded to allow Aaron Vann to present his plan to proceed after John Vann's retirement at the January meeting.

The Board went into Executive Session.

After the conclusion of the Executive Session, discussion was had on how to proceed with moving funds to Rastegar as approved at the November 1, 2019, meeting. The Board extensively questioned Mr. Rastegar about his business model and the specific investments made by DARS.

The Board instructed Ms. Spinosa to prepare of list of other investment mangers with retirement system experience for the next meeting.

The date of the next meeting is Thursday, January 23, 2020, at 9:30 a.m. at the DARS Office in Baton Rouge, LA.

Anthony G. Falterman, Chairman

Kristi Spinosa, Director

**District Attorneys' Retirement Systems
Board of Trustees Meeting
November 1, 2019**

Minutes of the Board of Trustees of the Louisiana District Attorneys' Retirement System that was held at Per Stirling in Austin, Texas, on Friday, November 1, 2019, at 1:00 PM.

Present: Anthony Falterman, Dale Lee, Todd Nesom, Andy Shealy, and Reed Walters

Also Present: Kristi Spinosa, Gwen Hicks, Sharon Hill, John Vann, Aaron Vann, and Julie Nielsen

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 September 15, 2019, meeting as published. The motion carried.

A motion was made and seconded to approve the financial statements for August, and a preliminary draft of September and October 2019. The motion carried.

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

- David Harkins, retired effective February 16, 2019, Maximum, benefit amount of \$6,824.87;
- John Wayne Jewell, retired effective July 1, 2019, Option 2, benefit amount of \$3,445.64;
- Rickey Miniex, retired effective October 16, 2019, Option 2, benefit amount of \$1,057.78.

There were no deaths to report.

J.P. O'Sullivan, Chief Compliance Officer, Per Stirling, gave an overview of the history of Per Stirling, stating that they are a fiduciary focused firm.

Amber Bell, Compliance, gave an overview on how Per Stirling handles compliance including cyber security and elder fraud.

Carol Sheffield, Operations Manager, gave an overview of their secure email service, Smarsh Email.

Robert Phipps, Co-founder of Per Stirling, presented a mini roundtable discussion on inflation, trading volume, and relative strength or buying power, to demonstrate how Per Stirling conducts in depth analysis on current investment issues.

John Vann stated that he is very pleased with his association with Per Sterling.

John Vann asked the Trustees about shifting the meeting cycle to the last week of the month so Per Stirling will have extra time to prepare the investment reports for the previous month. A meeting schedule for 2020 was disseminated with dates for the third week of the meeting month, and the fourth week of the meeting month. Discussion was had. A motion was made and seconded to schedule the meetings for 2020 on the third Thursday of the meeting month except the month after the end of the quarter. The motion carried. Below is the meeting schedule for calendar year 2020:

- Thursday, January 23, 2020 9:30 a.m.
- Thursday, March 19, 2020 9:30 a.m.
- Thursday, May 21, 2020 9:30 a.m.
- Thursday, July 16, 2020 9:30 a.m.
- Sunday, September 20, 2020 9:30 a.m.
- Thursday, November 19, 2020 9:30 a.m.

Mr. Vann disseminated a document titled The Curious Case of Negative Rates for informational purposes.

He also reported that he has submitted all information requested by the Louisiana Legislative Auditor.

John Vann reported that assets have appreciated 13.08% vs. the Benchmark +12.00% as of September 30, 2019. Fiscal year 2019 appreciation since June 30, 2019, is positive 0.71% vs. the Benchmark +0.86%. There have been no significant events with the alternative managers thus far in 2019.

He reported that expects to see a 2% market growth for the next 30 years, and many years of low returns compounded with low rates. Asset allocations remain in line.

Discussion was had on diversification of the portfolio. Currently 24% of our portfolio is with Dorsey who has the highest fees and a rate of return of 1½-2%. Rastegar will be moving from alternative investments to fixed assets, which would make them a good source to move funds from Dorsey. TCW is fixed income with 7.5% return. Structured Notes are doing well with a high degree of liquidity. Mr. Vann will be moving all funds from AMLP to EMLP.

There has been no progress made concerning the Louisiana funds. The Trustees asked Mr. Vann to request that someone from Louisiana Fund attend the next meeting.

John Vann asked the Trustees to consider an allocation of \$15M to Rastegar from the funds currently invested with Dorsey. He also suggested moving \$10M to TCW and \$20M to Eaton Vance, also from Dorsey. He stated that the next 2-3 years market return will be very low and we need to get ahead of it

and set up an avenue for regular cash flow for distributing the \$1.3M to cover monthly retirement benefits. The goal is to reduce Dorsey from \$100M to about \$40M. Discussion was had. DAs will be affected if DARS is not getting enough returns. Increasing funds to Rastegar will put them near 10% of our portfolio. Rastegar's fee is deferred until all investors get their 7% return.

A motion was made and seconded to move funds from Dorsey and invest \$15M with Rastegar, \$10M with TCW, and \$20M with Eaton Vance. The motion carried.

Kristi Spinosa led a discussion on an LDAA membership issue. Several LDAA part-time employees were not entered into DARS within the 6-month eligible entry period but were entered at the time they became full-time employees. An employee's status as part-time or full-time is not defined in the DARS statutory regime. The only qualifier for membership is the salary minimum of \$18K found in R.S. 11:1601(1). However, this only applies to ADAs, not LDAA or DARS employees. DARS has at all times treated these members as any other in the system, including accepting employer and employee contributions on their behalf. A motion was made and seconded to accept entrance and recognize time of LDAA employees from the time they begin to pay into DARS. The motion carried.

A motion was made and seconded to support legislation to have the \$18K salary minimum apply to all members of DARS, not just ADAs. The motion carried.

Kristi Spinosa disseminated a copy of proposed legislation submitted by Charles Ballay concerning R.S. 11:1631. The proposal adds the following paragraph as F(3):

Notwithstanding any provision of this Subsection F to the contrary, if any member who has retired from this system is elected as district attorney, he shall have the option to combine his earlier retirement benefit with his supplemental retirement benefit he is or would be earning to create a single retirement benefit. Such combination of the earlier and supplemental retirement benefits shall result in a benefit determined using the total combined credited service and the average final compensation at the time of actual later retirement. In order to do so, he must make this selection and repay all retirement benefits he has been paid under the first retirement benefit within sixty (60) days of the effective date of this paragraph or within thirty (30) days of taking office as district attorney, whichever is later.

Discussion was had. The proposal would need 2/3 legislative approval to pass. The actuary cannot accurately determine the cost to DARS and we do not know who else could be affected by this change. A motion was made and seconded to oppose this proposal as currently written. The motion carried.

Ms. Spinosa reviewed several proposed budget amendments, mostly moving-related items. A motion was made and seconded to amend the budget as proposed to increase the computer, software, and furniture category by \$6K. The motion carried.

A motion was made and seconded to amend the budget as proposed to increase the consumable office supplies category by \$1,500. The motion carried.

The proposed increase of \$2,500 to the computer services and hosting category would be needed if DARS separates its hosting with CMA from LDAA. Currently LDAA is under contract with CMA to host the DARS system platform along with two other entities. Potentially, sharing the platform could inadvertently allow improper access into the DARS system creating a security issue. A motion was made and seconded to separate DARS hosting from LDAA at a one-time cost of \$2500. The motion carried. Monthly hosting costs would remain the same at \$675.

A motion was made and seconded to amend the budget as proposed to increase the fiduciary bond and insurance category by \$712.19 to cover the full cost of the employed lawyers premium. The motion carried.

Discussion was had on quotes for cyber insurance. A motion was made and seconded to obtain solid quotes from at least three sources and authorize Ms. Spinosa to choose the best option. The motion carried.

Ms. Spinosa reported on the hearing in the *Diaz v. DARS* matter stating that we have to have a settlement conference before filing a motion for summary judgment. A motion was made and seconded to authorize Kristi Spinosa to handle the settlement conference. The motion carried.

Ms. Spinosa disseminated the Ethics Advisory Opinion #2019-838 concerning personal investments of a DARS Trustee with a provider that currently has a contractual relationship with DARS for similar services. The conclusion is below:

The Board concluded that no provision of the Code of Governmental Ethics would prohibit a member of the Board of Trustees for DARS from entering into a contract for personal investment services with Per Stirling, provided that he is not receiving the investment services at no cost or at a discount. However, as a member of the Board of Trustees for DARS, he would be prohibited by La. R.S. 42:1112B(5) from participating in any matters involving Per Stirling. Therefore, he may not participate in any way in actions involving Per Stirling.

Kristi Spinosa disseminated a copy of the Louisiana Code of Governmental Ethics and a copy of DARS Ethics policy for review. She asked that each Trustee sign the Annual Ethics Policy Certification. A motion was made and seconded that each Trustee sign this form every year. The motion carried.

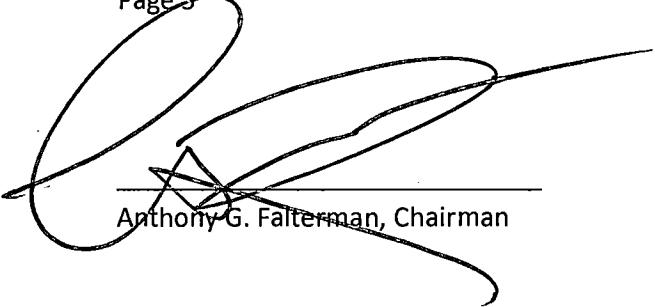
A motion was made and seconded to approve changes to the ongoing internal controls as presented. The motion carried.

A motion was made and seconded to approve the Louisiana Compliance Questionnaire as presented. The motion carried.

The date of the next meeting is Thursday, January 23, 2020, at 9:30 a.m. at the DARS Office in Baton Rouge, LA.

November 1, 2019
DARS Board of Trustee Meeting

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Anthony G. Falterman, Chairman

Kristi Spinosa, Director

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
2525 Quail Drive
Baton Rouge, Louisiana 70808
Phone: (225)267-4824; Fax (225)612-7117

REEMPLOYMENT NOTICE
"RE-HIRE"

Name of Retiree _____ Date _____
Street Address _____ SSN _____ - _____ - _____
City, State, Zip _____ Hire Date _____
Employer _____ Annual Salary _____
Email _____ Phone (_____) _____ - _____

I hereby acknowledge that if I am reemployed by any member district attorney, my DARS retirement benefit shall be suspended during said employment, and I shall not be paid any benefits for the period covered by such employment unless I meet exception requirements of R.S. 11:1631(F)(2). I also acknowledge and consent that any DARS benefits paid in violation of R.S. 11:1631(F)(1) are subject to recapture by DARS prior to payment of future benefits.

Suspension of Benefit Exception: Pursuant to R.S. 11:1631(F)(2), the benefit of a retired district attorney or assistant district attorney shall not be suspended upon reemployment if:

- The retiree retired in accordance with R.S. 11:1633(A)(1)(b) or (c); and
- The retired district attorney or assistant district attorney is paid an annual salary of **less than the state warrant as stated in R.S. 16:11(A)(1)**.

I further acknowledge that if I meet the suspension exception of R.S. 11:1631(F)(2), I shall not be considered an active member of DARS, nor will I earn additional service credit or be required to pay contributions. If I do not meet the exception requirements of R.S. 16:1631(F)(2), I acknowledge that I will again become an active, contributing member of DARS and shall accrue a supplemental retirement benefit based on service rendered after reemployment pursuant to R.S. 11:1631(F)(1).

Retiree Signature _____

Employer Signature _____