

LOUISIANA DISTRICT ATTORNEYS' RETIREMENT SYSTEM
Minutes of the Meeting of the Board of Trustees
June 10, 2024, 9:30 A.M.
2525 Quail Dr. Baton Rouge, LA 70808

The Board of Trustees of the District Attorneys' Retirement System held a regular meeting on June 10, 2024 at the DARS Office, located at 2525 Quail Drive Baton Rouge, Louisiana 70808.

1. Roll Call

The meeting was called to order by Mr. Andy Shealy at 9:30 A.M.

Ms. Danielle Ball called roll.

Members Present

Mr. David Burton
Mr. Houston Gascon
Mr. Scott Perrilloux
Mr. S. Andrew Shealy
Mr. Brad Burget
Mr. Todd Nesom
Representative John R. Illg Jr.
Senator Kirk Talbot

Members Absent

Mr. Don Burkett
Mr. J. Reed Walters

A Quorum was present.

Others Present

Mr. Philip Qualls, Director
Ms. Danielle Ball, Benefits Supervisor
Ms. Brittany Cahill, Pension Assistant
Jon Breth, Mariner Wealth Advisors
Laura Gail Sullivan, DARS Legal Counsel
Stephen Brouillette, Curran Actuarial
Robert Klausner, Klausner Kaufman Jensen & Levinson – via Teams

2. Conflicts Disclosure

Mr. Andy Shealy inquired if any Trustee needed to disclose a conflict of interest with items on the agenda.

There were no disclosures.

3. Public Comment

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

4. Minutes of the Meeting of April 15, 2024 and April 16, 2024

Motion by Mr. Perrilloux, Seconded by Mr. Nesom to approve the minutes of both meetings' minutes. Unanimously, the motion passed.

5. March and April 2024 Financials

Mr. Qualls notified the Board that DARS has received all ad valorem apart from \$1.4 million from New Orleans. Mr. Qualls identified April expenses as higher due to the timing of Curran Actuarial valuation and service fees, as well as due to legal fees associated with the BREC and Diaz ongoing legal cases. Mr. Diaz appealed the motion for summary judgment.

Motion by Mr. Nesom, Seconded by Mr. Perrilloux to approve the March and April financials. Without objection, the motion carried.

Motion by Mr. Nesom, Seconded by Mr. Burget to enter executive session, with the provisions that legal counsel and legislative appointees remain in the room. Without objection, the motion carried.

Motion by Mr. Illg, Seconded by Mr. Nesom to return to regular session. Unanimously, the motion passed.

Mr. Shealy explained that executive session was held regarding potential litigation claims, and discussion took place regarding rights and obligations with legal counsel. No action was taken.

Motion by Mr. Nesom, Seconded by Mr. Burton to authorize Wolf Popper LLP to make a records request on all our remaining shares regarding our books and records with Rastegar Holding Company. Without objection, the motion carried.

Motion by Mr. Nesom, Seconded by Mr. Illg to redeem our second investment of \$16 million Preferred Series A in Rastegar Holding Company. Without objection, the motion carried.

6. DARS Quarterly Budget Review

Mr. Qualls explained that over-budget items are mainly confined to legal expenses. These are attributable to the BREC and Glenn Diaz legal fees. Mr. Qualls also noted adding the general advertising line item to advertise for the part-time pension assistant position to replace Gwen. Investment consulting fees were also higher in April due to the new investment consultant and running both Mariner and Vann Equity in tandem.

At Mr. Shealy's request, Mr. Qualls gave a brief summary of the BREC case. At first, it was in three separate items beginning with BREC suing the East Baton Rouge Sheriff Sid Gautreaux seeking an injunction to prohibit the transfer of the ad valorem taxes to the retirement systems. The other suits were due to BREC not including the proper parties on the original suit. The ad valorem taxes have been deposited into a registry of the court. The Sheriff has since filed a motion to withdraw these funds but nothing has been paid out yet. The cases have since been consolidated and are now at the 19th Judicial District.

Ms. Sullivan explained that there may be additional parties that may need to be added to the consolidated case. Ms. Sullivan also mentioned that the case has been prolonged due to the recusal of the initial judge assigned to the case.

Mr. Shealy clarified, and Ms. Sullivan confirmed, that we are still in the early preliminary stages of the BREC case.

Mr. Qualls explained that the Glenn Diaz case is a result of a member who filed an application for retirement 18 months after leaving service, then sued for backpay retroactive to his date of separation. Mr. Tarcza filed a motion for summary judgment that was awarded to DARS, but Mr. Diaz filed an appeal.

7. Retirement Activity

There was no retirement activity for this period to approve.

8. Investment Report – Mariner Institutional

a. Market Commentary and DARS Performance Report

Mr. Breth explained that Mariner is currently in the process of moving accounts from the former consultant to their own jurisdiction, as well as acquiring historical information of DARS investments. Mr. Breth stated that he is in the process of getting up to speed on the portfolio, specifically on the alternative investments, representing 15% of overall assets.

Mr. Breth gave a general overview of his thoughts on DARS current portfolio structure, placing this into perspective of the overall market economy.

Mr. Burton inquired as to whether puts and calls would be a part of the Mariner strategy. Mr. Breth explained that this would not be a part of Mariner's recommended strategy going forward, primarily due to cheaper, less risky vehicles.

9. Director's Report

Mr. Qualls read aloud a thank you letter from Gwen Hicks for the resolution recognizing her service.

a. **J. Oubre Back-DROP and Reciprocal**

Mr. Qualls explained that Mr. Oubre was able to achieve DARS retirement eligibility by combining his years of service with another system via reciprocal recognition of service. Mr. Qualls explained that Mr. Oubre was allowed to apply for Back-DROP since DARS statutes do not specify that only DARS service should be accounted for in considering Back-DROP eligibility.

b. **DARS Electronic Contribution Process**

In an effort to decrease fraud exposure, DARS has implemented the option for offices to remit contributions electronically via wire or ACH transaction. This move will eliminate the need to mail paper checks with names and social security numbers, thus decreasing the opportunity for mail fraud and identity theft. DARS is working with JP Morgan to utilize their Virtual Reference Number product, which creates dummy banking account and routing information that JP Morgan recognizes to share with the offices. DARS has also devised a method to securely receive contribution support documentation securely through a direct upload process. Mr. Qualls explained that these processes are being offered to offices on a volunteer basis at this time.

c. **Board Trustee Elections**

Nomination slips will be sent in June, and subsequent voting ballots in July, for available Trustee seats to the appropriate voting personnel.

d. **Legal Counsel Contract Renewal**

Legal counsel contract with Ms. Laura Gail is ending and is available for renewal.

Motion by Mr. Perrilloux, seconded by David Burton. Without objection, the motion carried.

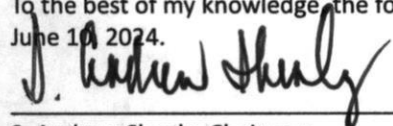
e. **Legislative Update**

Mr. Qualls informed the board that both of the DARS sponsored bills authored by Rep. Illg, HB9 and HB10, were passed. Mr. Qualls thanked Rep. Illg for his assistance and expertise. Other bills of legislation that would have affected DARS but were not backed by DARS support did not pass. Mr. Qualls explained that he will work with Mr. Breth at Mariner to more explicitly outline the fiduciary duty of DARS investors in the DARS investment policy.

Next Meeting – September 8 2024 – subject to change

Meeting adjourned at 11:42 am

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held on June 10, 2024.


S. Andrew Shealy, Chairman


Philip Qualls, Director