

LOUISIANA DISTRICT ATTORNEYS' RETIREMENT SYSTEM
Minutes of the Meeting of the Board of Trustees
September 19, 2024, 9:00 A.M.
2525 Quail Dr. Baton Rouge, LA 70808

The Board of Trustees of the District Attorneys' Retirement System held a regular meeting on September 19, 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 9:15 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. Joseph Green
Mr. Don Burkett
Mr. J. Reed Walters
Representative John R. Illg Jr.

Members Absent

Senator Kirk Talbot

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
Greg Curran, Curran Actuarial

Mr. Shealy welcomed and thanked Mr. Green for serving as the newest member of the DARS Board of Trustees. Mr. Qualls also commended Mr. Green for completing all the necessary education hours in order to vote at today's meeting.

2. Conflicts Disclosure

Mr. 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 June 10, 2024

Mr. Qualls highlighted a change in item 9d to correct the name of the person to second the motion.

Motion by Mr. Gascon, seconded by Mr. Burget, to approve the meeting minutes with the name correction. Unanimously, the motion passed.

5. May, June, and July 2024 Financials

Mr. Qualls noted that there was an increase in expenses due to running both investment consultants, Vann Equity and Mariner Institutional, side by side during the consultant transition. Additionally, there were accumulated registration fees due to conference attendance. Mr. Qualls reported that the New Orleans ad valorem was received, although the amount is different than expected, and the difference in expected versus received is being evaluated. Mr. Qualls presented the financials using the accrual method of accounting for larger contracts such as rent and the actuary contract. This will allow more comparability between months.

Mr. Burkett asked for clarification on the amount paid for legal fees.

Mr. Qualls explained that it is a combination of case fees, the largest being the BREC case. As a refresher, both Mr. Qualls and Ms. Sullivan explained that originally BREC sued Sid Gautreaux as the Sheriff of East Baton Rouge, but did not include all of the proper parties. Then, the assigned judge was recused from the case. To this point it has been a matter of procedural corrections.

Motion by Mr. Perrilloux, seconded by Mr. Burkett to approve the financials. Without objection, the motion carried.

6. DARS Annual Budget Review

Mr. Qualls indicated that the annual cash needs of the retirement system were \$3,033,803, which is about 0.54% of the investment portfolio. DARS was within budget for most other categories with the exception of legal fees, which was discussed along with the approved financials.

7. Retirement Activity

Mr. Shealy read aloud the exhibit outlining new retirees' benefit amounts for Trustee approval.

Motion by Mr. Walters, seconded by Mr. Perrilloux, to approve all retirees. The motion passed unanimously.

8. Investment Report – Mariner Institutional

a. Market Commentary and DARS Performance Report

Mr. Breth discussed an overview of the current DARS asset allocation within a broader market context and potential transition plans to simplify the investment portfolio to bring down investment costs.

b. Asset Allocation Discussion

Mr. Breth portrayed and discussed models to set asset allocation relevant to targets established in the Investment Policy Statement. These models included objectives that determine liquidity needs, determine risk tolerance, and various historical and forecasting models, simulations, and Mariner's recommendations.

Motion by Mr. Burkett, seconded by Mr. Perrilloux, to migrate current equity ETF selections to corresponding Fidelity index funds. The motion passed unanimously.

Mr. Qualls summarized that this transition is estimated to save DARS \$500,000 annually, plus an additional approximate \$320,000 per year.

c. Investment Policy Statement Update

Mr. Qualls explained that the update primarily rearranged and added sections with the intent that a member of the public or new board member could easily and clearly understand how the retirement system approaches investments. The update also adds a governance section that outlines how each party – Trustees, Director, and Investment Manager(s) – interact with the responsibility of the management of the portfolio.

The Board asked for more time to review the updated policy for approving. No action was taken.

d. Investment Manager Update

Motion by Mr. Burkett, seconded by Mr. Walters, to enter executive session pursuant to the provisions of R.S. 42:17 (A)(2). The motion carried without objection.

Motion by Mr. Green, seconded by Mr. Illg, to end executive session. Unanimously, the motion passed.

Mr. Shealy summarized that discussion was held regarding investments; no action was taken.

e. TCW Structured Solutions Extension Agreement

Mr. Qualls stated that the TCW Structured Solutions 2019 fund is at the contractual end of its life and the manager has proposed a multi-year extension agreement. Mr. Qualls clarified that DARS has already spoken to TCW with the intention exiting this investment and has a prospective buyer. Mr. Qualls recommended to execute the extension agreement, which will give time for DARS to sell to the buyer.

Motion by Mr. Perrilloux, seconded by Mr. Gascon, to authorize extension. Unanimously, the motion passed.

Motion by Mr. Perrilloux, seconded by Mr. Gascon, to negotiate price at or above par / net asset value – or otherwise bring before Board of Trustees. Without objection, the motion carried.

9. Director's Report

a. Legislative Proposals

Mr. Qualls summarized potential legislation that may surface during the next legislative session.

b. Member Contribution Sources

This item was tabled.

c. DARS Electronic Contribution Process

Mr. Qualls reported that five sources are utilizing the electronic process with positive feedback.

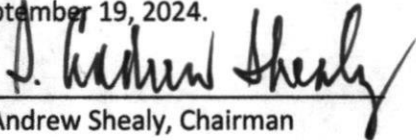
d. **Trustee Training Ideas**

Mr. Qualls proposed that it may be beneficial for Trustees to attend out of state conference to broaden ideas and perspectives. Mr. Qualls suggested that half attend LAPERS annually, while half attend various other conferences, to facilitate discussion and creative solutions.

Next Meeting – October 31, 2024, 9:30 A.M.

Meeting adjourned at 12:40 P.M.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held on September 19, 2024.



S. Andrew Shealy, Chairman



Philip Qualls, Director