

MINUTES OF THE JOINT ORGANIZATIONAL GOVERNANCE
COMMITTEE
and
BOARD OF RETIREMENT AND BOARD OF INVESTMENTS*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

THURSDAY, OCTOBER 12, 2017
1:00 p.m.

PRESENT: Shawn Kehoe, Chair (Left at 2:00 p.m.)

Alan Bernstein

Joseph Kelly

Vivian Gray

Wayne Moore

David Muir (Left at 2:00 p.m.)

Ronald Okum

Diane Sandoval

Herman Santos

ABSENT: David Green, Vice Chair

Michael Schneider

Others Present:

Robert R. Hill

Steven P. Rice, Chief Counsel

Harvey Leiderman, Reed Smith LLP, Fiduciary Counsel

I. CALL TO ORDER

The meeting was called to order at 1:19 p.m., in the Board Room of Gateway Plaza.

II. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that, in closed session at the August 28, 2017 Joint Organizational Governance Committee meeting pursuant to Government Code Section 54956.9(d)(2), the committee voted unanimously by all members present to direct the committee Chair to work with staff on five projects: (1) to develop a best practices policy on internal investigations, (2) to develop a fiduciary counsel policy including a provision for the presence of outside fiduciary counsel at all Board of Retirement Administrative meetings and all Board of Investments meetings (3) initiate steps necessary to cause the Chief Investment Officer to report directly to the Board of Investments, (4) initiate steps necessary to cause the Chief Counsel to report jointly and directly to the Board of Retirement and Board of Investments, and (5) to develop a joint Board revolving door policy providing that Board members cannot apply for a LACERA job for a period of time after the end of their Board service. This report supplements the report made by the committee Chair at the August 28, 2017 meeting. Mr. Schneider was absent from the meeting.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Meeting of August 28, 2017

Mr. Okum made a motion, Mr. Kehoe seconded, to approve the revised minutes of the special meeting of August 28, 2017. The motion passed unanimously.

V. NON – CONSENT AGENDA

A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Joint Organizational Governance Committee recommend to the Board of Retirement and Board of Investments approval of the Fiduciary Counsel Policy. (Memorandum dated October 4, 2017)

Messrs. Hill and Rice and Harvey Leiderman of Reed Smith LLP,

were present and answered questions from the Board.

Mr. Kehoe made a motion, Mrs. Gray seconded to approve the agenda item with the adjustments discussed and advanced to the Board of Retirement and Board of Investments for approval. The motion passed unanimously.

(Mr. Kehoe and Mr. Muir left the Committee meeting at 2:00 p.m.)

B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Joint Organizational Governance Committee recommend to the Board of Retirement and Board of Investments approval of the Policy Concerning Employment of LACERA Board Members. (Memorandum dated October 4, 2017)

Messrs. Hill and Rice and Harvey Leiderman of Reed Smith LLP,

were present and answered questions from the Board.

V. NON – CONSENT AGENDA (Continued)

Mr. Okum made a motion, Mr. Bernstein seconded to approve the agenda item, with requested changes. The motion passed unanimously.

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel:
That the Joint Organizational Governance Committee recommend to the Board of Retirement and Board of Investments approval of the Policy on Internal Investigation Procedures.
(Memorandum dated October 4, 2017)

Messrs. Hill and Rice and Harvey Leiderman of Reed Smith LLP,
were present and answered questions from the Board.

Mr. Santos made a motion, Mr. Moore seconded, to withdraw this item from the agenda. The motion passed unanimously.

- D. Recommendation as submitted by Steven P. Rice, Chief Counsel:
That the Joint Organizational Governance Committee (JOGC) recommend the revised Education and Travel Policy to the Board of Retirement and Board of Investments for approval.
(Memorandum dated October 4, 2017)

Messrs. Hill and Rice and Harvey Leiderman of Reed Smith LLP,
were present and answered questions from the Board.

Mrs. Gray made a motion, Mr. Santos seconded, to postpone this item to a future Joint Organizational Governance Committee meeting. The motion passed unanimously.

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel:
That the Joint Organizational Governance Committee provide direction and input to Staff with respect to the 2017/2018 JOGC meeting calendars. (Memorandum dated October 4, 2017)

V. NON – CONSENT AGENDA (Continued)

Messrs. Hill and Rice and Harvey Leiderman of Reed Smith LLP,
were present and answered questions from the Board.

Mrs. Gray made a motion, Mr. Santos seconded, to postpone this item to a future Joint Organizational Governance Committee meeting. The motion passed unanimously.

- F. Recommendation as submitted by Steven P. Rice, Chief Counsel:
That the Joint Organizational Governance Committee direct Staff to calendar the items listed in this memo for JOGC consideration on the schedule. (Memorandum dated October 4, 2017)

Messrs. Hill and Rice and Harvey Leiderman of Reed Smith LLP,
were present and answered questions from the Board.

Mrs. Gray made a motion, Mr. Santos seconded, was postpone this item to a future Joint Organizational Governance Committee meeting.

VI. REPORT

- A. Review of JOGC Charter
Steven P. Rice, Chief Counsel
(Memo dated October 4, 2017)

This item was postponed to a future Joint Organizational Governance
Committee meeting.

VII. REPORT ON STAFF ACTION ITEMS

There was nothing to report.

VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:22 p.m.

** The Board of Retirement and Board of Investments have each adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five (5) or more members of the Board of Retirement or the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board or Boards for which a quorum is present. Members of the Board of Retirement and Board of Investments who are not members of the Committee may attend and participate in a meeting of the Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at subsequent meetings of the Board of Retirement and Board of Investments.*

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