

MINUTES OF THE BOARD OF RETIREMENT FROM  
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT  
AND THE BOARD OF INVESTMENTS

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

9:00 A.M., WEDNESDAY, AUGUST 1, 2018

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Shawn Kehoe

Joseph Kelly

JP Harris

Thomas Walsh

Gina Zapanta-Murphy

ABSENT: Alan Bernstein

William Pryor

Les Robbins

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Wayne Moore, Secretary

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BOARD OF INVESTMENTS (Continued)

Joseph Kelly

David Muir

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider

STAFF ADVISORS AND PARTICIPANTS

Robert Hill, Interim Chief Executive Officer

Steven P. Rice, Chief Counsel

Johanna Fontenot, Senior Staff Counsel

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Michael Kennedy, Korn Ferry

Manny Abascal, Latham & Watkins

I. CALL TO ORDER

The meeting was called to order by Ms. Gray at 9:00 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Okum led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of June 13, 2018

Mr. Santos made a motion, Mr. Adams seconded, to approve the minutes of the special meeting of June 13, 2018. The motion passed with Mr. Kehoe abstaining and all other members present voting aye.

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of June 13, 2018

No action was taken on this item by the Board of Investments.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. NON-CONSENT

- A. Presentation regarding LACERA's Chief Executive Officer Search as submitted by Michael Kennedy, Senior Client Partner from Korn Ferry. (Presentation dated August 2018)

Mr. Kennedy provided an update on the CEO search and answered questions from the Boards.

- B. Recommendation as submitted by Johanna Fontenot, Senior Staff Counsel: That the Boards adopt the Chief Investment Officer Reporting and Performance Evaluation Policy. (Memo dated July 24, 2018)

(This Item was held out of order, following Items IX. A. and IX. B.)

Ms. Fontenot was present to answer questions from the Board.

V. NON-CONSENT (Continued)

Mr. Kehoe made a motion, Ms. Gray seconded, to approve staff's recommendation, which passed with all members present voting aye. Mr. Kelly was absent for the vote.

Mr. Kehoe made a motion to reconsider the Item, which passed without objection. Ms. Fontenot provided minor revisions to the Policy.

Mr. Kehoe made a motion, Ms. Gray seconded, to adopt the Policy with the changes stated by Ms. Fontenot. The motion passed with all members present voting aye. Mr. Kelly was absent for the vote.

C. Discussion and possible action regarding Composition of Joint Board Committees requested by Chair Green and Chair Gray.

(Mr. Kelly returned to the Board room at 11:19 a.m.)

The Board discussed the Item.

Mr. Kelly called the question, Mr. Harris seconded, the motion failed (roll call) with Messrs. Adams, Harris, Santos, Walsh, Mrs. Zapanta-Murphy, and Chair Gray, voting no; and Messrs. Kehoe, Kelly, and Harris voting yes.

Mr. Kehoe made a motion, Mr. Harris seconded, to postpone this Item to the next meeting. The motion fails (roll call) with Messrs. Adams, Santos, Walsh, Mrs. Zapanta-Murphy, and Chair Gray voting no; and Messrs. Kehoe, Kelly, and Harris voting yes.

V. NON-CONSENT (Continued)

There was no further action on this Item.

- D. Discussion and possible action regarding Staff communication and assistance to Trustees and other Staff actions regarding Board motions requested by Chair Green and Chair Gray.

Mr. Santos made a motion, Mr. Adams seconded, to refer back to staff to create a policy with guidelines as it pertains to staff assistance. The makers of the motion withdrew their motion.

VI. REPORTS

- A. For Information Only as submitted by the Ad Hoc Investigation Committee, regarding the Supplemental Report on the investigation. (Memo dated July 23, 2018)

Mr. Harris made a motion, Mr. Kelly seconded, to approve the Ad-Hoc Investigation Committee's recommendation. The motion passed unanimously.

VII. REPORT ON STAFF ACTION ITEMS

Members requested that background checks be completed on all four candidates. In addition, members requested an ad hoc CEO search committee assessment of each candidate, including the questions previously asked to the candidates, be provided to the Board in preparation for the final interviews. Furthermore, if any candidates don't make it to the final interview round, members requested that the Boards be informed to the reasons why. Lastly, members requested that when ad-hoc committees are formed that the full

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VII. REPORT ON STAFF ACTION ITEMS (Continued)

Boards are informed of the final authority assigned to the committee.

VIII. GOOD OF THE ORDER

There was nothing to report during Good of the Order.

IX. EXECUTIVE SESSION

(The following Items were handled out of order, after Item V.A.)

- A. Conference with Legal Counsel - Anticipated Litigation  
Initiation of Litigation (Pursuant to Paragraph (4) of  
Subdivision (d) of California Government Code Section 54956.9)

Number of Potential Cases: One

The Board met in Executive Session pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report on this item.

- B. Public Employment (Pursuant to California Government Code  
Section 54957)

1. Title: Chief Executive Officer

The Board met in Executive Session pursuant California Government Code Section 54957. It was reported that the CEO search ad-hoc committee shall control the CEO selection process and that LACERA staff not participate in the selection process of candidates but be available as a resource when needed.

(Mr. Kelly left the Board room at 11:04 a.m.)

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was

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X. ADJOURNMENT (Continued)

adjourned at 12:52 p.m.

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MARVIN ADAMS, SECRETARY

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VIVIAN H. GRAY, CHAIR