

# AGENDA

## 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

8:00 A.M., TUESDAY, OCTOBER 30, 2018

*The Board may take action on any item on the agenda,  
and agenda items may be taken out of order.*

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
  - A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of October 6, 2018
  - B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of October 6, 2018
  - C. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of October 11, 2018
  - D. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of October 11, 2018
- IV. PUBLIC COMMENT
- V. EXECUTIVE SESSION
  - A. Conference with Designative Representative  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

October 30, 2018

Page 2

V. EXECUTIVE SESSION (Continued)

Unrepresented Employee  
Chief Executive Officer

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

1. Title: Chief Executive Officer

VI. ITEMS FOR STAFF REVIEW

VII. ADJOURNMENT

*Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.*

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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  
WESTDRIFT HOTEL – PARKVIEW ROOM  
1400 PARK VIEW AVE., MANHATTAN BEACH, CA 90266  
7:00 A.M., SATURDAY, OCTOBER 6, 2018

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary (Left the Board meeting at 2:48 p.m.)

Alan Bernstein

Shawn Kehoe (Entered the Board meeting at 7:25 a.m.)

Joseph Kelly (Left the Board meeting at 2:48 p.m.)

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Thomas Walsh (Left the Board meeting at 2:43 p.m.)

Gina Zapanta-Murphy (Left the Board meeting at 2:43 p.m.)

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

BOARD OF INVESTMENTS (Continued)

Wayne Moore, Secretary

Joseph Kelly

David Muir

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel

Michael Kennedy, Korn Ferry

I. CALL TO ORDER

The meeting was called to order by Ms. Gray at 7:12 a.m., at the WestDrift Hotel in Manhattan Beach.

II. PUBLIC COMMENT

There were no requests from the public to speak.

III. CONSENT

- A. Recommendation as submitted by the Ad Hoc Chief Executive Officer Search Committee that the Boards appoint Michael Kennedy, Korn Ferry, as a designated representative for the Chief Executive Officer negotiations. (Memo dated September 20, 2018)

III. CONSENT (Continued)

Mr. Santos made a motion, Ms. Gray seconded, to approve staff's recommendation in addition to adding Steven P. Rice, Chief Counsel as a designated representative.

Mr. Kelly made a substitute motion, Mr. Santos seconded, that in addition to including Steven P. Rice to also include John Nogales, Director of Human Resources, to provide access to both legal and HR resources as needed.

Mr. Muir and Mr. Pryor expressed concerns about Mr. Rice's participation.

(Mr. Kehoe entered the Board meeting at 7:25 a.m.)

The Chair deferred this item till after the first break.

Following Item IV, Mr. Rice reported that he conferred telephonically with outside fiduciary counsel, Harvey Leiderman, Reed Smith LLP, during the break, and that Mr. Leiderman advised that it was appropriate and permissible for Mr. Rice to participate in the negotiations, with Mr. Leiderman participating as well as the Boards' independent counsel.

The substitute motion passed unanimously by all members present. Mr. Walsh and Ms. Zapanta-Murphy were absent for the vote.

October 6, 2018

Page 4

IV. EXECUTIVE SESSION

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

1. Title: Chief Executive Officer

- B. Conference with Labor Negotiator  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

The Board met in Executive Session pursuant California Government Code Section 54957 and 54957.6. There was nothing to report.

(Ms. Zapanta-Murphy, and Messrs. Walsh left the Board room at 2:43 p.m.)  
(Messrs. Kelly and Adams left the Board room at 2:48 p.m.)

V. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:00 p.m.

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MARVIN ADAMS, SECRETARY

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VIVIAN H. GRAY, CHAIR

MINUTES OF THE BOARD OF INVESTMENTS FROM  
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT  
AND THE BOARD OF INVESTMENTS  
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
WESTDRIFT HOTEL – PARKVIEW ROOM  
1400 PARK VIEW AVE., MANHATTAN BEACH, CA 90266  
7:00 A.M., SATURDAY, OCTOBER 6, 2018

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair (Entered the Board meeting at 7:25 a.m)

Wayne Moore, Secretary

Joseph Kelly (Left the Board meeting at 2:48 p.m.)

David Muir

Ronald Okum (Left the Board meeting at 2:43 p.m.)

Gina Sanchez

Herman B. Santos

Michael Schneider

BOARD OF RETIREMENT

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

BOARD OF RETIREMENT (Continued)

Shawn Kehoe

Joseph Kelly

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Thomas Walsh

Gina Zapanta-Murphy

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel

Michael Kennedy, Korn Ferry

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III. CONSENT (Continued)

Mr. Santos made a motion, Ms. Sanchez seconded, to approve staff's recommendation in addition to adding Steven P. Rice, Chief Counsel as a designated representative.

Mr. Kelly made a substitute motion, Mr. Santos seconded, that in addition to including Steven P. Rice to also include John Nogales, Director of Human Resources, as a designated representative to provide access to both legal and HR resources as needed.

(Mr. Kehoe entered the Board meeting at 7:25 a.m.)

Mr. Muir and Mr. Pryor expressed concerns about Mr. Rice's participation.

The Chair deferred this item till after the first break.

Following Item IV, Mr. Rice reported that he conferred telephonically with outside fiduciary counsel, Harvey Leiderman, Reed Smith LLP, during the break, and that Mr. Leiderman advised that it was appropriate and permissible for Mr. Rice to participate in the negotiations, with Mr. Leiderman participating as well as the Boards' independent counsel.

The substitute motion passed unanimously by all members present. Mr. Okum was absent for the vote.

October 6, 2018

Page 4

IV. EXECUTIVE SESSION

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

1. Title: Chief Executive Officer

- B. Conference with Labor Negotiator  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

The Board met in Executive Session pursuant California Government Code Section 54957 and 54957.6. There was nothing to report.

(Mr. Okum left the Board room at 2:43 p.m.)

(Messrs. Kelly left the Board room at 2:48 p.m.)

V. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:00 p.m.

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WAYNE MOORE, SECRETARY

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DAVID GREEN, CHAIR

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., THURSDAY, OCTOBER 11, 2018

PRESENT: Vivian H. Gray, Chair (Arrived at 9:10 a.m.)

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

Shawn Kehoe

Joseph Kelly

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Gina Zapanta-Murphy

ABSENT: Thomas Walsh

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Joseph Kelly

October 11, 2018

Page 2

BOARD OF INVESTMENTS (Continued)

David Muir

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider

ABSENT: Wayne Moore, Secretary

STAFF ADVISORS AND PARTICIPANTS

Robert Hill, Interim Chief Executive Officer

Steven P. Rice, Chief Counsel

John Nogales, Human Resources Director

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Michael Kennedy, Korn Ferry  
(Teleconference)

George Muhlsten, Latham & Watkins

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mr. Adams 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 August 1, 2018

Mr. Kehoe made a motion, Mr. Santos seconded, to approve the minutes of the special meeting of August 1, 2018. The motion passed unanimously by all members present.

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of August 1, 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 ITEMS

No action was taken on the following items.

- A. Report on status of Chief Executive Officer Recruitment and Selection Process.
- B. Recommendation as submitted by John Nogales, Human Resources Director: That the Board approve compensation and benefits for the Chief Executive Officer.
- C. Recommendation as submitted by John Nogales, Human Resources Director: That the Board approve or ratify the Employment Agreement with the Chief Executive Officer.

### VI. EXECUTIVE SESSION

- A. Conference with Labor Negotiator  
(Pursuant to California Government Code Section 54957.6)

October 11, 2018

Page 4

VI. EXECUTIVE SESSION (Continued)

Designated Representative

Michael Kennedy, Korn Ferry

Unrepresented Employee

Chief Executive Officer

B. Public Employment

(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

C. Public Employment – Appointment

(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

The Board met in Executive Session pursuant California Government Code Section 54957. and 54957.6. to discuss Items VI. A. and B. There was nothing to report. There was no discussion or action taken on Item VI.C.

D. 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 California Government Code Section 54956.9. There was nothing to report.

VII. ITEMS FOR STAFF REVIEW

There were no items for staff review.

VIII. ADJOURNMENT

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

October 11, 2018

Page 5

VIII. ADJOURNMENT (Continued)

adjourned at 9:55 a.m.

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MARVIN ADAMS, SECRETARY

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VIVIAN H. GRAY, CHAIR

MINUTES OF THE BOARD OF INVESTMENTS 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., THURSDAY, OCTOBER 11, 2018

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Joseph Kelly

David Muir

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider

ABSENT: Wayne Moore, Secretary

BOARD OF RETIREMENT

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

Shawn Kehoe



BOARD OF RETIREMENT (Continued)

Joseph Kelly

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Gina Zapanta-Murphy

ABSENT: Thomas Walsh

STAFF ADVISORS AND PARTICIPANTS

Robert Hill, Interim Chief Executive Officer

Steven P. Rice, Chief Counsel

John Nogales, Human Resources Director

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Michael Kennedy, Korn Ferry  
(Teleconference)

George Muhlsten, Latham & Watkins

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mr. Adams 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 August 1, 2018

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

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of August 1, 2018

Mr. Santos made a motion, Mr. Kelly seconded, to approve the minutes of the special meeting of August 1, 2018. The motion passed unanimously by all members present.

### IV. PUBLIC COMMENT

There were no requests from the public to speak.

### V. NON-CONSENT ITEMS

No action was taken on the following items.

- A. Report on status of Chief Executive Officer Recruitment and Selection Process.
- B. Recommendation as submitted by John Nogales, Human Resources Director: That the Board approve compensation and benefits for the Chief Executive Officer.
- C. Recommendation as submitted by John Nogales, Human Resources Director: That the Board approve or ratify the Employment Agreement with the Chief Executive Officer.

VI. EXECUTIVE SESSION

- A. Conference with Labor Negotiator  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

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

1. Title: Chief Executive Officer

- C. Public Employment – Appointment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

The Board met in Executive Session pursuant California Government Code Section 54957. and 54957.6. to discuss Items VI. A. and B. There was nothing to report. There was no discussion or action taken on Item VI.C.

- D. 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 California Government Code Section 54956.9. There was nothing to report.

VII. ITEMS FOR STAFF REVIEW

There were no items for staff review.

October 11, 2018

Page 5

VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:55 a.m.

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WAYNE MOORE, SECRETARY

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DAVID GREEN, CHAIR