

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., WEDNESDAY, APRIL 4, 2018

PRESENT: Shawn Kehoe, Vice Chair

Joseph Kelly, Secretary

Wayne Moore

David Muir

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider (Left the meeting at 11:30 a.m.)

ABSENT: David Green, Chair

STAFF ADVISORS AND PARTICIPANTS

Rob Hill, Interim Chief Executive Officer

Steven P. Rice, Chief Counsel

Johanna M. Fontenot, Senior Staff Counsel

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

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STAFF ADVISORS AND PARTICIPANTS (Continued)

Michael Kennedy, Korn Ferry

Jon Grabel, Chief Investment Officer

Unite Here Local Local 11

Fatima Murrieta

Jordan Fein

Jeremy Blasi

BOARD OF RETIREMENT

Vivian Gray, Chair

Herman Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

JP Harris

Joseph Kelly

William Pryor

Les Robbins

Thomas Walsh

Gina Zapanta-Murphy

Shawn Kehoe

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.

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II. PLEDGE OF ALLEGIANCE

Mr. Walsh 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 10, 2017

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

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of August 10, 2017

Mr. Santos made a motion, Mr. Kehoe seconded, to approve the special minutes of the special meeting of August 10, 2017. The motion passed, with Mr. Muir abstaining.

III. PUBLIC COMMENT

Fatima Murrieta, Jordan Fein, and Jeremy Blasi addressed the Boards regarding Assembly Bill 2571.

IV. NON-CONSENT ITEMS

- A. Presentation regarding LACERA's Chief Executive Officer Search as submitted by Michael Kennedy, Senior Client Partner, and Josh Tanenbaum, Senior Associate, from Korn Ferry.
(Memo dated March 27, 2018)

Mr. Kennedy provided a presentation and answered questions from the Board.

V. NON-CONSENT ITEMS (Continued)

B. Recommendation as submitted by Johanna M. Fontenot, Senior Staff Counsel: That the Boards consider the following three possible reporting structures for the Chief Investment Officer position:

1. The current structure where the Chief Investment Officer reports to the Chief Executive Officer;
2. Change the reporting structure for the Chief Investment Officer to report directly to the Board of Investments; or
3. Chief Investment Officer reports to the Chief Executive Officer and have a formal policy that requires the Chief Executive Officer to seek the input from the Board of Investments with regard to hiring, evaluation and termination.

(Memo dated March 27, 2018)

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

Mr. Kehoe made a motion, Mr. Okum seconded, to approve Option 3.

Mrs. Sanchez made a substitute motion, to address specific details in the proposal. The maker of the motion withdrew the motion.

The original motion passed, with Mr. Kelly and Mrs. Sanchez voting no.

VI. REPORTS

A. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding Joint and Separate Responsibilities of the Boards.
(Memo dated March 27, 2018)

Messrs. Rice and Leiderman were present to answer questions from the Board. Mr. Kehoe requested that this information be placed in the Board Charter.

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VII. EXECUTIVE SESSION

- 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

(Mr. Schneider left the meeting at 11:30 a.m.)

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

VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was
adjourned at 12:20 p.m.

WAYNE MOORE, SECRETARY

DAVID GREEN, CHAIR