

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, JUNE 13, 2018

PRESENT: David Green, Chair

Wayne Moore, Secretary

Joseph Kelly

David Muir

Ronald Okum

Herman B. Santos

Michael Schneider

ABSENT: Shawn Kehoe, Vice Chair

Gina Sanchez

STAFF ADVISORS AND PARTICIPANTS

Rob Hill, Interim Chief Executive Officer

Steven P. Rice, Chief Counsel

Johanna Fontenot, Senior Staff Counsel

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Michael Kennedy, Korn Ferry

Josh Tanenbaum, Korn Ferry

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STAFF ADVISORS AND PARTICIPANTS (Continued)

George Mihalsten, Latham & Watkins

Manny Abascal, Latham & Watkins

BOARD OF RETIREMENT

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

Joseph Kelly

JP Harris

William Pryor

Les Robbins

Thomas Walsh

Gina Zapanta-Murphy

ABSENT: Shawn Kehoe

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. Muir 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 May 9, 2018

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 May 9, 2018

Mr. Muir made a motion, Mr. Santos seconded, to approve the special minutes of the special meeting of May 9, 2018. The motion passed with Mr. Kelly abstaining.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. CONSENT (This Item was handled out of order after Item VI.)

- A. Recommendation as submitted by Johanna Fontenot, Senior Staff Counsel: That the Boards adopt the Chief Investment Officer Reporting and Performance Evaluation Policy. (Memo dated June 4, 2018)

Ms. Fontenot was present and answered questions from the Boards. The Board members provided feedback to the Policy.

Mr. Santos made a motion, Mr. Moore seconded, that staff incorporate the Boards' changes and bring the Policy back to the Boards for final approval. The motion passed unanimously.

- B. Recommendation as submitted by Johanna Fontenot, Senior Staff Counsel: That the Boards approve the revised Sexual Harassment Prevention Training Policy for Board Members. (Memo dated June 1, 2018)

V. CONSENT (Continued)

Ms. Fontenot was present and answered questions from the Boards.

Mr. Kelly made a motion, Mr. Santos seconded, to approve staff's recommendation. The motion passed unanimously.

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Boards approve the revised Fiduciary Counsel Policy.
(Memo dated June 4, 2018)

Mr. Kelly made a motion, Mr. Moore seconded, to approve the Policy, with the Boards' changes. The motion passed unanimously.

VI. NON-CONSENT (This Item was handled out of order after Item X.)

- A. Presentation regarding LACERA's Chief Executive Officer Search as submitted by Michael Kennedy, Senior Client Partner, and Josh Tanenbaum, Senior Associate, of Korn Ferry.
(Memo dated June 6, 2018)

Messrs. Kennedy and Tanenbaum provided a presentation and answered questions from the Board.

VII. REPORTS

- A. For Information Only as submitted by the Ad Hoc Investigation Committee, regarding the report on investigation.
(Memo dated June 4, 2018)

This Item was received and filed.

VIII. REPORT ON STAFF ACTION ITEMS

There was nothing to report at this time.

IX. GOOD OF THE ORDER

There was nothing to report during Good of the Order.

X. 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

The Board met in Executive Session pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. It was reported that the Boards approved retention of the law firm of Latham & Watkins. There was nothing else to report on this item.

The Board met in Closed Session following a motion made by Mr. Santos, seconded by Mr. Kelly, to discuss a personnel issue related to the CEO search pursuant to Government Code Section 54957, having made the findings required by Government Code Section 54954.2(b)(2) that the matter may require immediate discussion and that the need came to the attention of the agency after the agenda for the meeting was posted. The motion to invoke Section 54954.2(b)(2) passed (roll call) with Messrs. Schneider, Kelly, Moore, Muir, Okum, and Green voting yes; and Mr. Santos voting no. Following the closed session, there was nothing to report.

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XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:58 p.m.

WAYNE MOORE, SECRETARY

DAVID GREEN, CHAIR