

AGENDA

MEETING OF THE JOINT GOVERNANCE REVIEW COMMITTEE
OF THE BOARD OF RETIREMENT AND THE BOARD OF INVESTMENTS,
BOARD OF RETIREMENT GOVERNANCE REVIEW COMMITTEE,
BOARD OF INVESTMENTS GOVERNANCE REVIEW COMMITTEE,

and

BOARD OF RETIREMENT* and BOARD OF INVESTMENTS*
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M.,* WEDNESDAY, OCTOBER 10, 2018

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

*Although the meeting is scheduled for 9:00 a.m., the meeting will start at the conclusion of the Board of Investment and Committee meetings scheduled for the same time.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Joint Governance Review Committee of September 5, 2018
- III. PUBLIC COMMENT
- IV. NON-CONSENT ITEMS
 - A. Recommendation as submitted by James Brekk, Interim Deputy Chief Executive Officer and Steven P. Rice, Chief Counsel: That the Committee defer Charter review and other discussions until LACERA's new Chief Executive Officer is able to participate with the Committee. (Memo dated October 1, 2018)

October 10, 2018

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V. ITEMS FOR STAFF REVIEW

VI. ADJOURNMENT

**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 Committees) are in attendance, the meeting shall constitute a joint meeting of the Committees 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 Committees may attend and participate in a meeting of the Committees but may not make or second a motion or vote on any matter discussed at the meeting. The only action the Committees may take at the meeting is approval of a recommendation to take further action at subsequent meetings of the Board of Retirement and/or Board of Investments.*

Documents subject to public disclosure that relate to an agenda item for an open session of the Committees that are distributed to members of the Committees 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 Committee 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 FROM THE MEETING OF THE JOINT GOVERNANCE REVIEW
COMMITTEE OF THE BOARD OF RETIREMENT AND THE BOARD OF
INVESTMENTS, BOARD OF RETIREMENT GOVERNANCE REVIEW
COMMITTEE, BOARD OF INVESTMENTS GOVERNANCE REVIEW COMMITTEE,

and

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

9:00 A.M., WEDNESDAY, SEPTEMBER 5, 2018

PRESENT: Marvin Adams, BOR Committee Vice Chair

Alan Bernstein, BOR Committee Member

Wayne Moore, Committee Vice Chair/ BOI Committee Vice Chair

David Muir, BOI Committee Chair

Ronald Okum, BOI Committee Alternate

Herman Santos, BOI Committee Member

Thomas Walsh, Committee Chair/BOR Committee Chair

Gina Zapanta-Murphy, BOR Committee Alternate

ABSENT: Joseph Kelly, BOI Committee Member

Les Robbins, BOR Committee Member

STAFF, ADVISORS AND CONSULTANTS

Steven P. Rice, Chief Counsel

STAFF, ADVISORS AND CONSULTANTS

James Brekk, Interim Deputy Chief Executive Officer

John Popowich, Assistant Executive Officer

Vivian Gray, BOR Chair

Shawn Kehoe, BOI Vice Chair/BOR Member

JP Harris, BOR Alternate Member

I. CALL TO ORDER

The meeting was called to order by Mr. Walsh at 11:45 a.m., in the Board Room of Gateway Plaza.

II. ELECTION OF OFFICERS

Election of Chair and Vice Chair for:

A. Board of Retirement Governance Review Committee

BOR Chair, Vivian Gray, appointed Thomas Walsh as the BOR Committee Chair and Marvin Adams as the BOR Committee Vice Chair.

B. Board of Investments Governance Review Committee

BOI Chair, David Green, appointed David Muir as the BOI Committee Chair and Wayne Moore as the BOI Committee Vice Chair.

C. Joint Governance Review Committee

Mr. Walsh was nominated to the position of Chair of the Joint Governance Review Committee by Mr. Santos. Hearing no other nominations, the nominations were closed on a motion by Mr. Santos, seconded by Mr. Adams, and Mr. Walsh was

II. ELECTION OF OFFICERS

C. Joint Governance Review Committee (Continued)

selected as Chair by acclamation.

Mr. Moore was nominated to the position of Vice Chair of the Joint Governance Review Committee by Mr. Santos. Hearing no other nominations, the nominations were closed on a motion by Mr. Santos, seconded by Mr. Adams, and Mr. Moore was selected as Vice Chair by acclamation.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. NON-CONSENT ITEMS

A. Discussion of Purpose and Goals of Governance Review Committees.
(Memo dated August 30, 2018)

B. Discussion of Concerns regarding the Former Joint Organizational Governance Committee and Proposed Solutions.
(Memo dated August 30, 2018)

Items IV.A and B were discussed together. Mr. Rice provided a brief overview and Messrs. Rice and Brekk answered questions from the Board.

Mr. Muir made a motion, to adopt Mr. Kelly's Proposal (Exhibit D). The motion failed without a second.

Mr. Muir made a motion, Mr. Okum seconded, to work towards a new Joint Organizational Governance Committee (JOGC).

IV. NON-CONSENT ITEMS (Continued)

Mr. Santos made a substitute motion, Mr. Adams seconded, to review the former JOGC Charter, starting with Responsibilities (Section 7 of the former JOGC Charter) and then going back to the beginning to review the rest of the provisions, in order to determine if a JOGC is necessary.

Mr. Bernstein made a substitute motion, Mr. Okum seconded, to explore the JOGC Charter in its entirety starting at the beginning. The motion passed (roll call) with Messrs. Adams, Bernstein, Walsh, Muir, Okum, Santos, and Mrs. Zapanta-Murphy voting yes; and Mr. Moore voting no.

Per the Committee's request, Messrs. Rice, Brekk, and Popowich will work with the Executive Office to provide the Committee with staff input on review of the Charter.

C. Discussion of Need for Consultant and Selection Process.
(Memo dated August 30, 2018)

Mr. Muir made a motion, Mr. Okum seconded that a consultant is not necessary. The motion passed unanimously.

D. Discussion of 2018 Meeting Schedule and Timetable for Report and Recommendation. (Memo dated August 30, 2018)

Mr. Bernstein made a motion, Mr. Muir seconded, to schedule the next meeting on Wednesday, October 10, 2018 following the BOI Board/Committee meetings.

September 5, 2018

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V. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 1:18 p.m.

October 1, 2018

TO: Joint Governance Review Committee
 Board of Retirement *Board of Investments*
 Governance Review Committee *Governance Review Committee*
 Thomas Walsh, Chair Wayne Moore, Vice Chair
 Marvin Adams Joseph Kelly
 Alan Bernstein David Muir
 Les Robbins Herman Santos
 Gina Zapanta-Murphy, Alternate Ronald Okum, Alternate

FROM: James Brekk 
 Interim Deputy Chief Executive Officer

 Steven P. Rice 
 Chief Counsel

FOR: October 10, 2018 Meeting of Joint Governance Review Committee, Board
 of Retirement Governance Review Committee, and Board of Investments
 Governance Review Committee

SUBJECT: Review of the Former Joint Organizational Governance Committee Charter

At its September 5, 2018 meeting, the Joint Governance Review Committee (Committee) voted to conduct a section-by-section review of the former Joint Organizational Governance Committee (JOGC) Charter. The Committee requested the Executive Office and the Legal Division to provide comments to assist in the review.

Since the September meeting, the Executive and Legal teams have spent considerable time evaluating the issues. While staff has many specific thoughts to share concerning whether or not to reconstitute the JOGC and how the JOGC's functions can be effectively addressed with or without a JOGC, staff's current recommendation is that the discussion should be deferred for two or three months until LACERA's new Chief Executive Officer (CEO) has started work and is able to participate with the Committee. At that time, staff will present analytical tools to facilitate discussion of the options.

The basis for this recommendation is that all of the functions of the former JOGC (including strategic planning and budgeting, staff classifications and compensation, education and travel, litigation and claims, legislation, and the CEO evaluation process) implicate central organizational issues and governance processes that the CEO will be involved in administering. Staff believes that the new CEO should participate with the Committee and Boards from the beginning in the discussion of these important issues, rather than joining midstream after consideration has already begun and ideas have started to take shape.

c: Robert Hill
John Popowich
Bernie Buenaflor
Jonathan Gabel