



April 1, 2015

To: Members of the CEO Succession Committee

From: George Wood, Chair

Subject: Summary of the April 1, 2015 CEO Succession Committee Meeting

CEO Succession Committee Chair George Wood called the April 1, 2015 CEO Succession Committee Meeting to order at 1:02 p.m. Committee members present were George Wood, Chair and Ophelia Basgal, Vice Chair. The other Board members present were, Dale Amaral, Keith Carson, Tarrell Gamble, Liz Koppenhaver, Elizabeth Rogers, and Donald White. Staff members present were Victoria Arruda, Human Resource Officer and Joseph Fletcher, Chief Counsel.

ACTION ITEM

1. Discussion of Written Proposals and Possible Motion to Select an Executive Search Firm to Assist the Board of Trustees with the Recruitment and Selection of ACERA's Chief Executive Officer.

Staff, presented the March 24, 2015 Memo regarding the status of the Request for Proposal (RFP) for an executive search firm to assist the Board in recruiting a new Chief Executive Officer. Staff noted that seven firms responded to the RFP and highlighted the three firms with the highest average scores.

Elizabeth Rogers, Board Trustee, noted that Alliance Resource Consulting, LLC did not provide a guarantee in their materials that they would not try and recruit the person they place with ACERA. This was a provision that was provided by the other respondents. Staff noted that this particular firm is currently conducting a number of recruitments for CERL '37 pension systems and could be a contributing factor in omitting that particular provision.

Staff responded that the Board could request that provision be written in to the contract, should they choose to select that firm.

Donald White, Board Trustee, commented on the quality of responses received to the RFP and that he thought all firms displayed that they would be able to adequately assist in ACERA's search for a new CEO. He noted that he put great emphasis on price and experience in recruiting for CERL '37 pension systems. Mr. White indicated that he felt the review of RFP responses was sufficient enough to move forward with selection of an executive search firm.

Ophelia Basgal, Committee Vice Chair, commented that she felt it was important to have a relationship with those doing the recruitment. After further discussion, the Committee concurred that valuable information could be gained through interviews of the top three firms.

The Committee also noted that Staff should check the references of the top three ranked firms, prior to the scheduling of interviews.

It was moved by Ophelia Basgal and seconded by Liz Koppenhaver that the CEO Succession Committee recommend to the Board of Retirement that the Board direct Staff to check the references and schedule interviews with Alliance Resource Consulting LLC, EFL Associates, and Waters & Company Executive Recruitment.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Rogers, White, and Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Chief Executive Officer County Job Description

George Wood, Committee Chair, discussed the Chief Executive Officer County Job Description and commented that he believed it put too much emphasis on investment experience rather than experience administrating a pension plan and/or managing executive level staff.

The Committee inquired how long the Civil Service Commission process would take. Staff responded that depending on the workload of the Civil Service Commission it could take up to two months.

2. Chief Executive Officer Job Description and Delegation Authority

There was no discussion on this topic.

RECOMMENDATIONS

The Committee recommends, and I move that the Board of Retirement direct Staff to check the references and schedule interviews with Alliance Resource Consulting LLC, EFL Associates, and Waters & Company Executive Recruitment.

TRUSTEE/PUBLIC INPUT

- Ophelia Basgal, Committee Vice Chair, noted the representatives of retiree groups in the audience and stated that she would like to involve them in the process in some form or fashion.
- Pete Albert, ACRE President, commented that ACERA is unique in the amount of benefit administration it undertakes when compared to other CERL '37 pension systems and hopes the Committee will balance the need for investment experience with plan or benefit administration experience when selecting the next CEO.

ESTABLISHMENT OF NEXT MEETING DATE
TBD

MEETING ADJOURNED

The meeting adjourned at 1:38 p.m.