



June 3, 2015

To: Members of the CEO Succession Committee

From: George Wood, Chair

**Subject: Summary of the June 3, 2015 CEO Succession Committee Meeting**

CEO Succession Committee Chair George Wood called the June 3, 2015 CEO Succession Committee Meeting to order at 1:03 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, Dave Safer and Donald White. Staff members present were Victoria Arruda, Human Resource Officer and Joseph Fletcher, Chief Counsel.

**ACTION ITEM**

**1. Interview of Three Executive Search Firms and Possible Motion by the CEO Succession Committee to Recommend one Finalist to the Board.**

Chuck Rohre, Senior Vice President, Waters & Company Executive Recruitment presented information regarding Waters & Company's experience and strategies for a successful executive recruitment. Mr. Rohre discussed similar positions which his company has recruited: Texas Municipal Retirement System, State-Boston Retirement System, and the Los Angeles Police & Fire Retirement System. Mr. Rohre stated his company does not specialize in pension recruitments, but they have extensive experience recruiting for other high-level governmental executive positions. Mr. Rohre stated that in his opinion the most successful recruitments were those that emphasized organizational savvy, managerial style, and political acumen, rather than technical skills.

Ophelia Basgal, Vice Chair stated one of the tough issues for recruiting for this position is the cost of housing in the area. She asked Mr. Rohre how he would present this issue to potential candidates and at what part of the recruitment process would that conversation be had.

Mr. Rohre responded that he thought it best to be upfront and honest of the high cost of living, because he didn't want to bring potential candidates that would not be fully interested in the position. He also stated that, if chosen, he would discuss with the Committee what type of relocation assistance and/or housing allowance could be provided to potential candidate. It would be easier to recruit from California or another part of the country with a high cost of living.

Staff stated the standard for the County is to offer \$2500 in relocation assistance and does not provide any housing allowance.

Mr. Rohre closed his presentation by stating his company believes the candidate pool should be reflective of the community, and he would work with his contacts to bring the Board of Trustees a diverse group of candidates. Additionally, he informed the Committee that his company guarantees the placement for two years, guarantees that they will keep working until the Board of Trustees finds a candidate that they want to hire, and guarantees that they will not come back and solicit the candidate the Board hires while the candidate is employed with ACERA.

Sherill Uyeda, Founding Partner, Alliance Resource Consulting LLC presented information regarding her company's experience and strategies for a successful executive recruitment. Currently, Alliance Resource Consulting is recruiting Retirement Administrators for both Imperial County Employees' Retirement System and the City of Fresno Employee Retirement System. Ms. Uyeda highlighted other recent experience recruiting for Chief Executive Officer and other senior management positions at various CERL '37 Pension Act Systems. Ms. Uyeda stated that they customize each recruitment to meet the needs of their client. Ms. Uyeda highlighted four main steps to the recruitment: strategy/assessment meeting with stakeholders, proactive recruitment, candidate evaluation, back ground checks and client interviews.

Ophelia Basgal, Vice Chair noted that Alliance has a lot of experience working with CERL '37 Pension Act Systems and that they seem to have an expertise and reputation for successful recruitments for these types of positions.

Ms. Uyeda informed the Committee that, if selected, she would provide weekly updates with potential candidates and their resumes. Additionally, Ms. Uyeda stated that her company provides one year placement guarantee and agrees not to solicit the candidate the Board hires while they are employed with ACERA. Ms. Uyeda concluded her presentation by stating that her company has a great reputation and a lot of relevant experience to bring to ACERA's CEO recruitment.

Daniel J. Cummings, Vice President, EFL Associates presented information regarding EFL Associates' experience and strategies for a successful executive recruitment. Mr. Cummings noted that his firm was in the top 2% of all firms nationwide. He stated that they have the database to recruit candidates from across the country, but his firm is small enough meet ACERA's individual needs. Additionally, Mr. Cummings stated that his firm specializes in public pension recruitments. He noted that EFL just completed the Chief Investment Officer search for San Diego County Employees' Retirement Association and is working on their Chief Executive Officer recruitment now. Mr. Cummings acknowledged that his firm is often not the cheapest option, but believes there is a value proposition that EFL delivers. Mr. Cummings noted that EFL has the capacity and the interest to perform the search as quickly as possible for the Board. Mr. Cummings informed the committee that it is ELF's standard

practice to update clients weekly on the status of the recruitment, including a confidential applicant list.

George Wood, Chair inquired if EFL's current work on San Diego County Employees' Retirement Association CEO Recruitment would present a conflict of interest for EFL.

Mr. Cummings responded that he would not present the same candidate for both positions. He stated that if a candidate met the qualifications for both, he would ask the candidate to select which recruitment they would like to continue with. Mr. Cummings closed his presentation by stating that he would work diligently to present a diverse pool of candidates for consideration and included that EFL gives a one year guarantee.

The Committee discussed the presentations of the three executive recruitment firms. The Committee members commended all the presenters for doing a wonderful job.

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 select Alliance Resource Consulting LLC to Assist the Board of Trustees with the Recruitment and Selection of ACERA's Chief Executive Officer.

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**

The Committee discussed the Chief Executive Officer County Job Description. The Committee directed staff to work with the Trustees to begin the process of changing the Job Description and bring information to the Board regarding suggested changes.

#### **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 approve the Committee's selection of the Executive Search Firm to assist with the recruitment and selection of ACERA's Chief Executive Officer.

### **TRUSTEE/PUBLIC INPUT**

### **ESTABLISHMENT OF NEXT MEETING DATE**

TBD

### **MEETING ADJOURNED**

The meeting adjourned at 3:24 p.m.