

**Los Angeles County Employees Retirement Association (LACERA)
Executive Search Services RFP - Responses to Questions
January 5, 2018**

1. **Question:** Please provide the anticipated compensation range for the CEO position, including base salary, incentive compensation (if any), and any other cash equivalent compensation such as car allowance.

Answer: The base salary for the CEO position has not yet been determined; however, the annual salary for the previous CEO was approximately \$260,000. The selected Search Partner will be expected to provide an assessment of the current labor market and compensation recommendations for the position. The LACERA Boards have the ability to set compensation at any rate.

LACERA does not provide for any incentive compensation. LACERA provides a comprehensive benefits package, which includes:

- an assigned LACERA vehicle, for which LACERA will pay for fuel, maintenance, and insurance;
- a monthly benefits allowance of 14.5% of base salary;
- 401(k) and 457 Plans with 4% match;
- split life insurance;
- twelve (12) paid holidays per year;
- up to ten (10) days of Non-Elective Leave days per year with the option to purchase twenty (20) additional days; and
- membership in LACERA's Plan G Defined Benefit Plan.

2. **Question:** What are the key strategic initiatives for the next five (5) years that the Board will want the CEO to implement?

Answer: The new CEO and the LACERA Boards will work together to make that determination.

3. **Question:** Does the CEO play a significant role in shaping your asset allocation and portfolio construction policies and performance targets?

Answer: LACERA's Board of Investments and Chief Investment Officer are responsible for establishing LACERA's investment policy and objectives. The CEO plays does not play a significant role in LACERA's investment management.

4. **Question:** Given the market trends of Globalization, Consolidation, Integration and Securitization, how much latitude will the CEO working in concert with the CIO have in redirecting asset allocation to new infrastructure centric classes such as engineering construction, energy, natural resources including forestry, etc.?

Answer: The Board of Investments and the Chief Investment Officer are responsible for responding to market trends.

5. **Question:** What changes would you imagine that the new CEO will make improving the participant experience through contemporary educational initiatives for the membership?

Answer: LACERA has a rich tradition of supporting the continuous improvement of all services, including educational initiatives for our Members. The new CEO is expected to lead LACERA and take a proactive stance as we continue to strive to be a premier public pension system and an industry leader for our administrative practices, innovative strategies, advanced technological applications, and general expertise.

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6. **Question:** Are you going to bring in-house investment capabilities or continue to rely on external managers?

Answer: LACERA's Board of Investments is currently evaluating this option.

7. **Question:** Do you seek a CEO who already operates in and is known across the industry, or are willing to consider candidates who bring a different, yet aligned perspective from another industry such as healthcare, insurance, etc.?

Answer: LACERA is looking for a well-qualified CEO.

8. **Question:** How active is LACERA in the leadership of NASRA and other industry trade associations?

Answer: LACERA supports and takes pride in our participation and leadership in many trade organizations.

9. **Question:** What are the best models followed in the retirement systems universe - are these competitive rankings between cities and counties taken seriously and regularly monitored for efficacy?

Answer: LACERA looks to all types of retirement systems to improve efficacy.

10. **Question:** Are there other current systems you feel best resemble the Mission, Vision and Values of LACERA?

Answer: LACERA stays true to its Mission, Vision, and Values.

11. **Question:** Will the eight (8) person Governance Committee be further broken down into a special committee to provide oversight of the search process?

Answer: This has not yet been determined.

12. **Question:** What initiatives were tried that didn't work? What would the Board and the CEO have done differently?

Answer: LACERA is looking towards the future and is always learning from past experiences.

13. **Question:** At the end of the first year, what will success look like in terms of the achievements of the new CEO?

Answer: The Boards will consider this at a future date and will ensure the new CEO understands the expectations of the position.