

## AGENDA

### 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

2:00 P.M., MONDAY, NOVEMBER 19, 2018

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

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
  - A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of October 30, 2018
  - B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of October 30, 2018
  - C. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of November 7, 2018
  - D. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of November 7, 2018
- IV. PUBLIC COMMENT
- V. NON-CONSENT ITEMS
  - A. Recommendation as submitted by John Nogales, Human Resources Director: That the Board:
    - 1) Appoint Lou Lazatin as Chief Executive Officer, LACERA (CEO);

November 19, 2018

Page 2

V. NON-CONSENT ITEMS (Continued)

2) Approve the CEO's annual salary of \$450,000 and benefits, including "L" Item and LACERA benefits; and

3) Approve the Employment Agreement between LACERA and Ms. Lazatin.

(Memo dated November 14, 2018)

VI. ITEMS FOR STAFF REVIEW

VII. ADJOURNMENT

***Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement 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 Board of Retirement 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.***

***Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626) 564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.***

MINUTES OF THE BOARD OF RETIREMENT 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

8:00 A.M., TUESDAY, OCTOBER 30, 2018

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Alan Bernstein

Joseph Kelly

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Thomas Walsh (Arrived at 8:08 a.m.)

Gina Zapanta-Murphy (Arrived at 8:16 a.m.)

ABSENT: Marvin Adams, Secretary

Shawn Kehoe

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Joseph Kelly

Wayne Moore, Secretary

October 30, 2018

Page 2

BOARD OF INVESTMENTS (Continued)

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider

ABSENT: Shawn Kehoe, Vice Chair

David Muir

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel

John Nogales, Human Resources Director

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Michael Kennedy, Korn Ferry

I. CALL TO ORDER

The meeting was called to order by Mr. Green at 8:04 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Okum 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 October 6, 2018

Ms. Gray made a motion, Mr. Santos seconded, to approve the minutes of the special meeting of October 6, 2018 with the revision to the meeting end time. The motion passed unanimously by all members present.

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of October 6, 2018

No action was taken on this item by the Board of Retirement.

- C. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of October 11, 2018

Mr. Santos made a motion, Ms. Gray seconded, to approve the minutes of the special meeting of October 11, 2018. The motion passed unanimously by all members present.

- D. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of October 11, 2018

No action was taken on this item by the Board of Retirement.

### IV. PUBLIC COMMENT

There were no requests from the public to speak.

(Mr. Walsh arrived at 8:08 a.m.)

October 30, 2018

Page 4

V. EXECUTIVE SESSION

(Mrs. Zapanta-Murphy arrived at 8:16 a.m.)

- A. Conference with Designative Representative  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

- B. Public Employment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

The Board met in Executive Session pursuant to California Government Code Section 54957.6 and 54957. There was nothing to report.

VI. ITEMS FOR STAFF REVIEW

There were no items for staff review.

VII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:40 a.m.

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MARVIN ADAMS, SECRETARY

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VIVIAN H. GRAY, CHAIR

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

8:00 A.M., TUESDAY, OCTOBER 30, 2018

PRESENT: David Green, Chair

Joseph Kelly

Wayne Moore, Secretary

Ronald Okum

Gina Sanchez

Herman B. Santos

Michael Schneider

ABSENT: Shawn Kehoe, Vice Chair

David Muir

BOARD OF RETIREMENT

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Alan Bernstein

Joseph Kelly

JP Harris, Alternate Retiree Member

October 30, 2018

Page 2

BOARD OF RETIREMENT (Continued)

William Pryor, Alternate Safety Member

Les Robbins

Thomas Walsh

Gina Zapanta-Murphy

ABSENT: Marvin Adams, Secretary

Shawn Kehoe

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel

John Nogales, Human Resources Director

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Michael Kennedy, Korn Ferry

I. CALL TO ORDER

The meeting was called to order by Mr. Green at 8:04 a.m., in the Board Room of Gateway Plaza. A moment of silence was held for Board Secretary, Linda El-Farra's father who passed away on October 23, 2018.

II. PLEDGE OF ALLEGIANCE

Mr. Okum 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 October 6, 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 October 6, 2018

Mrs. Sanchez made a motion, Mr. Santos seconded, to approve the minutes of the special meeting of October 6, 2018 with the revision to the meeting end time. The motion passed unanimously by all members present.

- C. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of October 11, 2018

No action was taken on this item by the Board of Investments.

- D. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of October 11, 2018

Mr. Okum made a motion, Mr. Schneider seconded, to approve the minutes of the special meeting of October 11, 2018. The motion passed unanimously by all members present, except Mr. Moore abstained.

### IV. PUBLIC COMMENT

There were no requests from the public to speak.

October 30, 2018

Page 4

V. EXECUTIVE SESSION

- A. Conference with Designative Representative  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

- B. Public Employment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

The Board met in Executive Session pursuant to California Government Code Section 54957.6 and 54957. There was nothing to report.

VI. ITEMS FOR STAFF REVIEW

There were no items for staff review.

VII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:40 a.m.

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WAYNE MOORE, SECRETARY

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DAVID GREEN, CHAIR

MINUTES OF THE BOARD OF RETIREMENT 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

8:00 A.M., WEDNESDAY, NOVEMBER 7, 2018

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

Shawn Kehoe

Joseph Kelly

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Thomas Walsh

Gina Zapanta-Murphy (Arrived at 8:13 a.m.)

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Joseph Kelly

Wayne Moore, Secretary

BOARD OF INVESTMENTS (Continued)

David Muir

Ronald Okum

Gina Sanchez

(Via Teleconference, as agendized by Board of Investments)

Herman B. Santos

Michael Schneider

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel

Johanna Fontenot, Senior Chief Counsel

John Nogales, Human Resources Director

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

(Via Teleconference)

Michael Kennedy, Korn Ferry

Manny Abascal, Latham & Watkins

I. CALL TO ORDER

The meeting was called to order by Ms. Gray at 8:11 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Harris led the Board Members and staff in reciting the Pledge of Allegiance.

November 7, 2018

Page 3

### III. PUBLIC COMMENT

(Mrs. Zapanta-Murphy arrived at 8:13 a.m.)

There were no requests from the public to speak.

### IV. EXECUTIVE SESSION

- A. Conference with Designated Representative  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

- B. Public Employment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

- C. Public Employment – Appointment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

- D. 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 California Government Code Section 54957.6, 54957, and 54956.9(d)(4). There was nothing to report.

### V. ITEMS FOR STAFF REVIEW

There were no items for staff review.

November 7, 2018

Page 4

VI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:52 a.m.

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MARVIN ADAMS, SECRETARY

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VIVIAN H. GRAY, CHAIR

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

8:00 A.M., WEDNESDAY, NOVEMBER 7, 2018

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Wayne Moore, Secretary

Joseph Kelly

David Muir

Ronald Okum

Gina Sanchez (Via Teleconference, as agendized)

Herman B. Santos

Michael Schneider

BOARD OF RETIREMENT

PRESENT: Vivian H. Gray, Chair

Herman B. Santos, Vice Chair

Marvin Adams, Secretary

Alan Bernstein

Shawn Kehoe

BOARD OF RETIREMENT (Continued)

Joseph Kelly

JP Harris, Alternate Retiree Member

William Pryor, Alternate Safety Member

Les Robbins

Thomas Walsh

Gina Zapanta-Murphy

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel

John Nogales, Human Resources Director

Andy Knox, Chelsea Partners

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel  
(Via Teleconference)

Michael Kennedy, Korn Ferry

Manny Abascal, Latham & Watkins

I. CALL TO ORDER

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II. PLEDGE OF ALLEGIANCE

Mr. Harris led the Board Members and staff in reciting the Pledge of Allegiance.



III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. EXECUTIVE SESSION

- A. Conference with Designated Representative  
(Pursuant to California Government Code Section 54957.6)

Designated Representative  
Michael Kennedy, Korn Ferry

Unrepresented Employee  
Chief Executive Officer

- B. Public Employment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

- C. Public Employment – Appointment  
(Pursuant to California Government Code Section 54957)

1. Title: Chief Executive Officer

- D. 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 California Government Code Section 54957.6, 54957, and 54956.9(d)(4). There was nothing to report.

V. ITEMS FOR STAFF REVIEW

There were no items for staff review.

November 7, 2018

Page 4

VI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:52 a.m.

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WAYNE MOORE, SECRETARY

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DAVID GREEN, CHAIR

November 14, 2018

TO: Each Member,  
Board of Retirement

Each Member,  
Board of Investments

FROM: John Nogales *JN*  
Director, Human Resources

FOR: November 19, 2018 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: **CHIEF EXECUTIVE OFFICER APPOINTMENT, COMPENSATION AND BENEFITS, AND EMPLOYMENT AGREEMENT**

## **RECOMMENDATION**

That the Boards:

- (1) Appoint Lou Lazatin as Chief Executive Officer, LACERA (CEO);
- (2) Approve the CEO's annual salary of \$450,000 and benefits, including "L" Item and LACERA benefits; and
- (3) Approve the Employment Agreement between LACERA and Ms. Lazatin.

## **LEGAL AUTHORITY**

Under Government Code Section 31522.2, the Chief Executive Officer is an at will employee serving at the pleasure of the Board of Retirement and Board of Investments (Boards), and the CEO's compensation must be set forth in the County Salary Ordinance. Los Angeles County Salary Ordinance Section 6.127.020 A provides that the CEO "shall be compensated as determined by the Boards of Retirement and Investments." Section 6.127.020 A also provides that the CEO shall receive "L" Item benefits. Salary Ordinance Section 6.127.030 B 1 provides that the Boards may enter into an employment agreement with the CEO.

The Brown Act provides in Government Code Section 54953(c)(3) that action on senior executive compensation must be taken in open session and that a summary of the terms of the compensation, including benefits, must be orally announced before final action is taken.

## **DISCUSSION**

The Board of Retirement and Board of Investments conducted a national search for the CEO. The search was led by Michael Kennedy of Korn Ferry. Through this search, the Boards determined to appoint Lou Lazatin as CEO.

Staff and Mr. Kennedy, as the Boards' designated representative under Government Code Section 54957.6, discussed the terms of an Employment Agreement with Ms. Lazatin. The agreement sets a salary of \$450,000 per year and benefits as described in Exhibit B to the agreement. "L" Item benefits, which are the same as those accorded to Los Angeles County senior executives, include: membership in the LACERA Retirement Plan; eligibility for Los Angeles County's 457 and 401 (K) Deferred Compensation Plans; Mega Flex Cafeteria Benefits, which provide Health, Dental, Life and Disability Insurance benefit options; and Paid Leave. Additional LACERA benefits include: a LACERA vehicle; LACERA "Split Dollar" Life Insurance; Tuition Reimbursement; and necessary technology.

To assist the Boards in considering LACERA's prospective CEO, the following references are attached:

- Summary of Ms. Lazatin's Background
- CEO Total Compensation Package Breakdown
- Public Pension Pay Information
  - Nationwide Agencies
  - California Agencies
- LACERA Salary Information
  - Top Paid LACERA Staff Salaries
- LACERA CEO Salary History
- Proposed Employment Agreement

## **CONCLUSION**

Based on the above information, staff recommends that the Boards:

- (1) Appoint Lou Lazatin as Chief Executive Officer, LACERA (CEO);
- (2) Approve the CEO's annual salary of \$450,000 and benefits, including "L" Item and LACERA benefits; and
- (3) Approve the Employment Agreement between LACERA and Ms. Lazatin.

CEO Appointment, Compensation and Benefits, and Employment Agreement

November 14, 2018

Page 3

Attachments

cc. Robert Hill

James Brekk

JJ Popowich

Bernie Buenaflor

Steven P. Rice

Johanna Fontenot

Annette Cleary

## **Background Summary – Lou Lazatin**

Lou Lazatin brings to LACERA over 30 years of experience in CEO, COO, and other executive positions at leading healthcare organizations in Southern California. She has served Shriners Hospital for Children Southern California, St. John's Health Center, and USC Norris Cancer Center, among others. In each of these roles, Lou applied her extensive operational skills to enhance the quality of services by improving processes, implementing programs, and investing for the future. Lou is a dynamic, innovative, and compassionate professional, with a deep commitment to community engagement. She is a Trustee of the Pasadena Ronald McDonald House.

Lou's experience and values closely align with LACERA's Mission to "Produce, Protect, and Provide the Promised Benefits," and they will equip her well to provide LACERA with sound, forward-looking leadership for the benefit of the fund's more than 165,000 active and retired members.

**CEO ESTIMATED TOTAL COMPENSATION PACKAGE BREAKDOWN**

<b>PAY COMPONENTS</b>	<b>LACERA COST</b>	<b>COMMENTS</b>
<b>BASE SALARY</b>	<b>\$450,000</b>	
<b>CAFETERIA BENEFITS (19%)</b>	<b>\$85,500</b>	
<b>401K EMPLOYER MATCH</b>	<b>\$12,250</b>	<b>Based on 415 limit with Catch-Up (\$24,500 limit)</b>
<b>457 EMPLOYER MATCH</b>	<b>\$9,000</b>	<b>Based on 415 limit (\$18,000 limit)</b>
<b>PLAN G EMPLOYER CONTRIBUTION (8.43%)</b>	<b>\$12,300</b>	<b>Pensionable Compensation Limit = \$145,666</b>
<b>LACERA VEHICLE</b>	<b>\$8,700</b>	<b>Average Cost to Operate and Maintain Automobile</b>
<b>SPLIT DOLLAR LIFE INSURANCE</b>	<b>\$8,000</b>	<b>Approximate Cost</b>

**TOTAL COMPENSATION**

**\$585,750**

**PUBLIC PENSION PAY INFORMATION**

<b>NATIONWIDE AGENCIES</b>					
<b>Agency</b>	<b>Total Assets (\$ Bil) Published by P&amp;I 2/2018</b>	<b>Base Pay</b>	<b>Bonus</b>	<b>Date</b>	<b>CEO Name</b>
Virginia Retirement System	\$79.3	\$ 200,000	\$ 50,000	9/1/2017	Patricia Bishop - Director
Oregon Public Employees	\$77.5	\$ 185,000	unknown	6/1/2018	Kevin Olineck - Director
Ohio Teachers	\$76.5	\$ 257,750	unknown	6/1/2018	Richard Stensrud - Executive Director
Georgia Teachers	\$73.0	\$ 146,458	unknown	FY 2017	L.C (Buster) Evans, Ed. D - Director
Minnesota State Board of Investment	\$72.7	\$ 335,578	unknown	FY 2017	Mansco Perry III - Executive Director / CIO. Manages state retirement funds, trust funds, and cash.
Massachusetts PRIM	\$69.5	\$ 470,000	\$ 185,000	12/1/2017	Michael Trotsky - Executive Director / CIO
Tennessee Consolidated	\$55.1	\$ 136,128	unknown	6/19/2018	Jamie Wayman - Director of TCRS. Under the Tennessee Dept of Treasury
Los Angeles County	\$53.8				
Pennsylvania Public Schools	\$52.9	\$ 219,541	unknown	9/15/2018	Glen R. Grell - Executive Director
Colorado PERA	\$51.5	\$ 406,850	\$ 79,000	12/20/2016	Greg Smith - CEO. Passed away 12/12/17. Ron Baker is finalist for Executive Director. Salary not yet determined.
Maryland State Retirement	\$50.3	\$ 153,000	unknown	1/1/2017	R. Dean Kenderdine - Executive Director
Illinois Teachers	\$49.9	\$ 308,250	unknown	7/1/2018	Dick Ingram - Executive Director.
Illinois Municipal	\$39.8	\$ 235,000	unknown	1/1/2018	Brian Collins - Executive Director
Nevada Public Employees	\$39.7	\$ 158,002	none	1/1/2017	Tina M. Leiss - Executive Officer
Alabama Retirement	\$38.8	\$ 653,657	unknown	FY 2017	David G. Bronner - CEO. News articles note that he is the highest paid state employee. 40+ years with the agency.
South Carolina Public Employees	\$37.3	\$ 163,582	unknown	10/18/2018	Peggy Boykin - Executive Director



**PUBLIC PENSION PAY INFORMATION**

<b>CALIFORNIA AGENCIES</b>					
<b>Agency</b>	<b>Net Assets (\$ Bil)</b>	<b>Base Pay</b>	<b>Bonus</b>	<b>Date</b>	<b>CEO Name</b>
<b>CalPERS</b>	\$344.4	\$ 330,720	\$ 84,873	9/25/2018	Marcie Frost
<b>CalSTRS</b>	\$229.2	\$ 420,200	\$ 224,682	11/2/2017	Jack Ehnes
<b>UC Regents</b>	\$66.8	\$ 366,000	\$ 9,000	12/31/2017	Rachael Nava (Chief Operating Officer)
<b>San Francisco ERA</b>	\$22.60	\$ 296,946	unknown	1/1/2017	Jay Huish
<b>LA FPP</b>	\$22.15	\$ 291,616	none	7/1/2018	Ray Ciranna
<b>LACERS</b>	\$17	\$ 270,020	none	3/1/2018	Neil Guglielmo
<b>Orange Co ERS</b>	\$15.90	\$ 273,431	none	1/5/2018	Steve Delaney
<b>San Diego Co ERA</b>	\$12.90	\$ 303,867	none	7/6/2018	David Wescoe
<b>San Bernardino ERA</b>	\$9	\$ 287,936	none	8/20/2018	Debby Cherney
<b>Alameda Co ERA</b>	\$8.10	\$ 254,800	none	1/14/2018	Dave Nelsen

**LACERA SALARY INFORMATION**

**TOP PAID LACERA STAFF SALARIES**

<b>INCUMBENT</b>	<b>JOB CLASSIFICATION</b>	<b>ANNUAL BASE SALARY</b>	<b>BONUS</b>	<b>BASE AND CERTIFICATION BONUS AMOUNT</b>
Jon Grabel	Chief Investment Officer	\$557,000	None	\$557,000
Vache Mahseredjian	Principal Investment Officer	\$397,800	\$21,800	\$419,600
John McClelland	Principal Investment Officer	\$398,000	None	\$398,000
James Rice	Principal Investment Officer	\$334,800	\$18,400	\$353,200
Edward Wright	Principal Investment Officer	\$324,400	\$17,800	\$342,200
Christopher Wagner	Principal Investment Officer	\$324,400	None	\$324,400
Jude Perez	Principal Investment Officer	\$324,400	None	\$324,400

**LACERA CEO SALARY HISTORY**

<b>INCUMBENT</b>	<b>JOB CLASSIFICATION</b>	<b>ANNUAL BASE SALARY</b>	<b>BONUS</b>	<b>BASE AND CERTIFICATION BONUS AMOUNT</b>
Robert Hill	CEO	\$258,250	None	\$258,250
Gregg Rademacher	CEO	\$258,250	None	\$258,250

**EMPLOYMENT AGREEMENT  
CHIEF EXECUTIVE OFFICER, LACERA**

This Agreement (Agreement) is made and entered into as of November 19, 2018, at Pasadena, California, by and between the Los Angeles County Employees Retirement Association (LACERA), by its Board of Retirement and Board of Investments (collectively, Boards), and Lou Lazatin (Lazatin).

WHEREAS, the Boards have implemented the provisions of California Government Code Section 31522.2 by appointing a person to act as retirement administrator, which is the senior administrative officer of the organization; and

WHEREAS, the retirement administrator position has been designated in Los Angeles County Code Section 6.127.020 as having the title of Chief Executive Officer, LACERA (CEO); and

WHEREAS, Section 6.127.030.B.1 of the Los Angeles County Code provides that the person appointed as CEO may receive such salary and benefits as determined by written agreement between LACERA, through its Boards, and the CEO; and

WHEREAS, the Boards have determined that Lazatin is well qualified to perform the duties and responsibilities of CEO, and have selected Lazatin to serve as CEO according to the terms of this Agreement.

NOW, THEREFORE, LACERA and Lazatin agree, subject to Paragraph 8, as follows:

1. APPOINTMENT. The Boards hereby appoint Lazatin as CEO, subject to the terms and conditions of this Agreement, and Lazatin accepts and agrees to such appointment. Under California Government Code Section 31522.2, the CEO shall be an employee of the County of Los Angeles, reporting to the Boards and with performance of services exclusively for LACERA as described in Paragraph 4.
2. REPRESENTATION. Lazatin represents and warrants that all information regarding qualifications, all applications and resumes, and all additional background information provided, verbally or in writing, to the Boards and their representatives, including Korn Ferry and LACERA staff, and all of their respective background check vendors, at any and all times during the course of the recruiting process for the CEO position prior to the execution of this Agreement, were truthful, accurate, and complete and did not omit any facts necessary to have an accurate understanding of Lazatin's background, skills, and experience. This representation is material to the Boards' willingness to enter into this Agreement.
3. TERM. Lazatin's appointment shall commence on November 19, 2018 (Effective Date). As provided by California Government Code Section 31522.2, the position of CEO is not subject to county civil service or merit system rules, and Lazatin shall be an at-will employee and serve at the pleasure of, and may be dismissed at any time at the will of, the Boards, with or without cause, and without notice. Specific charges, a statement of reasons, or good cause shall not be required as a basis for dismissal.

Dismissal by the Boards shall constitute an immediate termination of this Agreement. Lazatin expressly waives and disclaims any right to any pre-termination or post-termination notice and hearing, unless specifically provided for in this Agreement.

4. DESCRIPTION OF SERVICES. Lazatin shall perform all of the duties of CEO, as directed by the Boards from time to time, including but not limited to those described in the Position Information and Examples of Essential Job Functions stated in Exhibit A to this Agreement. As CEO, Lazatin shall be LACERA's senior administrative officer, reporting directly to the Boards, and shall be expected to fulfill the needs of the organization as they may change from time to time and as directed by the Boards based on LACERA's needs and objectives. The CEO position requires maintenance of a full-time work schedule, including presence in LACERA's office each business day, subject to business travel and vacation and other permitted personal use time and reasonable flexibility with respect to the occasional need to work remotely. Lazatin shall notify LACERA in advance if she will be out of Los Angeles County or unavailable for necessary communication during time away from the office. Lazatin is expected to engage in those hours of work that are necessary to fulfill the obligations of the CEO position. The position does not have set hours of work, and the CEO is expected to be available at all times.

Lazatin shall perform all duties hereunder in a manner consistent with the level of competency, ethics and avoidance of actual or potential conflicts of interest, and standard of care normally observed by a person employed as a Chief Executive Officer of a California public employees' retirement system, taking into account the services required from the CEO and LACERA's working environment and resources.

Lazatin shall not engage in teaching, consulting, speaking, or other non-LACERA work or business for which any form of value is paid, without the express prior consent of the Boards.

5. LACERA'S COMMITMENTS.

- a. LACERA shall provide Lazatin with the salary and benefits as specified in Paragraphs 6 and 7 of this Agreement, subject to Paragraph 8 and all other provisions of this Agreement.
- b. LACERA shall provide Lazatin with a private office, secretary, staff, office equipment, supplies, and all other facilities and services adequate for the performance of the CEO's duties.
- c. LACERA shall pay for or provide Lazatin reimbursement for all reasonable and lawful actual out-of-pocket business expenses incurred on behalf of LACERA. LACERA shall provide Lazatin a LACERA credit or debit card to charge reasonable and lawful business expenses.
- d. LACERA shall pay for Lazatin to attend and receive all reasonable education and training reasonably related to her service as LACERA's CEO. LACERA

shall pay the professional dues and subscriptions on behalf of Lazatin which are necessary for the CEO's continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for the good of LACERA. LACERA shall pay the reasonable and actual travel and subsistence expenses of the CEO to pursue official and other functions for LACERA, and meetings and occasions to continue the professional development of the CEO, including but not limited to national, regional, state, and local conferences, and governmental groups and committees upon which the CEO serves as a member in accordance with LACERA's Education and Travel Policy, as it may be revised by the Boards from time to time, and provided by budget and/or the Boards' approval. LACERA may have paid or may pay for reasonable education expenses of Lazatin prior to execution of this Agreement and/or the Effective Date, which the Boards hereby find to be in LACERA's interest to prepare Lazatin for and facilitate the performance of her duties and responsibilities as CEO.

- e. The Boards set policy, in their sole discretion, for the governance and administration of LACERA and implement their respective policies through the CEO in accordance with the Boards' policies, charters, and rules in effect from time to time.
- f. The Boards shall conduct annual goal-setting and annual performance evaluations of Lazatin as CEO pursuant to a schedule, standards, and procedures in their sole discretion consistent with the duties of the CEO position as provided herein.

6. SALARY. Subject to Paragraph 8, Lazatin shall be compensated at a gross base salary, before taxes and any other required or elective deductions, of \$450,000 gross annually (Starting Salary), paid on a bi-monthly basis by way of direct deposit and subject to usual and customary deductions for taxes, benefits, and insurance commencing as of the Effective Date and continuing during the time she serves as CEO, pro-rated on a daily basis. Lazatin may receive salary adjustments at any time as the Boards determine in their sole discretion in accordance with California Government Code Section 31522.2 and Sections 6.127.020 and 6.127.030 and other provisions of the Los Angeles County Code, as applicable to the CEO position.

7. BENEFITS. Subject to Paragraph 8, Lazatin shall receive the benefits now and hereafter provided for those persons occupying positions designated as "L" items by Section 6.28.020.B of the Los Angeles County Code. Benefits provided as of the Effective Date are listed in Exhibit B. Benefits may be adjusted by the Boards in their discretion consistent with the Los Angeles County Code.

8. BOARD APPROVAL. This Agreement, including but not limited to the salary and benefits as provided in Paragraphs 6 and 7, is subject to approval of the Boards at a duly noticed and agenda'd public meeting and, notwithstanding any other provision of this Agreement, is not effective in any respect until such approval is given. If Board approval is not obtained prior to the Effective Date, the Effective Date shall be the first

business day after approval of both Boards has been obtained. This Agreement is subject to public disclosure to the extent required by the California Public Records Act, Cal. Gov't Code §§ 6250 et seq.

9. CONFLICTS AND COMPLIANCE. Lazatin shall be required to file a Form 700 Statement of Economic Interests within 30 days of assuming the CEO position to comply with California law regarding disclosure of potential conflicts of interest, and thereafter as required by LACERA and applicable law. Lazatin shall abide by LACERA's Mission, Vision, and Values, its Code of Ethical Conduct and Conflict of Interest Codes, all other LACERA policies and procedures, and all applicable laws and regulations relating to LACERA's business and operations, including but not limited to LACERA policies and procedures, laws, and regulations regarding ethics and avoidance of conflicts of interest.

10. CONFIDENTIALITY AND PRIVACY. During employment with LACERA, Lazatin will have access to confidential and private LACERA member and other information. Without limiting the generality of Paragraph 9, during and after employment, Lazatin shall abide by all applicable laws and regulations and LACERA policies and procedures concerning the confidentiality and privacy of member information and other LACERA information.

11. SEPARATION.

- a. Administrative Leave. The Boards may place Lazatin on administrative leave when in the best interests of LACERA, as determined by the Boards in their sole discretion. The administrative leave shall be effective as of the date set forth in a written notice delivered to Lazatin. Upon the delivery of the notice to Lazatin, Lazatin's duties under this Agreement shall be suspended as of the effective date stated in the notice, but all other provisions of this Agreement shall remain in full force and effect. Thereafter, Lazatin's duties under this Agreement shall be performed by the Acting CEO or other designee of the Boards. Lazatin agrees that she shall not perform or attempt to perform any of the duties of CEO, or in any other way interfere with the administration or operation of LACERA, during the period of administrative leave. The administrative leave and the suspension of the duties provided for herein shall terminate on the Boards' delivery to Lazatin of a written notice terminating the leave, which may include termination of employment.
- b. Resignation. Lazatin may resign at any time and agrees to give the Boards at least 60 days advance written notice of the effective date of the resignation, unless the Parties otherwise agree in writing. LACERA and Lazatin shall not unreasonably withhold agreement to a shorter or longer notice period if requested by the other party.
- c. Termination and Removal. Lazatin is an at-will employee serving at the pleasure of the Boards. The Boards may remove Lazatin at any time, with or without cause, by a majority vote of the members of each Board. Notice of

termination shall be provided to Lazatin in writing. No period of notice is required, and notice may be effective immediately upon delivery or at a later date, in the Boards' sole discretion. \_\_\_\_\_ [Lazatin's Initials]

- d. Transition. Given the at-will nature of the CEO position, an important element of this Agreement pertains to separation. It is in both LACERA's interest and that of Lazatin that any separation of Lazatin is done in a businesslike manner. Lazatin shall reasonably cooperate in a transition period, including but not limited to delaying the effective date of separation, training and sharing knowledge with her successor, and leaving electronic and physical files in good condition and readily accessible after separation. Lazatin shall not, without LACERA's written consent, maintain or remove any LACERA documents, information, or property upon and after separation.
- e. Severance Pay. Except for leaving employment and receiving a LACERA monthly retirement benefit within twelve months of the Effective Date, Lazatin will be provided a severance payment of six months of Starting Salary, as adjusted from time to time thereafter as of the date of separation (Adjusted Salary), and benefits (calculated as 15% of Adjusted Salary) shall be paid if employment ends prior to meeting LACERA's Plan G five-year vesting requirement, and a severance payment of three months of Adjusted Salary and benefits (calculated as 15% of Adjusted Salary) shall be paid if employment ends thereafter. As a non-severable condition of receiving termination benefits, Lazatin shall provide a general release under California Civil Code Section 1542 of all claims against LACERA, and its trustees, employees, agents and representatives, to the maximum extent permitted by law. No termination benefits shall be due In the event (A) criminal charges are brought against Lazatin alleging (i) any felony, (ii) a misdemeanor that has been specifically found to involve moral turpitude by any published California appellate decision, or (iii) a misdemeanor violation of the California Political Reform Act {Govt. Code Sec. 87100, et seq.}, except that, if Lazatin is acquitted or found "not guilty" of the alleged criminal act, termination benefits shall at that time be due and payable without interest, or (B) Lazatin engages in fraud, deceit, misappropriation, or other gross misconduct, except that if Lazatin is determined by a court of law to have not engaged in such misconduct, termination benefits shall at that time be due and payable without interest.

12. INTEGRATION. This Agreement states all terms of the parties' agreement and is the exclusive statement of the parties' understanding. Except as provided in Paragraph 2, all prior representations, statements, and understandings, express or implied, including but not limited to the Conditional Offer of Employment dated October 11, 2018, are of no force and effect and cannot be used to alter the terms of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the terms of any provision of the County Code, the terms of this Agreement shall control to the maximum extent possible.

13. CONTROLLING LAW; DISPUTES. This Agreement and all claims arising from or related to this Agreement or Lazatin's employment as LACERA's CEO shall be subject to the laws of the State of California, without regard to its choice of law provisions. All disputes arising from or related to this Agreement or Lazatin's employment with LACERA that must be subject to resolution in court notwithstanding Paragraph 14 shall be resolved exclusively in California state or federal courts sitting in the County of Los Angeles. The parties agree to the exclusive personal and subject matter jurisdiction of such courts for all disputes. \_\_\_\_\_ [Lazatin's Initials]

14. MANDATORY MEDIATION AND ARBITRATION. To the maximum extent permitted under applicable law, all claims arising from or related to this Agreement or Lazatin's employment as LACERA's CEO shall be subject to mandatory pre-filing mediation in the County of Los Angeles before a mutually agreed upon mediator, who absent any other agreement of the parties, shall be a retired California state or federal judicial officer; the costs of the mediation shall be paid by LACERA. If following mediation, the claims of either party are not successfully resolved, all claims arising from or related to this Agreement or Lazatin's employment as LACERA's CEO shall be subject to mandatory binding arbitration in the County of Los Angeles before a single mutually agreed upon arbitrator, who absent any other agreement of both parties, shall be a retired California state or federal judicial officer associated with the Los Angeles region of the Judicial Arbitration and Mediation Service (JAMS) and administered through JAMS pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness. The costs of the arbitrator and arbitration service shall be paid by LACERA. The arbitrator's award may be entered in any court having jurisdiction. \_\_\_\_\_ [Initials of All Parties]

15. SEVERABILITY. If any provision of this Agreement is declared unenforceable or invalid, such provision shall be deemed severed from the Agreement, and the remainder of this Agreement shall remain valid and enforceable and in no way impaired or invalidated, in order to carry out the parties' intent herein the fullest extent possible.

16. WAIVER. Both parties shall be deemed to have participated equally in the drafting of this Agreement, and this Agreement shall be interpreted without regard to California Civil Code Section 1654, which is waived by the parties.

17. ASSIGNMENT. This Agreement and all rights hereunder are personal to Lazatin and may not be assigned or transferred by Lazatin at any time.

18. NOTICE. Any notice required under this Agreement shall be effective immediately upon personal delivery, 24 hours after the date of transmission via email, 48 hours after deposited for overnight delivery service, or 72 hours after deposited by delivery by U.S. First Class mail. The following information shall be used for delivery of notice to the parties, subject to change in writing:

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LACERA:

Director, Human Resources  
Los Angeles County Employees Retirement Association  
300 N. Lake Ave, Suite 630  
Pasadena, CA 91101  
[jnogales@lacera.com](mailto:jnogales@lacera.com)  
(626) 564-6000, Extension 4397

Lazatin:

Ms. Lou Lazatin



REDACTED

19. ACKNOWLEDGMENT. The parties acknowledge and agree that they have had the opportunity to consult with an attorney of their own choice in the drafting of this Agreement, and sign it without questions or reservations and with full understanding of its terms. \_\_\_\_\_ [Lazatin's Initials]

IN WITNESS WHEREOF, LACERA's Boards of Retirement and Investments each have authorized and caused this Agreement to be signed by the Chair of each Board, and Lazatin has signed this Agreement as of the Effective Date.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

By: \_\_\_\_\_  
Chair of the Board of Retirement

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Chair of the Board of Investments

Dated: \_\_\_\_\_

\_\_\_\_\_  
Lou Lazatin

Dated: \_\_\_\_\_

**EXHIBIT A**  
**To**  
**EMPLOYMENT AGREEMENT**  
**CHIEF EXECUTIVE OFFICER, LACERA**

**Position Information:**

The one position allocable to this class is appointed by LACERA's Board of Retirement and Board of Investments to act as retirement administrator, pursuant to Government Code Section 31522.2. The incumbent of this position is the executive and administrative head of the Retirement Association and has full responsibility for planning, organizing and directing the operations of LACERA, except that the Board of Investments may delegate specific investment authority and responsibility to others. In this role, the incumbent manages the system within the framework established by the State Constitution and State laws, and in compliance with the policies, rules, and regulations adopted by the Board of Retirement and, when applicable, the Board of Investments.

As the advisor to the Boards of Retirement and Investments, the incumbent makes recommendations on all matters pertaining to LACERA; assures Board orders and requests are implemented, cooperates with and acts as liaison between the Boards, the staff, member organizations, employers, government departments and agencies, the Legislature, and the public; and directs the administrative support and secretarial services to the Boards.

As the Chief Executive Officer, the incumbent is responsible for providing the direction for the Retirement Association, including but not limited to: establishing and accomplishing goals; ensuring accurate service to LACERA members; ensuring the best caliber staff are employed to manage LACERA's investments and programs; directing the preparation of the Retirement Association's budget; ensuring the integrity of the Association's and County's policies and practices; and ensuring the accounting, financial and actuarial programs are sound.

**Examples of Essential Job Functions:**

Administers a comprehensive program of retirement, disability, survivor, and health benefits for retired members.

Plan, prepare for, attend, and participate in Board meetings, offsites, strategic planning sessions, and such other meetings, conferences, and communications with trustees, staff, vendors, and other parties as required.

Directs all activities relating to benefits, investments, accounting, auditing, administrative services, legal services, information systems and services, and human resources.

Directs the development of and presents recommendations concerning organizational priorities and operations objectives for the consideration and approval of LACERA's governing Boards of Retirement and Investments.

Serves as liaison between LACERA staff and LACERA's governing boards by coordinating the implementation of Board policies.

Directs the development and implementation of LACERA's annual budget, obtaining Board approval, and enforcing appropriate expenditure control.

Directs the monitoring compliance activities of the Retirement Association with respect to applicable federal, state, and County laws and regulations.

Directs the analysis of and development of responses to proposed legislation; formulates strategies to achieve LACERA's legislative goals; and addresses legislative committees and other groups on subjects relating to retirement laws, operations of the system and its programs, and positions taken by the Boards on proposed laws and other issues.

Directs the negotiation of contracts for actuarial services, independent auditing services, consultant services, professional services, or other services that may be necessary for the administration of the system.

Directs the development of the annual financial report covering operations and expenditures of the system for the preceding fiscal year.

Establishes and directs the maintenance of an adequate system of records and accounts following recognized accounting principles and controls.

Oversees and directs the efforts of LACERA's external consultants including actuaries, auditors, attorneys, lobbyists, and investment advisors.

Serves as a corporate officer of LACERA's real estate holding companies.

Represents LACERA in interactions with the Los Angeles County Board of Supervisors, Los Angeles County's Chief Executive Officer, regulatory agencies, other participating employers in LACERA, members of LACERA, the media, and the general public.

**EXHIBIT B**  
**To**  
**EMPLOYMENT AGREEMENT**  
**CHIEF EXECUTIVE OFFICER, LACERA**

**PROVIDED BENEFITS:**

**MegaFlex Benefit Plan** - Benefits may be purchased using a monthly benefits allowance of 19% of the employee's monthly salary. If the monthly cost of the benefits selected is less than the monthly allowance, the employee receives the difference as additional taxable wages.

Purchasable monthly benefits include Medical, Dental, Disability, Life and Accidental Death & Dismemberment (AD&D) Insurance, Optional Group Variable Universal Life Insurance, Health & Dependent Care Spending Account, and Dependent Care Spending Accounts.

**LACERA Defined Benefit Retirement Plan** - Pays a specified monthly lifetime benefit at retirement based on years of service, final average compensation (within any cap on the pensionable portion), age at retirement, and other factors, subject to applicable law, including vesting and eligibility requirements. Contributions into this plan are made by both the employee and employer.

**Savings Plan (401k)** - Optional tax-deferred income plan. Provides a LACERA match of up to 4% of the employee's salary subject to IRS limits.

**Deferred Compensation Plan (457)** - Optional tax-deferred income plan. Provides a LACERA match of up to 4% of the employee's salary subject to IRS limits.

**Flexible Spending Accounts** - Employees may contribute up to \$200 per month tax-free to a Health Care Spending Account and up to \$400 per month tax-free to a Dependent Care Spending Account. Employees may be eligible for up to \$75 per month contribution paid by LACERA to a Dependent Care Spending Account.

**"Split Dollar" Life Insurance** – A LACERA paid level life insurance death benefit the amount of which is dependent upon age at entry into the plan.

**Holidays** - 12 days per year.

**Leave** - The position does not earn or accrue leave and does not require the use of leave to cover absences from work, including reasonable vacation.

**Tuition Reimbursement** - Subject to tuition program limitation.

**Company Vehicle** - An assigned LACERA vehicle is provided, for which LACERA will pay for fuel, maintenance, and insurance. Under State and Federal tax regulations, employees are taxed on the value of this benefit.

**Technology** - Use of a LACERA cellular phone, laptop, and home workstation with internet.

This information is intended to provide a general summary of benefits available. LACERA does not contribute into Social Security. Benefits may be taxable beyond those expressly stated as such.