AGENDA AND NOTICE OF A PUBLIC MEETING OF THE
PERSONNEL COMMITTEE
COMMITTEE CHAIR: Sarah Dusseault
COMMITTEE MEMBERS: Mitchell Kamin (Vice Chair), Wendy Greuel, Jacqueline Waggoner

Thursday, January 16, 2020
4:30 p.m.

Los Angeles Homeless Services Authority
811 Wilshire Boulevard, 5th Floor
Los Angeles, CA 90017

AGENDA NO.   ITEM AND DESCRIPTION                         PRESENTER                   PAGE
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Call to Order/Roll Call/Establishment of Quorum
Agenda Items - The public will have an opportunity to speak to any agenda item when the item is called and before action is taken. A Request to Speak Form must be submitted to the Secretary prior to the completion of the agenda item. The Chair will determine the order of speaking and unless the Chair grants more or less time, the speaker’s limit is two (2) minutes on each agenda item, subject to the total 20-minute period.

1.0      Review and approve minutes from the Personnel Committee Meeting held on December 20, 2019.           2

2.0      Review, select and approve Executive Search Firm to conduct nationwide search for the Executive Director position.   Commissioner Dusseault   4

3.0      Review and approve salary range recommendations for the Executive Director position.  Keshia Douglas   5

4.0      Review and approve recommended methodology and outreach for Executive Director search.  Commissioner Dusseault

5.0      Public Participation
Each Public Participant speaker is limited to two (2) minutes and may address any topic within the Commission’s jurisdiction. A Request to Speak Form must be filled out and submitted to the Secretary prior to the beginning of Public Participation. Subject to the total 20-minute period, each Public Participation speaker is limited to two (2) minutes.

Adjournment

Packets of materials on agenda items are available to the public during normal business hours at 811 Wilshire Boulevard, 6th Floor, Los Angeles, CA 90017. For further information, you may call 213-683-3333. Upon request, sign language interpreters, materials in alternative formats and other accommodations are available to the public for LAHSA meetings. All requests for reasonable accommodations must be made at least three working days (72 Hours) in advance of the scheduled meeting date. For additional information, contact LAHSA at (213) 683-3333 or TTY (213) 553-8488.
Item 1.0

Review and approve minutes from the Personnel Committee Meeting held on November 26, 2019.

Motion: It was moved by Commissioner Kamin and seconded by Commissioner Greuel to approve the minutes as presented.

Public Speaker(s): There were no public speakers.

Action: The motion was unanimously approved.

2.0 Review, select and approve Executive Search Firm to conduct nationwide search for the Executive Director position.

Keshia Douglas, Director of HR/Administration, gave the report:

- Staff requested approval of the Executive Search Firm to conduct nationwide search for the Executive Director as described in the provided documents.
- Commissioner Dusseault requested to correct estimated cost from 1/3 annual base salary to $250,000; there was discussion about the proposal matrix and requested to prepare a set of questions for committee members and to reconvene the first week in January.
- Commissioner Dusseault will assist LAHSA staff with the process.

Public Speaker(s): There were no public speakers.

Action: No action was taken.
3.0 Review and approve recommended methodology and outreach for Executive Director search. Commissioner Dusseault, gave the report:

- Commissioner Dusseault talked briefly about the methodology being used to search for the new Executive Director; item will be discussed at the next Personnel meeting in January.

**Public Speaker(s):** There were no public speakers.

**Action:** No action was taken.

4.0 Public Participation

**Public Speaker(s):** There were no public speakers.

**Adjournment**

The meeting adjourned at 12:43 p.m.
<table>
<thead>
<tr>
<th>Firm/Contact</th>
<th>Address/Contact</th>
<th>Refferal Source</th>
<th>Years Exp.</th>
<th>Public/Human Svcs. Exp.</th>
<th>Diversity Recruitment Exp.</th>
<th>Similar Placements</th>
<th>Estimated Costs</th>
<th>Est. Timeline</th>
</tr>
</thead>
</table>
| 1 Ralph Anderson & Associates  
Contact: Heather Renschler  
(916) 630-4900 | 5800 Stanford Ranch Road, Suite 410  
Rocklin, CA  95765 | CEO, County of LA  
CAO, City of LA | 30+ years | Yes | Yes | Riverside County, CA - Deputy County Executive Director, Homeless Solutions - 2018  
King County Housing Authority, WA - Deputy ED of Admin - 2018  
HCID - General Manager - 2014; HACoLA - CEO - 2012 | $43,750  
*fixed | 90 days |
| 2 Korn Ferry  
Contact: Amy Shea  
(310) 556-8558 | 1900 Avenue of the Stars, Suite 2600  
Los Angeles, CA  90067 | CEO, County of LA | 50 years | Yes | Yes | ACLU, Florida - Executive Director  
Boys & Girls Clubs of America - CEO (18 locations across USA)  
United Way of Greater Knoxville - President & CEO | 1/3 annual base salary + fees;  
$50K minimum | TDB |
| 3 Koya Leadership Partners  
Contact: Michelle Bonoan  
(323) 284-2898 | 177 E. Colorado Blvd., 2nd Floor  
Pasadena, CA  91105 | CEO, County of LA | 20+ years | Yes | Yes | LA County Dept. of Arts & Culture - Executive Director - 2018  
African Leadership Foundation, San Francisco - Executive Director  
City of LA, Deputy Mayor of Economic Development | 1/3 annual base salary + fees;  
$50K minimum | TBD |
| 4 The Hawkins Company  
Contact: Brett Byers  
(323) 403-8279 | 8939 S. Sepulveda Blvd., #110-216  
Los Angeles, CA  90045 | CAO, City of LA | 35 years | Yes | Yes | Oakland Alameda County College JPA - Executive Director  
County of LA - Director, DCFS  
Los Angeles Urban League - President & CEO | $56,500  
*fixed | TBD |
| 5 Gans, Gans and Associates  
Contact: Simone Gans Barefield  
(813) 986-4441 | 7445 Quail Meadow Road  
Plant City, FA 33565 | LACDA  
HACoLA | 30+ years | Yes | Yes | LACDA/HACoLA - various executive level positions - 2018  
Housing Authority Baltimore City-various exec. positions -2001-present  
District of Columbia Housing Auth-various exec. positions -2001-present | 1/4 annual base salary + fees | TBD |
| 6 McCormack + Kristel  
Contact: Joseph McCormack  
(323) 549-9200 | 1775 E. Palm Canyon Drive, Suite 110  
Palm Springs, CA  92264 | LAHSA | 25+ years | Yes | Yes | LAHSA Executive Director - 2000 & 2006  
LAHSA CFO - 2018; LAHSA CFO - 2019  
LA County Dept. of Health Svcs. - 8 key senior officials - 1996 - 2004 | 30% annual salary + fees | TBD |
CONFIDENTIAL

LOS ANGELES HOMELESS SERVICES AUTHORITY

Base Salary Analysis Report for the Executive Director Position

January 7, 2020

Prepared by:

REWARD STRATEGY GROUP

Allan Crecelius, President
12707 High Bluff Drive, Suite 200, San Diego, 92130
(858) 259-3800 • Fax (858) 792-7465
www.rewardstrategy.com
INTRODUCTION

LAHSA has contracted with Reward Strategy Group (RSG) to conduct an effectiveness analysis of the Authority’s current cash compensation plan. Since LAHSA will begin conducting a national search to fill their vacant chief executive position, the Authority has requested we initiate our study with a base salary analysis of the Executive Director’s position — and provide a recommendation for an appropriate base salary range.

This report documents our findings and recommendations.

FACTS PERTINENT TO THE ANALYSIS

➢ The LAHSA organization has grown dramatically since approval of Measure H funding to manage/solve the homeless crisis.

➢ Staffing for the agency has grown to over 400 employees, with future plans for up to 500.

➢ Current fiscal year operating budget is $64 million.

➢ LAHSA serves as a conduit and steward for $300 million in Measure H funds distributed to approximately 100 service providers through 300 contracts.

➢ The former Executive Director served for five years; his final year’s base salary was $219,291.

➢ Recruitments were conducted in 2018 to fill new executive positions: CFO and CPO. Filling the CFO position required a hiring salary of $250,000 (which is 14 percent higher than the Executive Director salary above).
SALARY SURVEY DATA COMPARISONS

RSG has accessed four salary survey databases to gather market practice data for nonprofit executive jobs comparable to LAHSA’s Executive Director:

2. Economic Research Institute (ERI) Executive Compensation (December 2019)
3. Hay Group/Korn Ferry 2019 Compensation Survey – Nonprofit Organizations (comparisons made for an executive position evaluated at 2128 job size points)
4. BFB – NAFCU 2019 CEO Compensation Survey (nonprofit credit unions with annual operating budgets between $50M and $100M)

Data from each of these sources are documented in the sections that follow.

CENTER FOR NONPROFIT MANAGEMENT SURVEY

The latest data for this survey is from 2018. RSG has aged the survey data to January 2020. The survey covers 239 participating organizations in Southern California, from San Luis Obispo/Kern down to San Diego and includes the Inland Empire.

RSG has utilized the survey data provided for nonprofits with budget size of “$15 million and over.” The survey is not segmented to any grouping of larger size. There are 31 organizations in this category with the group’s average operating budget being only $29 million, half the size of LAHSA’s budget. The largest survey segment for “number of employees” is “200 and over.” Twenty-six survey participants fall in this category.

RSG Comment: The LAHSA Executive Director’s magnitude of accountability exceeds that of at least 95 percent of the other chief executives in this survey. For this reason, we suggest the survey is “data-lite.”

The Salary Survey Data: For the 31 nonprofits in the category with annual operating budgets of $15 million and above:

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>$247,145</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>$275,975</td>
</tr>
</tbody>
</table>

Note: The 75th percentile represents an amount at which 75 percent of survey respondents pay less and 25 percent pay more.
ERI EXECUTIVE COMPENSATION DATABASE

RSG sorted this large national database by the following criteria:

- Industry: Nonprofit Organizations
- Size of Enterprise: Between $50 million and $75 million operating budget
- Geographically: The counties of Los Angeles, San Diego and Ventura.

ERI Survey Base Salary Data:

- Median $255,300
- 75th Percentile $285,930

HAY GROUP / KORN FERRY COMPENSATION SURVEY

This national cash compensation database for all of Hay’s nonprofit clients is assessed based on job size in evaluated job content points. The LAHSA comparison is versus other executive positions (regardless of title and size of the organization) with the same job size and complexity.

In order to make the salary comparison, RSG’s President (a former Vice President in Hay) evaluated the LAHSA Executive Director position using the Hay system of job measurement. The results are shown below.

<table>
<thead>
<tr>
<th>Know How</th>
<th>Problem Solving</th>
<th>Accountability</th>
<th>Total Points</th>
<th>Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIV3 800</td>
<td>G4 (66%) 528</td>
<td>G4P 800</td>
<td>2128</td>
<td>+3</td>
</tr>
</tbody>
</table>

Hay Survey Base Salary Data (at 2128 points):

- Median $265,525
- 75th Percentile $301,350
BFB – NAFCU CEO COMPENSATION SURVEY

This is a survey of nonprofit credit union CEOs nationwide. We used the survey segment for institutions with annual operating budgets between $50 million and $95 million. There are 56 CEOs in this data sample.

BFB–NAFCU Base Salary Data:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>$320,655</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>$394,000</td>
</tr>
</tbody>
</table>

Table A below summarizes the survey comparison data.

<table>
<thead>
<tr>
<th></th>
<th>(1) Center for Nonprofit Mgmt</th>
<th>(2) ERI</th>
<th>(3) Hay/Korn Ferry</th>
<th>(4) BFB – NAFCU</th>
<th>4-Survey Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>75th Percentile</td>
<td>$275,975</td>
<td>$285,930</td>
<td>$301,350</td>
<td>$394,000</td>
<td>$314,313</td>
</tr>
<tr>
<td>Average/Median</td>
<td>$247,145</td>
<td>$255,300</td>
<td>$265,525</td>
<td>$320,655</td>
<td>$272,156</td>
</tr>
</tbody>
</table>

INTERNAL SALARY RELATIONSHIPS

In addition to achieving a reasonable level of market competitiveness, an appropriate internal relationship among executive salary opportunities should be maintained, based on differences in KSAs required for each job and the level of each executive’s accountability.

Just as we have evaluated the Executive Director position’s job content (page 3), RSG has also evaluated the Hay system points for the CFO, CPO and COO. Based on this quantitative analysis, we have concluded the following:

The Executive Director’s base salary opportunity should be positioned, at a minimum, 20 percent above the position’s direct reports.

Twenty percent above the current CFO salary would be $309,000.
RSG'S RECOMMENDATIONS

We recommend that the LAHSA Commission establish a formal 2020 salary range for the Executive Director position with a **pricing point** at $310,000.

A typical formal salary range with a $310,000 pricing point would have the following structure, with ±20 percent around the pricing point:

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>$248,000</td>
<td>$310,000</td>
<td>$372,000</td>
</tr>
</tbody>
</table>

We further recommend that the recruitment be solicited with “a starting salary opportunity between $260,000 and $310,000 depending on qualifications.”