



Good Neighbors

San Diego
Housing Commission

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REPORT

DATE ISSUED: October 20, 2006

REPORT NO: HCR06-82

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of November 17, 2006

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation

REQUESTED ACTION:

Should the Housing Commission set the compensation package for the Chief Executive Officer (CEO) as recommended by the Performance Evaluation Ad Hoc Committee of the Commission comprised of Commissioners Todd Gloria and Jennifer Adams-Brooks?

RECOMMENDATION:

That the Board establish the compensation package for the CEO as recommended by the Performance Evaluation Ad Hoc Committee.

BACKGROUND:

The CEO was hired by action of the Housing Authority of the City of San Diego on August 2, 1994. Employment is governed by an employment contract, dated September 6, 1994. Under the terms of this contract, the CEO's performance and compensation package is to be evaluated on an annual basis, effective as of August of each year.

FISCAL CONSIDERATIONS:

The budget for fiscal year 2007 provides adequate funds to allow for changes in the compensation package for the CEO.

PREVIOUS RELATED ACTIONS:

Elizabeth Morris, CEO, was hired by action of the Housing Authority of the City of San Diego (SDHA) on August 2, 1994. A performance evaluation was performed by the Commission during the noticed Closed Session held on October 6, 2006, in accordance with the applicable provisions of the Brown Act.

FUTURE RELATED ACTION:

None. No action by the Housing Authority is required pursuant to the applicable terms of the CEO's employment agreement.



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DISCUSSION:

Section 4 of the Employment Contract provides that the Housing Commission may set the compensation package for the CEO without referral to the Housing Authority of the City of San Diego if funds are contained within the budget for this purpose and without amending the Employment Contract. The Employment Contract established the initial compensation package to include base salary, paid employee health/dental insurance and a car allowance. In subsequent years, the Board of Commissioners has approved increases in salary, full funding of a deferred compensation plan, additional annual leave and a bonus payment. The approved FY07 budget includes funding for CEO compensation adjustment based on past fiscal years.

The performance evaluation of the CEO for the period August 1, 2004 through July 31, 2006 was discussed in closed session on October 6, 2006, as duly noticed. The compensation package was not discussed in closed session. That compensation package is the subject of this report. Prior to the October 6, 2006 closed session, the last time Ms. Morris' performance was evaluated was February of 2005 for the period ending July 31, 2004.

In view of Ms. Morris' outstanding performance and in view of the fact that Ms. Morris has not had a salary increase since July 31, 2004, the Performance Evaluation Ad Hoc Committee is recommending a Five Thousand Dollar (\$5,000.00) bonus payment for the President & Chief Executive Officer for the years ending July 31, 2005 as well as for the year ending July 31, 2006 representing a \$10,000.00 bonus in aggregate, for both years.

The CEO's base salary is currently \$150,000 per year, which had previously been set through July 31, 2005. In addition to the performance bonuses referenced above, the Ad Hoc Committee is recommending an increase in salary of \$9,000 retroactive to August 1, 2006, bringing the CEO's annual base salary to \$159,000.00 per year for FY 2007. Since the CEO has not received a salary increase since July 31, 2004, this increase averages only 2% per year for the three fiscal years through FY 07.

All other benefits will be provided in accordance with the terms of her Employment Agreement and applicable Housing Commission programs and policies for executive and management employees.

Performance Evaluation

The Ad Hoc Committee praised Ms. Morris' ongoing and outstanding management of the organization and acknowledged her outstanding reputation in both the governmental and non-governmental communities. Ms. Morris' work as the CEO of the Commission was evaluated as outstanding by the Ad Hoc Committee for the period of evaluation through July 31, 2006.

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Recommendation of the Performance Evaluation Ad Hoc Committee

The Performance Evaluation Ad Hoc Committee recommends that the CEO receive bonuses and a salary increase as referenced above. In addition, it recommends that benefits be adjusted as necessary to coincide with the terms of the employment agreement and in accordance with Commission policies and procedures for Executive and Management Employees of the Commission.

Alternative

The Board of Commissioners may choose to further increase the base salary of the CEO to bring her closer to salaries paid in comparable positions, and/or to increase the amount of the bonus payment or to authorize additional benefits for the CEO, as long as funds are available in the approved FY07 budget. The Board may discuss alternative recommendations at the time of the meeting.

Approved by:

**Signature on File
With Original Document**

Approved by:

Jennifer Adams-Brooks
Performance Ad Hoc Committee

Todd Gloria
Performance Ad Hoc Committee

Approved as to form, legality and procedure this 20th of October 2006.

General Counsel
San Diego Housing Commission
Christensen Schwerdtfeger & Spath LLP

By: Charles B. Christensen
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