



Good Neighbors

San Diego
Housing Commission

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REPORT

DATE: For the Agenda of February 25, 2005 **ITEM 105**

REPORT NO: HCR05-21

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for period Retroactive to August 1, 2004 through July 31, 2005.

SUMMARY

Issue 1: 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 Tyler Cramer and Alice Tumminia?

Recommendation 1: That the Board establish the compensation package for the CEO retroactive to August 1, 2004 to coincide with the anniversary date of contract as recommended by the Performance Evaluation Ad Hoc Committee.

Fiscal Impact: The budget for fiscal year 2005 provides adequate funds to allow for changes in the compensation package for the CEO.

Previous Related Action: 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 January 14, 2005, 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.

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.



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 FY05 budget includes funding for CEO compensation adjustment based on past fiscal years.

The performance evaluation of the CEO for the period August 1, 2003 through July 31, 2004 was discussed in closed session on January 14, 2005, as noticed for hearing at the January 14, 2005 San Diego Housing Commission Meeting. The compensation package was not discussed in closed session. That compensation package is the subject of this report.

In view of the lack of stability in key Federal program funding, the Performance Evaluation Ad Hoc Committee is recommending a 1.5% of base salary bonus payment for the President & Chief Executive Officer. The CEO's base salary is currently \$150,000 per year; a 1.5% bonus payment would total \$2,250.

In addition, the Performance Ad Hoc Committee has recommended that the CEO's car allowance be increased in accordance with the terms of her Employment Agreement ("equivalent to that allowance available to the City Manager") together with regular benefits, EMS benefits, 457 Plan and Employee health and dental benefits be provided in accordance with Commission programs and policies.

Performance Evaluation

The Ad Hoc Committee met with Ms. Morris and performed a Personnel Evaluation as required by her contract. The CEO has complied with all the terms and conditions of her contract and continues to properly and competently fulfill all of her duties.

Recommendation of the Performance Evaluation Ad Hoc Committee

The Performance Evaluation Ad Hoc Committee recommends that the CEO receive a 1.5% of base salary bonus payment, that the automobile allowance be increased as necessary to coincide with that allowed the City Manager per the terms of the employment agreement, and that the benefit package, including annual leave, regular benefits, 457 Plan contributions, health care and others be increased in accordance with Commission policies and procedures for Executive and Management Employees of the Commission.

Options

The Board of Commissioners may choose to 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 FY05 budget. The Board may discuss alternative recommendations at the time of the meeting.

Submitted by:

Tyler Cramer
Performance Ad Hoc Committee

**Signature on File
With Original Document**

Approved by:

Alice Tumminia
Performance Ad Hoc Committee

Approved as to form, legality and procedure this 18th of February, 2005.

General Counsel
San Diego Housing Commission
Christensen Schwerdtfeger & Spath LLP

By: _____
Charles B. Christensen