



Good Neighbors

San Diego
Housing Commission

- 1625 Newton Avenue
- San Diego, California 92113-1038
- 619/231 9400
- FAX: 619/544 9193

REPORT

DATE ISSUED: October 22, 2004

ITEM 104

REPORT NO: HCR04-89
For the Agenda of October 29, 2004

SUBJECT: Contracts for the Provision of Retirement Benefit Services

SUMMARY

ISSUES

1. Should the San Diego Housing Commission (“SDHC”) contract for services for pension advisors, actuaries, and pension and labor attorneys as recommended herein?
2. Should the SDHC grant authority to any two (2) members of the Ad Hoc Committee to execute the contracts with the advisors and attorneys subject to the review and approval of General Counsel?
3. Should the Board authorize a budget action transferring \$105,000 from the Local Reserves to the Board and Executive Function, line Item Contractors and Consultants?

RECOMMENDATIONS

1. That the Board authorize the retention of Jane Barry of The Epler Company, as a pension and actuary advisor; Robert K. Butterfield of the firm of Butterfield Schechter, LLP, as a retirement attorney; and Robert Bell of Heller Ehrman White & McAuliffe LLP as an attorney concerning labor issues affecting the retirement plan, as necessary. All would advise the Ad Hoc Committee and the Board in connection with its review of the retirement plan(s) currently provided, and/or to be provided to the employees of the San Diego Housing Commission including recommendations concerning a defined benefit plan.
2. That the Board shall authorize any two (2) members of the Ad Hoc Committee to execute agreements retaining the attorneys and advisors, as recommended above, in a form approved by the General Counsel of the Commission.
3. It is recommended that the Board authorize the above referenced budget action.

ALTERNATIVE

Retain different advisors than those recommended and/or do not retain any advisors.

FISCAL IMPACT

The fiscal impact is the amount of the fees anticipated to be paid to the attorneys and advisors. The initial contract for each is limited to \$15,000 per firm, with the ability if the Ad Hoc Committee chooses, to amend those limits up to \$35,000 each, if and when necessary without further action of the Board. It is anticipated that little or none of the Heller Ehrman White & McAuliffe LLP contract amount would be expended unless and until the Ad Hoc Committee recommends the implementation of a defined benefit plan. The Ad Hoc Committee requests that \$105,000 be transferred from Local Reserves to the Board and Executive Function, line item Contractors and Consultants. The fiscal impacts, if any, of the modification of the retirement plan, including potential adoption of a defined benefit plan, will be analyzed within the report to be issued for the December 10, 2004 Board meeting, when the recommendations of the Ad Hoc Committee will be reviewed by the entire Board.

FUTURE RELATED ACTIONS

There will be a workshop concerning the retirement options to be heard by the entire San Diego Housing Commission Board on October 29, 2004. Depending upon the time available, the workshop may be continued to San Diego Housing Commission Board meeting scheduled for November 19, 2004. The recommendations of the Ad Hoc Committee are scheduled to be heard by the entire Board on December 10, 2004. The entire Board will make recommendations to the Housing Authority which are planned to be considered in January of 2005 or February of 2005. Further, Housing Authority meetings may be held depending upon the Housing Authority actions in January or February of 2005. This schedule may be altered depending upon issues presented during this recommendation process.

BACKGROUND

On October 8, 2004, the San Diego Housing Commission Board established an Ad Hoc Retirement Committee to consider potential changes to the San Diego Housing Commission's Retirement Plan. That process is discussed in San Diego Housing Commission report HCR04-77.

On October 8, 2004, the Board selected an Ad Hoc Committee comprised only of Board Members of the San Diego Housing Commission. The members are Jennifer Adams-Brooks, Tony Yip and Alice Tumminia. The Ad Hoc Committee has determined a schedule for the public meetings, which is set further above. Further, the Ad Hoc Committee has determined that independent pension attorneys, actuaries and advisors, with specific expertise in the area of defined benefit plans shall be retained by the Commission.

DISCUSSION

The actuaries, attorneys and pension advisors listed in Attachment 1 were contacted. Their respective resumes and fee schedules are also attached to this report, in Attachment "1". Each, with the exception of Marsh, Inc., responded and represented that they were available to provide services to the Commission. All of the attorneys, actuaries and advisors are very well qualified to perform the services.

After review of the resumes, and based upon their respective experience, the Ad Hoc Committee recommends that the advisors and attorneys referenced above in the recommendation be retained by the Commission, in a contract to be approved by the General Counsel of the Commission, with monetary limits as referenced in the fiscal impact section of this report.

ALTERNATIVE

In the alternative the Board could determine to retain different attorneys and advisors or not to retain any attorneys and/or advisors. This is not recommended.

Respectfully submitted,

Tony Yip

Jennifer Adams-Brooks

Alice Tumminia

The Ad Hoc Retirement Committee

List of Contacted Advisors

Jane M. Barry -	The Epler Company
William J. Sheffler-	Sheffler Consulting Actuaries, Inc.
Mark Jenkins-	Marsh, Inc.

List of Contacted Attorneys

Robert K. Butterfield-	Butterfield Schechter, LLP
Robert W. Bell-	Heller Ehrman White & McAuliffe LLP
Karl A. Rand-	Branton & Wilson, APC
Jan Webster-	Pillsbury & Winthrop, LLP