



Good Neighbors

San Diego  
Housing Commission

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# REPORT

**DATE:** For the Agenda of July 20, 2001 **Item 105**

**REPORT NO:** HCR01-033

**SUBJECT:** Action Establishing Chief Executive Officer Compensation

## SUMMARY

**Issue 1:** Should the Housing Commission set the compensation package for the Chief Executive Officer (CEO) as set forth in this report?

**Recommendation 1:** That the Board establish the compensation package for the CEO retroactive to August 1, 2000, to coincide with the anniversary date of contract.

**Issue 2:** Should the Housing Commission set the compensation package for the CEO for fiscal year 2002, to be effective following the regular annual performance evaluation?

**Recommendation 2:** That the Board establish the CEO's compensation package for the period beginning August 1, 2001; the compensation package would not take effect until the annual performance evaluation for the CEO is completed by the Board of Commissioners and would be retroactive to August 1, 2001, if the evaluation is not completed by that date.

**Fiscal Impact:** The budgets for fiscal years 2001 and 2002 provide the funds to allow for the changes in the compensation package for the CEO.

**Previous Related Action:** The CEO was hired by action of the Housing Authority of the City of San Diego (SDHA) on August 2, 1994. An evaluation of performance and compensation was performed in February 2001.

**Future Related Action:** None.



## **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 August of each subsequent 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 SDHA if funds are contained within the budget for this purpose without amending the Employment Contract.

The performance evaluation of the CEO for the period August 1999 through July 2000 was discussed in closed session on February 9, 2001. The compensation package for the CEO is to be heard in open session.

The compensation package recommended retroactive to August 1, 2000, to coincide with the anniversary date of the original employment contract includes:

1. Annual salary of \$124,800 (4%)
2. Employer paid insurance for the CEO (employee only)
3. Full funding CEO's 457 Plan.
4. All other benefits to remain the same as originally provided, except for the car allowance that will be adjusted in accordance with the terms of the employment contract.

The following compensation package is recommended effective August 1, 2001, following completion of the CEO's annual performance evaluation by the Board of Commissioners.

1. Annual salary of \$129,800 (4%)
2. Employer paid insurance for the CEO (employee only)
3. Full funding CEO's 457 Plan.
4. All other benefits to remain the same as originally provided, except for the car allowance that will be adjusted in accordance with the terms of the employment contract.

The recommended annual salary is based on the data provided by Reward Strategy Group, Inc. as part of a management compensation survey completed for SDHC in April 2001. The survey data included current salaries for matching jobs or jobs with similar requirements and responsibilities, e.g., size of agency budget, number of employees, functional responsibilities, at several California public agencies. These included:

	Surveyed Agency	Matching Job	Salary
1.	LA City Housing	Exec. Director	\$181,741
2.	City of Chula Vista	City Mgr.	\$177,360
3.	Oakland Hsg. Authority	Exec. Director	\$159,612
4.	City of San Diego	Asst. City Mgr.	\$158,544
5.	SD Water Authority	Gen. Manager	\$156,135
6.	Neighborhood House	Pres. & CEO	\$135,000
7.	LA County CD Agency	Exec. Director	\$133,284
8.	Orange County Hsg.	HCD Director	\$114,858

### ALTERNATIVES

1. Approve a different salary level based on performance.
2. Approve a one time salary adjustment or bonus for performance.
3. Make no change in the compensation package. This alternative is not recommended in view of the dedicated, exemplary work of the CEO as documented by the February 2001 performance evaluation.

Submitted by:

E. Neal Arthur  
Chair

**Signature on File  
With Original Document**

Approved as to form & process:

Charles B. Christensen  
General Counsel