

REPORT

DATE ISSUED: October 19, 2007 REPORT NO: HCR 07-90

ATTENTION: Chair and Members of the Housing Commission  
For the Agenda of November 9, 2007

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 Tony Yip and Jennifer Adams-Brooks?

AD HOC COMMITTEE RECOMMENDATION:

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

**Fiscal Impact:** The budget for fiscal year 2008 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 August 3, 2007, 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 FY08 budget includes funding for CEO compensation adjustment based on past fiscal years.

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The performance evaluation of the CEO for the period August 1, 2006 through July 31, 2007 was discussed in closed session on August 3, 2007, as duly noticed. The compensation package was not discussed in closed session. That compensation package is the subject of this report. Prior to the August 3, 2007 closed session, the last time Ms. Morris' performance was evaluated was in October of 2006 for the period ending July 31, 2006.

In view of Ms. Morris' outstanding performance, the Performance Evaluation Ad Hoc Committee is recommending a Seven Thousand Five Hundred Dollar (\$7,500.00) bonus payment for the President & Chief Executive Officer for the year ending July 31, 2007 to be payable upon approval of this action by the Board.

The CEO's base salary is currently \$159,000 per year, which had previously been set through July 31, 2007. In addition to the performance bonuses referenced above, the Ad Hoc Committee is recommending an increase in salary of three (3%) percent retroactive to August 1, 2007, bringing the CEO's annual base salary to \$163,770.00 per year for FY 2008.

In addition, the Performance Ad Hoc Committee has recommended that the CEO's car allowance be continued in accordance with the terms of her Employment Agreement. The Performance Ad Hoc Committee has also recommended that 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 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, 2007.

### **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 the automobile allowance be increased as necessary to coincide with that allowed 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, including, without limitation, flex benefits.

### **Options**

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 FY08 budget. The Board may discuss alternative recommendations at the time of the meeting.

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Submitted by:

*Jennifer Adams-Brooks*

Jennifer Adams-Brooks  
Performance Ad Hoc Committee

Approved by:

*Tony Yip*

Tony Yip  
Performance Ad Hoc Committee

Approved as to form, legality and procedure this 19th of October 2007.

General Counsel

San Diego Housing Commission

Christensen Schwerdtfeger & Spath LLP

By: *Charles B. Christensen*

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