

REPORT

DATE ISSUED: March 17, 2008

REPORT NO: HCR 08-47

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of June 6, 2008

SUBJECT: Pension Consultant Contract Amendment

REQUESTED ACTION:

Authorize the President and Chief Executive Officer (CEO) to amend the existing contract for pension consultant services with The Epler Company.

STAFF RECOMMENDATION:

Amend Section 103 of the Housing Commission's contract with The Epler Company to increase the rate of compensation from the sum of One Hundred Fifty Three Thousand, Five Hundred Dollars (\$153,500) to a revised not to exceed sum of Two Hundred Thirteen, Five Hundred Dollars (\$213,500). The approval of this amendment will ensure adequate funding for the specified three-year period of the contract.

BACKGROUND:

Historically, the Housing Commission has retained the services of a pension consultant to perform a wide range of services relating to the administration of the San Diego Housing Commission's defined contribution pension plan and optional 457 plan. On June 20, 2006, the Housing Commission approved a three (3) year contract with The Epler Company effective July 1, 2006 to provide pension consultant services for an amount not to exceed Eighty Eight Thousand, Five Hundred Dollars (\$88,500). On June 15, 2007 the Housing Commission approved an additional \$65,000 to the original contract amount. The original contract amount and the subsequent amendment was based on anticipated activities The Epler Company would be required to do on the Housing Commission's behalf. However, as Jane Barry, President of The Epler Company, began a review of the Housing Commission's pension plan documents, policies and procedures, it became evident more time and effort would be required to ensure the Housing Commission could meet the obligatory requirements related to pension administration. In addition, there has been an unusually high number of circumstances surrounding employee retirements, withdrawal of funds, and required amendments that required the services of The Epler Company.

Finally, numerous plan documents and procedures have been rewritten to be in full compliance with IRS requirements. Among the activities completed include: complete rewrite of the Housing Commission's Defined Contribution Money Purchase Plan and approved IRS filing; working with outside auditors to

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ensure the validity and timeliness of audits required by Federal and State law; negotiating with the State Controller's office on compliant filing of required tax forms; reviewing employee data to correct salary discrepancies; review of data to ensure compliance with maximum annual credits to employee accounts as required by Federal law; reviewing numerous documents for applicability and completeness. Other activities have included a revision of the Investment Administrative Policy to comply with Federal regulations and an active advisory role to the Pension Investment Committee.

FISCAL IMPACT

None with this action. There is sufficient funding in the FY08 budget for this amendment. Adequate funding will be included in the FY09 budget for this activity.

ENVIRONMENTAL REVIEW

This activity and contract is exempt from NEPA review pursuant to the provisions of 24 CFR 58.34 (a)(2) and (3).

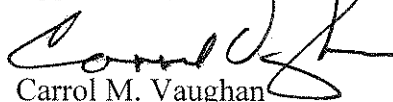
Respectfully submitted,



Craig Velte

Senior Program Analyst

Approved by,



Carrol M. Vaughan

Interim President & Chief Executive Officer

Attachment 1: Amendment to Contract

SAN DIEGO HOUSING COMMISSION

**AGREEMENT
WITH**

**THE EPLER COMPANY
AMENDMENT NO. 2**

The Agreement for services between the SAN DIEGO HOUSING COMMISSION and THE EPLER COMPANY effective July 1, 2006, (hereinafter referred to as "the Agreement"), is hereby amended as follows:

Section 103: Compensation, of the Agreement, the first sentence of paragraph 103 of page one is hereby deleted and the following is substituted in its place:

The total compensation for all services performed and/or materials and goods supplied pursuant to this Agreement shall not exceed the sum of Two Hundred Thirteen Thousand, Five Hundred Dollars (\$213,500).

**ATTACHMENT SECTION 103
ADDITIONAL COMPENSATION TERMS**

Section 103. Compensation. (Continued from Page 1):

STANDARD SERVICES

Year 1	\$	65,000
Year 2		60,000
Year 3		47,500

SPECIAL SERVICES

Year 1	\$	23,500
Year 2		10,000
Year 3		7,500

All other provisions of the agreement shall remain in full force and effect.

SAN DIEGO HOUSING COMMISSION

THE EPLER COMPANY

By: _____
Carrol M. Vaughan
Interim President & CEO

By: _____
Jane Barry
President & Chief Executive Officer

Date: _____

Date: _____