



Good Neighbors

San Diego
Housing Commission

MINUTES

**(NOTE: THESE MINUTES ARE AN ABRIDGED SUMMARY,
NOT A VERBATIM TRANSCRIPT OF THE MEETING DISCUSSION).**

**San Diego Housing Commission
Minutes of the Investment Advisory Committee Meeting
Thursday, October 23, 2003
1625 Newton Avenue, San Diego, California**

ATTENDEES

Investment Advisory Committee Members: Joe Correia, Dolores Crawford, Jack Farris, Kadee Gonzalez, Myrna Herbias, Gary Hoffman, Gene Schwisow, Matt Silsbee
Absent: Rob Albrecht, Ed Mauk, Betsy Morris, Carrol Vaughan

Other Attendees: Cheryl Baker-Pautsch, Tim Sturtevant

CALL TO ORDER

Meeting called to order at 1:10 pm.

PUBLIC COMMENTS

None.

COMMITTEE MEMBER COMMENTS

None

APPROVAL OF THE MINUTES

Approved minutes of June 4, 2003, with one member abstaining from vote.

ACTION ITEMS:

Item 1: Cheryl Baker-Pautsch advised committee that Human Resources staff is working with Diversified Investment Advisors to enhance the pension service agreement with DIA. This is due to recent right-sizing of our organization and efforts to optimize service

levels through the consultants. This item was informational – no committee action required.

Item 2: Cheryl Baker-Pautsch advised committee that Human Resources staff is working with Diversified Investment Advisors to revise the pension plan document regarding certain irrevocable elections that employees are required to make upon termination. These changes would provide for more flexibility for employees who separate from SDHC service. This item was informational – no committee action required.

Item 3: Chair opened floor for nominations for President and Secretary of the Pension Investment Committee. A nomination of Gary Hoffman for president was made by Matt Silsbee. Committee voted unanimously for Mr. Hoffman. A nomination of Ed Mauk for secretary was made by Kadee Gonzalez. Committee voted unanimously for Mr. Mauk, with one abstention.

Item 4: Keith Beall, Account Representative from Diversified Investment Advisors, addressed committee with the annual fund review presentation. The following briefly describes the major points of the presentation:

- Timing of annual fund review. DIA asked for the committee's direction on the timing of the annual presentation. It is possible to do closer to the plan year close (June 30) or wait until mid-November when 3rd quarter results are available. No decision was made.
- Presented a video clip on current market trends. Video is available on DIA's website.
- Reviewed current asset allocation among fund types entitywide.
- Reviewed DIA's strategy for selection and oversight of fund managers , specifically:
- DIA's selection model for fund managers. Performance is only 40% of criteria. Also look at risk level, consistency, and symmetry.
- DIA's process for monitoring of fund managers and the repair process when a fund manager is terminated. Daily, monthly, quarterly and annual performance is monitored.
- Announced that, in part because of SDHC's repeated requests, a Real Estate Investment fund has been added to DIA's investment options. Due to required software modifications to accommodate, this option is expected to be available to SDHC employees by 12/31/03. More information forthcoming as option becomes available.
- DIA is carefully monitoring two specific funds due to underperformance versus the comparable index. Several committee members expressed concern with a greater number of funds that have underperformed as compared with benchmarks over the last five years.

After a brief recap and discussion of major points, a motion by Joe Correia to approve and accept consultants report, seconded by Matt Silsbee, passed by unanimous vote.

NEXT MEETING

Spring 2004

MEETING ADJOURNED

Meeting adjourned at 3:10 pm.