



**Retirement Systems**  
**150 Frank H. Ogawa Plaza, 3<sup>rd</sup> Floor**  
**Oakland, California 94612**

All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Board may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency. Presentations are limited to three minutes.

Oakland Municipal Employees' Retirement Board meetings are held in wheelchair accessible facilities. Contact Retirement Systems, 150 Frank Ogawa Plaza, Suite 3332 or call (510) 238-7295 for additional information.

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## **AGENDA**

### **REGULAR MEETING of the BOARD of the OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

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#### **MEMBERSHIP**

<b>Carl E. Gilmore, President</b>	
<b>William C. Russell, Vice President</b>	<b>Henry Cotten, Member</b>
<b>Joseph T. Yew, Member</b>	<b>Vacant</b>
<b>Courtney Ruby, Member</b>	<b>Vacant</b>

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<b>DATE:</b>	<b>Thursday, July 30, 2009</b>
<b>TIME:</b>	<b>2:00 pm</b>
<b>PLACE:</b>	<b>One Frank H. Ogawa Plaza, Hearing Room 1 Oakland, California 94612</b>

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## **ORDER OF BUSINESS**

1. Approval of the Minutes from the June 25, 2009 special board meeting.
2. Information, discussion and possible action regarding OMERS administrative expenses reports.
3. Information, discussion and possible action regarding proposed changes to OMERS travel policy.
4. Resolutions to be adopted:
 

Resolution # 4813	Resolution approving Death Benefit payment to Carol Ann Mosher, beneficiary of member Zelma Pulcifer.
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5. New Business.
6. Open Forum.
7. Future Scheduling.

**A MEETING OF THE BOARD** of Administration of the Oakland Municipal Employees' Retirement System was held Thursday, June 25, 2009 in One Frank H. Ogawa Plaza, Hearing Room 1, Oakland, California.

Board Members Present:

- Carl E. Gilmore, President
- William Russell, Vice President
- Joseph T. Yew, Jr., Ex-Officio
- Courtney Ruby, Ex-Officio
- Henry Cotten, Member

Board Members Absent:

- Vacant
- Vacant

Additional Attendees:

- Yvonne Hudson, Staff Member
- David Low, Staff Member
- Tracy Chriss, Deputy City Attorney, City of Oakland

The meeting was called to order at 2:05 PM.

1. **Approval of Minutes** – Member Russell reviewed item #4 from the preceding meeting's minutes and requested that the Board reject member Horn's resignation from the OMERS Board. Tracy Chriss noted that the subject here is to approve or not approve the meeting minutes only and that member Russell must present this his request during NEW BUSINESS. Member Russell also asked if Wendell Pryor had completed his agenda item under new business from the last meeting. Yvonne Hudson stated that discussion took place with Mr. Pryor and a nothing was not completed at this time. The Minutes of the March 26, 2009 Board meeting, having been furnished to each member of the Board, were approved on a motion by Member Cotten, second by Member Russell. Motion passed.

[COTTEN – Y / RUSSELL – Y / ~~HORN-GILMORE~~ – Y / RUBY – Y / YEW – Y (5-0)]

2. **Review of 1st Quarter 2009 Administrative Report** – The OMERS Board reviewed the details of the 1st quarter 2009 administrative report. Member Yew asked Ms. Hudson about the over expenditure in the Actuary budget. Ms. Hudson remarked that the overrun was a result of additional work requested of the Actuary that was not originally planned. Discussion on future administrative budget planning occurred between staff and the Board and will be discussed at the next board meeting.
3. **OMERS Travel Policy discussion** – Member Ruby requested clarification on Member Russell's suggested changes to the OMERS Travel Policy to change the citations of 'City Administrator' to 'Board Secretary', as she could not find anything in the OMERS Travel Policy where these instances occurred. Ms. Hudson remarked that the approval process for Board Travel is required to go through the City Administrator's office. It was clarified that the instances where Member Russell cited 'City Administrator' was on the City of Oakland Administrative Instruction #120 (Travel on City Business) and cannot be changed by the Board. Ms. Hudson stated that staff will present a revised travel policy for the next meeting indicating the changes requested by Member Russell for discussion. Ms. Hudson noted that Board Travel requests have always been sent for processing through the City of Oakland because it was the City of Oakland that processed the checks. Ms. Hudson also noted that the monies for these requests explicitly come from the OMERS fund (expressly different from any City of Oakland fund) and should generally not be delayed.



Member Ruby remarked that member Russell's suggestion of the meals per diem be raised from \$56/day to \$90/day seems high. Member Ruby suggested that the changes to the per diem rates on the OMERS Travel Policy mirror the U.S. federal per diem rate. Member Ruby asked staff to create a mark-up copy of the current travel policy indicating all of the board's recommendations and submit to the next board meeting for discussion.

4. **OMERS 2008 Annual Report** – Member Ruby asked if the annual report under review is the first draft seen by the OMERS board. David Low reported that a previous draft created by an outside firm was provided to the Board for approval late last year. However, changes in the actuary information and other budgetary concerns prompted the Board to direct staff to re-create the 2008 annual report in-house, which is presented here. David Low reported on the completion of the 2008 Annual Report and asked for a motion to approve the production of 100 copies for distribution. Member Cotten made a motion to approve the printing and distribution of the 2008 annual report, second by Member Russell. Motion passed.

[COTTEN – Y / RUSSELL – Y / ~~HORN-GILMORE~~ – Y / RUBY – Y / YEW – Y (5-0)]

5. **City Attorney's research of definition of OMERS beneficiary and service to OMERS board** – Ms. Chriss stated that, "Beneficiary mean, 'any person *in receipt* of a pension, annuity, retirement allowance, death benefit or any other benefit,'" As it pertains the agenda item, a beneficiary as described is eligible to serve on the OMERS board if the member is deceased but not if the member is not currently deceased. Ms. Hudson reported on a survey of other California Public Pension system who may be approaching similar board members challenges as OMERS. Only the San Luis Obispo County Retirement System (also a closed system) has no restrictions for service to their Board of administration. Ms. Hudson remarked that the conclusion of the City Attorney provided for an additional pool of people to possibly serve as OMERS Board members. Ms. Hudson stated staff would research the OMERS membership for beneficiaries who may be able to serve as OMERS board members and report back to the OMERS Board with these results. Member Ruby made a motion that the Board accept the City Attorney's definition of Beneficiary, second by member Russell. Motion passed.

[COTTEN – Y / RUSSELL – Y / ~~HORN-GILMORE~~ – Y / RUBY – Y / YEW – Y (5-0)]

Staff was instructed to research and report for the September 2009 OMERS Board Meeting the results of OMERS beneficiaries who could serve as board members.

6. **Adoption of Resolutions #4812** – Mr. Russell made a motion to approve resolutions #4812, second by Ms. Ruby. Motion Passed.

[COTTEN – Y / RUSSELL – Y / ~~HORN-GILMORE~~ – Y / RUBY – Y / YEW – Y (5-0)]

7. **New Business** – Member Russell noted that the current diminished membership of the OMERS Board merits the need to respectfully decline Member Horn's Board Resignation letter. Ms. Chriss suggested that the Board as member Horn to reconsider his resignation. Ms. Chriss suggested the topic be set as an agenda item for further discussion. Staff was directed to put this item on the September 2009 Board meeting.

**Open Forum** – No Report.

8. **Future Scheduling** – David Low reported that next Board meeting will be Thursday, July 23, 2009 at 2:00 PM in Hearing Room 1, City Hall.

The meeting adjourned at 2:50 PM.

  
\_\_\_\_\_  
CARL GILMORE, BOARD PRESIDENT

  
\_\_\_\_\_  
DATE

**Table 1**

**OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

**Administrative Budget Spent to Date**

Fiscal Year End as of June 30, 2009

	Approved Budget	Fiscal Year to date (6/30/09)		
		Actual	Remaining	Percent Remaining
<b>Staff Salaries</b>	<b>\$253,058</b>	<b>\$259,032</b>	<b>(\$5,974)</b>	<b>-2.4%</b>
<b>Operation &amp; Maintenance Cost</b>				
Board Travel Expenditures	\$35,000	\$8,192	\$26,808	76.6%
Staff Training	6,000	140	5,860	97.7%
Accounting & Auditing	20,000	25,781	(5,781)	-28.9%
Actuary ( Bartel )	15,000	20,362	(5,362)	-35.7%
Annual Report	10,000	1,564	8,437	84.4%
Miscellaneous Expenditures	7,500	1,458	6,041.78	80.6%
O&M Cost	93,500	57,497	36,003	38.5%
<b>Total Administrative Budget</b>	<b>\$346,558</b>	<b>\$316,529</b>	<b>\$30,029</b>	<b>8.7%</b>
<b>Additional Operating Costs (a)</b>				
Trustee/ Custodial Fee (Bank of NY)	\$6,000	3,975	\$2,025	33.8%
Measurement/Evaluation Fee (PCA)	15,000	11,250	3,750.00	25.0%
<b>Total Additional Operating Costs</b>	<b>\$21,000</b>	<b>\$15,225</b>	<b>\$5,775</b>	<b>27.5%</b>
<b><i>Total Operating Budget</i></b>	<b><u>\$367,558</u></b>	<b><u>\$331,754</u></b>	<b><u>\$35,804</u></b>	<b>9.7%</b>

Note: Please note that the accounting month-end has not been closed at the time this report was prepared and therefore some changes in the total expenditures are expected after the Book is closed by the end of July 2009.

**Table 2**

**OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

**Cash in Treasury (Fund 7120)**

As of June 30, 2009

	<b>FY 08/09</b>
<b>Cash in Treasury as of 6/30/08 (a)</b>	<b>\$647,326</b>
<b>Additions</b>	
Incoming Wires	\$544,000
Death Refunds	138
<b>Total additions:</b>	<b>\$544,138</b>
<b>Deductions:</b>	
Pension payments (July 1 - June 30, 2009) (b)	(638,768)
Expenses to date (see Table 1)	(331,754)
Previous year accruals	(66,489)
<b>Total deductions</b>	<b>(1,037,011)</b>
<b>Cash in Treasury as of 6/30/09</b>	<b>\$ 154,454</b>

(a) As reported in OMER June 30, 2008 Audited Financial Statements.

(b) The amount did not include the pension payments for June 2009 ( payable in July 2009)

Table 3

Oakland Municipal Employees' Retirement System

Census  
As of June 30, 2009

COMPOSITION	City	Health	TOTAL
<b>Membership</b>			
Retiree	24	4	28
Beneficiary	17	5	22
<i>Total Membership</i>	<b>41</b>	<b>9</b>	<b>50</b>

Table 4

**OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**  
**INVESTMENT PORTFOLIO HOLDINGS**  
**June 30, 2009**

DESCRIPTIONS	MARKET VALUE	PERCENT
<b>Equities:</b>		
American Century Mutual Fund	\$ 3,388,809.72	66.92%
<b>Fixed Income:</b>		
Western Asset Mutual Fund	829,560.33	16.38%
Barclays Aggregate Mutual Fund	663,157.80	13.10%
<b>Cash:</b>		
BoNY Pooled Funds	28,101.40	0.55%
City of Oakland Pooled Funds	<u>154,454.00</u>	3.05%
<b>Total Portfolio</b>	<u><u>\$ 5,064,083.25</u></u>	<u><u>100.00%</u></u>



## **DRAFT**

# **~~TRAVEL POLICY & PROCEDURES~~ BOARD OF ADMINISTRATION OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM TRAVEL POLICY AND PROCEDURES**

## **1. PURPOSE**

To encourage continuing education of Board members, and set forth guidelines for authorization and reimbursement for travel to educational conferences, seminars, and out-of-town meetings related to Board business.

## **2. SCOPE**

This policy shall apply to members serving on the Board of Administration for the Oakland Municipal Employees' Retirement System.

## **3. POLICY**

In order to keep pace with the cContinued growth and diversification of the retirement fund as well as the increasing complexity of financial and investment management systems require Board members to have a working knowledge of:

- Real Estate Investing
- Pension Law
- Equity and Security Investing
- International Investing
- Asset Allocation

Board members who travel in official Board capacity shall be reimbursed for their actual and necessary expenses for transportation, parking tolls and other reasonable incidental costs. Original receipts are required for reimbursement. "Actual and necessary expense" does not include alcoholic beverages nor does it include expenses incurred by a travel companion.

All requests for travel shall be approved by the Board secretary, and limited to official Board business, educational conferences, and seminars from which the Board derives a specific benefit through the attendance of a Board Member. Membership in an organization is not of itself a basis for travel authorization.

**Section 3.1. - Exceptions** The Board secretary may approve payment of claims for education and travel expenses, not specifically covered by the provisions of this policy, provided the secretary determines such expenses are/were necessary in connection with official business of the Board.

**Section 3.2- Insurance** The City of Oakland provides travel accident insurance for all officials traveling outside the City of Oakland on official business. The policy insures risk of accidental death or dismemberment during the entire time away, whether traveling or not, and whether industrial or non-industrial. The coverage is \$50,000 for each official, subject to the limit of \$1,000,000 for any one accident and \$1,000,000 in the aggregate during the policy term. This insurance coverage does not include commuting to and from local Board meetings or weekly indemnity or medical reimbursement.

#### 4. ANNUAL ALLOWANCE

The Board's travel allowance will be approved annually during the Board's Budget process. Each Fiscal Year beginning July 1 through June 30, the Board will establish a travel allowance of up to ~~\$5000~~ **\$6,000** for each Board member. The Board's total annual travel allowance shall not exceed ~~\$28,000~~ **\$42,000**. At the end of the Fiscal Year, all travel accounts will be cleared to a zero balance. There will be no carry-over credits.

#### 5. TRAVEL APPROVAL EXCEEDING ~~\$5,000~~ **\$56,000** ANNUAL ALLOWANCE

A Board member's annual travel expenses shall not exceed ~~\$5,000~~ **\$6,000**. However, the Board may authorize travel to a Board member whose expenses exceed ~~\$5,000~~ **\$6,000** if the Board determines such expenses are/were necessary in connection with official Board business.

#### 6. TRAVEL ARRANGEMENTS

The Board secretary or secretary's designee will make travel arrangements. Travel requests shall be submitted to the Board secretary or secretary's designee and shall include supporting information such as: program announcements, schedules, meeting dates, and costs. The Board secretary or secretary's designate will obtain appropriate credit card information from the Board member requiring reservations to expedite travel arrangements.

#### 7. REGISTRATION FEES

The Board secretary or secretary's designee will be responsible for issuing payment for required registration fees. This cost may include hotel reservations and selected meals.

#### 8. PARKING AT OAKLAND INTERNATIONAL AIRPORT

When appropriate, the Board secretary or the secretary's designate will make arrangements for parking at the Oakland International Airport when parking fees will be less than the cost for taxi transportation fees.

## 9. ~~8.~~ TRAVEL BY PRIVATELY-OWNED VEHICLES

Board members, who use their privately owned vehicles for official travel within a ~~150-~~275 mile radius of City Hall, will be reimbursed at the rate of ~~44.5~~ 55 cents per mile in accordance with the U.S. General Services Administration (GSA) Privately Owned Vehicle Mileage Reimbursement Rates. For trips exceeding ~~150-~~275 mile radius of City Hall, Board members will be reimbursed at the established full coach airfare.

## 9.10. TRAVEL BY COMMON CARRIER

When the carrier provides transportation by more than one class of service, the full coach fare on a major airline shall be used.

Baggage check-in fees will be reimbursed along with the cost of the airline ticket.

## 10.11. OVERNIGHT LODGING

The Board secretary or secretary's designee will ~~be responsible for coordinating~~ and ~~scheduling~~ hotel reservations and ~~authorizing~~ payments of invoices. Conference discount rates are to be used if offered. Travelers may make independent reservations, under unusual circumstances, and are expected to stay in economical accommodations. A receipt is needed for full reimbursement of lodging costs.

## 11.12. PER DIEM

Per Diem is ~~\$569.00,~~ in accordance with the U.S. General Services Administration Domestic Perdiem Rates schedule for California, -and is used to cover the cost of three meals plus tips. There are no restrictions on how the meal per diem will be divided. Receipts are not necessary, since ~~\$569.00~~ is the maximum allowable rate. If registration fee includes meals, then the per diem will be reduced according to the schedule shown below.

### PER DIEM RATES

Breakfast	\$ <del>14</del> <u>2</u> .00
Lunch	<del>16</del> <u>7</u> .00
Dinner	<u>29</u> <del>30</del> .00
Total Per Diem	\$ <del>56</del> <u>9</u> .00

Section 11.1. Local Transportation may be used to the airport for departure to and arrival from the travel location. A receipt is needed for full reimbursement of local transportation costs.

Section 11.2. Expense Reports will be submitted within ten (10) working days of return from a trip. Board secretary or secretary's designee may request further justification and

documentation and may deny cost claims which are not considered reasonable.

Section 11.3. Board members who travel on a non per-diem basis must submit receipts for all expenses incurred.

### 12.13. CANCELLATIONS

It is the Board member's responsibility to cancel reservations and refund the Board ~~of~~ for all previously issued expenses.

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PRESIDENT, BOARD OF ADMINISTRATION  
OAKLAND MUNICIPAL EMPLOYEES'  
RETIREMENT SYSTEM

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SECRETARY, BOARD OF ADMINISTRATION  
OAKLAND MUNICIPAL EMPLOYEES'  
RETIREMENT SYSTEM

**OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT BOARD**  
CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 4813

ON MOTION OF MEMBER COTTEN SECONDED BY MEMBER RUBY

**RESOLUTION APPROVING DEATH BENEFIT ROLL NO. 4585 AND DIRECTING  
WARRANTS THEREUNDER IN THE TOTAL SUM OF \$1,000.00**

**WHEREAS**, due proof having been received of the death of certain retired members of the Oakland Municipal Employees' Retirement, on the date set opposite the respective name(s); listed in the following Column (1); and

**WHEREAS**, said member(s) were credited with the number of completed years of service credited under the Oakland Municipal Employees' Retirement, set opposite the respective name(s); and

**WHEREAS**, said member(s) have heretofore nominated as the beneficiaries to receive the death benefit provided by Section 18.2 of Ordinance No. 713 C.M.S., as amended, the person whose name(s) are shown in Column (3) hereinafter appearing opposite said member's respective name(s); now, therefore, be it

**RESOLVED:** That the Board of Administration approves, and it does hereby approve payment of the amount shown in the following Column (5) to the respective beneficiary whose name(s) appears in the following Column (3):

(1)	(2)	(3)	(5)
Names of Deceased Retired Member	Date of Retired Member's Death	Name of Beneficiaries Nominated by Retired Member	Amount of Death Benefit Payable
Zelma Pulcifer	04/08/2009	Carol Ann Mosher	\$1,000.00

IN BOARD MEETING, CITY HALL, OAKLAND, CA JULY 30, 2009

PASSED BY THE FOLLOWING VOTE:

AYES: GILMORE ~~RUSSELL~~ COTTEN  
YEW RUBY

NOES:

ABSENT: Russell

ATTEST: Carol E. Get  
PRESIDENT  
ATTEST: Gronne A. Hudson  
SECRETARY



**OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT BOARD**

CITY OF OAKLAND, CALIFORNIA

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Names of Deceased Retired Member	Date of Retired Member's Death	Name of Beneficiaries Nominated by Retired Member	Amount of Death Benefit Payable
Zelma Pulcifer	04/08/2009	Carol Ann Mosher	\$1,000.00

IN BOARD MEETING, CITY HALL, OAKLAND, CA JULY 30, 2009

PASSED BY THE FOLLOWING VOTE:

AYES: GILMORE RUSSELL COTTEN  
YEW RUBY

NOES:

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY