

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 Committee 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.

Oakland Police and Fire Retirement Board and committee meetings are held in wheelchair accessible facilities. Contact the Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



Retirement Unit
150 Frank H. Ogawa Plaza
Oakland, California 94612

AGENDA

AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairman

Katano Kasaine
Member

Robert J. Muszar
Member

**In the event a quorum of the Board participates in the Committee meeting, the meeting is noticed as a Special Meeting of the Board; however, no final Board action can be taken. In the event that the Audit Committee does not reach quorum, this meeting is noticed as an informational meeting between staff and the Chair of the Audit Committee.*

**REGULAR MEETING of the AUDIT / OPERATIONS COMMITTEE
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")**

Wednesday, June 26, 2019 – 9:30 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

- - - ORDER OF BUSINESS - - -

- 1. Subject: PFRS Audit Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE May 29, 2019 Audit Committee meeting minutes.
- 2. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report regarding PFRS administrative expenses from July 1, 2018 through April 30, 2019.
- 3. Subject: Development of Hearing Procedures for PFRS Members**
From: Member Robert Muszar

Recommendation: ACCEPT an informational report regarding the development of hearing procedures for PFRS members.
- 4. REVIEW OF PENDING AUDIT AGENDA ITEMS**
- 5. Future Scheduling**
- 6. Open Forum**
- 7. Adjournment of Meeting**

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on Wednesday, May 29, 2019 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Katano Kasaine, Member
- Robert J. Muszar, Member

Additional Attendees:

- David Jones, Plan Administrator
- Teir Jenkins & David Low, Staff Member
- Jennifer Logue, PFRS Legal Counsel

The Meeting was called to order at 9:16 a.m.

1. **PFRS Audit Committee Meeting Minutes** – Member Kasaine made a motion to approve the April 24, 2019 Audit Committee meeting minutes, second by member Muszar. The Committee directed staff to review the recording of the April 24, 2019 Audit Committee meeting to verify and, if necessary, correct the report for agenda item 10 (pending audit agenda list). **AMENDED MOTION:** Member Kasaine made an amended motion to approve the April 24, 2019 Audit Committee meeting minutes with amendments as needed following staff review, second by member Muszar. Motion passed.

[SPEAKMAN – Y / MUSZAR – Y/ KASAINÉ –Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Administrative Expenses Report** – Teir Jenkins presented the status of the administrative expenditures of the PFRS plan through March 31, 2019. Following his review and some committee and staff discussion, Member Muszar made a motion to accept the informational report from staff, second by member Kasaine. Motion passed.

[SPEAKMAN – Y / MUSZAR – Y/ KASAINÉ –Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **2006 Management Audit of the PFRS System** – David Jones reported that staff was directed by the Audit Committee at its April 2019 meeting to provide information which would: (1) provide the scope of services sought by the PFRS Board in the original Management Audit conducted in 2006; (2) provide the cost of the 2006 management audit services; and (3) provide a detailed report showing that the findings of the report are complete. Mr. Jones submitted his agenda report to the Audit Committee presenting the staff’s work on this matter.

The Audit Committee discussed how it expected to move forward following the report submitted by staff. Member Muszar explained his reason why he would like to hold this matter to the next available meeting, including his request directing staff to bring to the Audit Committee the original engagement of services letter because he believed it would include a more refined scope of services for PFRS than what was outlined in the scope of services stated in the Request for Proposal. **MOTION:** Following additional committee discussion on this matter, Member Kasaine made a motion (1) directing staff to bring the Audit committee the original engagement letter submitted

PFRS Audit/Operations Committee Meeting Minutes

May 29, 2019

Page 2 of 2

to PFRS by Independent Fiduciary Services (IFS), and (2) to continue discussion on this matter at the July 2019 Audit Committee meeting, second by member Muszar. Motion passed.

[SPEAKMAN – Y / MUSZAR – Y/ KASAINE –Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Pending Audit Agenda List** – Plan Administrator David Jones reported the status of agenda items on the current pending audit agenda list. PFRS Legal Counsel Jennifer Logue said she needed to do additional research regarding the maintaining of privacy of medical records on the hearing procedures matter.

The committee discussed possible agenda topics for the June 26, 2019 meeting that were not detailed on the Pending Audit Agenda List. The Committee discussed the possibility of a presentation by Member Muszar about the reporting of information he has researched regarding hearing procedures at an upcoming Audit Committee meeting.

5. **Future Scheduling** – The next Audit Committee meeting was scheduled for June 26, 2019.
6. **Open Forum** – No Report.
7. **Meeting Adjournment** – Meeting adjourned at 9:57 a.m.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of April 30, 2019

	Approved Budget					
	April 2019	FYTD	Remaining	Percent Remaining		
Internal Administrative Costs						
PFRS Staff Salaries	\$ 1,084,000	\$ 71,152	\$ 752,780	\$ 331,220		30.6%
Board Travel Expenditures	52,500	240	8,348	44,152		84.1%
Staff Training	20,000	-	1,233	18,767		93.8%
Staff Training - Tuition Reimbursement	7,500	-	1,640	5,860		78.1%
Annual Report & Duplicating Services	4,000	-	-	4,000		100.0%
Board Hospitality	3,600	120	1,830	1,770		49.2%
Payroll Processing Fees	35,000	-	-	35,000		100.0%
Miscellaneous Expenditures	46,700	5,474	14,691	32,009		68.5%
Internal Service Fees (ISF)	65,400	11,654	60,384	5,016		7.7%
Contract Services Contingency	50,000	-	1,200	48,800		97.6%
Office Construction Costs*	75,227	-	55,330	19,898		26.4%
Internal Administrative Costs Subtotal :	\$ 1,443,927	\$ 88,640	\$ 897,436	\$ 546,491		37.8%
Actuary and Accounting Services						
Audit	\$ 45,000	\$ -	\$ 44,300	\$ 700		1.6%
Actuary	45,000	-	36,454	8,546		19.0%
Actuary and Accounting Subtotal:	\$ 90,000	\$ -	\$ 80,754	\$ 9,246		10.3%
Legal Services						
City Attorney Salaries	\$ 188,000	\$ -	\$ 100,593	\$ 87,407		46.5%
Legal Contingency	150,000	1,425	11,570	138,430		92.3%
Legal Services Subtotal:	\$ 338,000	\$ 1,425	\$ 112,163	\$ 225,837		66.8%
Investment Services						
Money Manager Fees	\$ 1,301,900	\$ 72,753	\$ 630,903	\$ 670,997		51.5%
Custodial Fee	124,000	-	58,250	65,750		53.0%
Investment Consultant (PCA)	100,000	-	75,000	25,000		25.0%
Investment Subtotal:	\$ 1,525,900	\$ 72,753	\$ 764,153	\$ 761,747		49.9%
Total Operating Budget	\$ 3,397,827	\$ 162,819	\$ 1,854,506	\$ 1,543,321		45.42%

*Carry Forward from FY 2017-2018

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of April 30, 2019

	April 2019
Beginning Cash as of 3/31/2019	\$ 7,731,007
Additions:	
City Pension Contribution - April	\$ 3,735,083
Investment Draw (Incoming Wire) - 4/1/2019	1,000,000
Misc. Receipts	15,699
Total Additions:	\$ 4,750,782
Deductions:	
Pension Payment (March Pension Paid on 4/1/2019)	(4,544,822)
Expenditures Paid	(178,639)
Total Deductions	\$ (4,723,461)
 Ending Cash Balance as of 4/30/2019*	 \$ 7,758,328

* On 5/1/2019, April pension payment of appx \$5,757,000 will be made leaving a cash balance of \$2,001,000

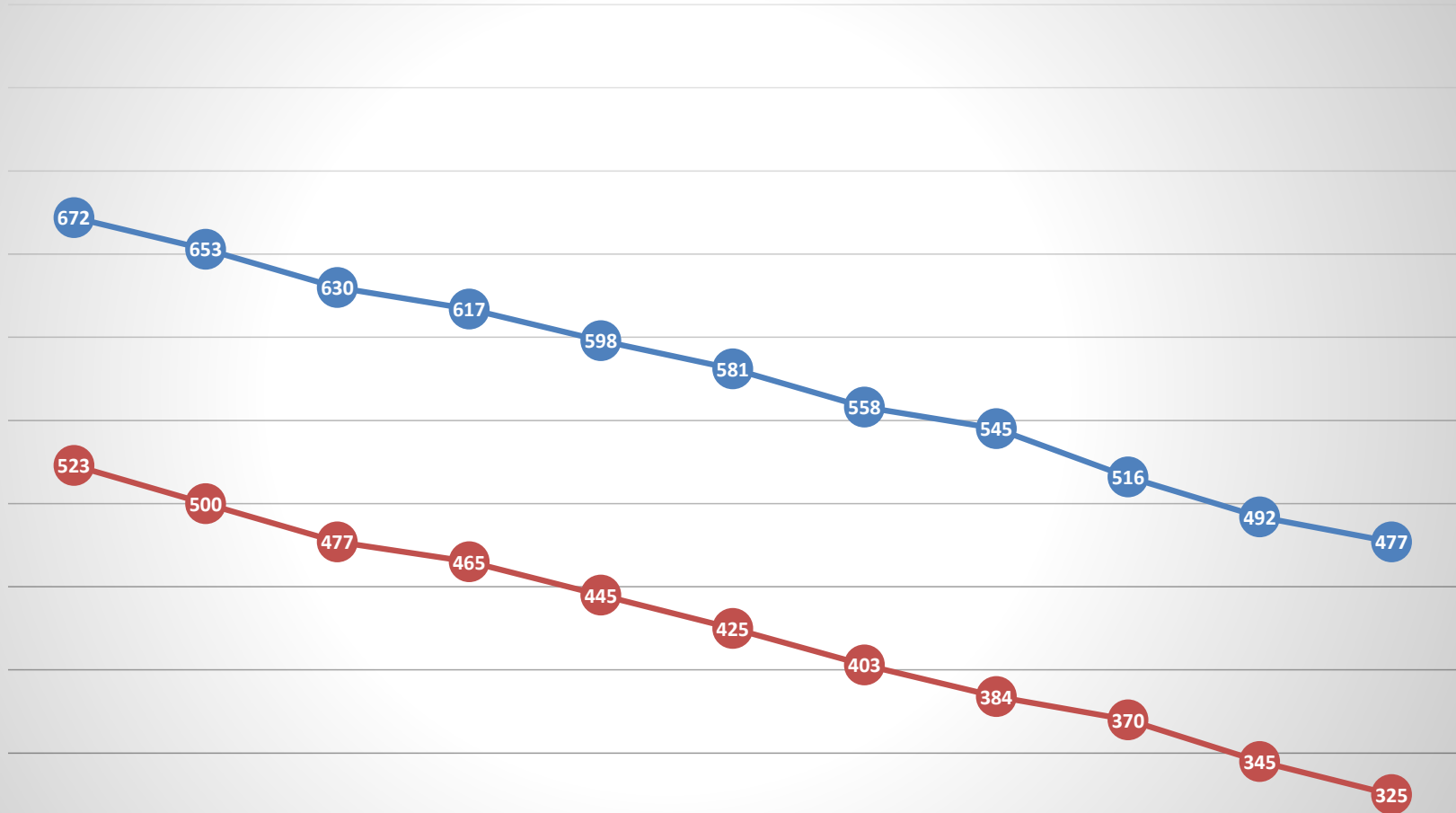
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of April 30, 2019

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	350	200	550
Beneficiary	127	125	252
<i>Total Retired Members</i>	477	325	802
<i>Total Membership:</i>	477	325	802

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	316	169	485
Disability Retirement	147	142	289
Death Allowance	14	14	28
<i>Total Retired Members:</i>	477	325	802
<i>Total Membership as of April 30, 2019:</i>	477	325	802
<i>Total Membership as of June 30, 2018:</i>	492	345	837
<i>Annual Difference:</i>	-15	-20	-35

Oakland Police and Fire Retirement System Pension Plan Membership Count As of April 30, 2019 (FY 2009 - FY 2019)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 FYTD
● Police	672	653	630	617	598	581	558	545	516	492	477
● Fire	523	500	477	465	445	425	403	384	370	345	325
● Total	1195	1153	1107	1082	1043	1006	961	929	886	837	802

To: PFRS Audit and Operations Committee
Via May 2019 Agenda Package
David Jones, Plan Administrator
Jennifer Logue

From: Robert J. Muszar

Date: May 6, 2019

Subject: Research into Direction Provided by Audit Committee to Deputy City Attorney Regarding the Development of Hearing Procedures

At the April 24, 2019 Audit and Operations Committee ("Committee") meeting I was assigned to research the nature and the scope of the Committee's prior decisions/direction regarding the development of hearing procedures for the Committee's review, consideration and possible recommendation to the PFRS Board.

The Committee decided to review and possibly update the PFRS Rules and Regulations at its April 26, 2017 meeting. The first substantive discussion on the matter was scheduled for the Committee's May 2017 meeting. The minutes of the April 26, 2017, which are attached as Exhibit 1, indicate that I brought up the possible development of hearing procedures as a part of the Committee's review.

The Committee's review of the rules and regulations actually began at its May 31, 2017 meeting. A staff report, dated May 24, 2017, was included in the Committee's agenda package (Exhibit 2). Attachment B to this staff report was a memorandum from me responding to the Committee's request for comments and/or suggestions. Near the end of this memorandum I requested that certain topics be added to the Committee's review. They included the possible addition of:

"Article/Sections setting forth hearing procedures for Board hearings conducted pursuant to Sections 2603 and/or 2604 of the City Charter".

"Article/Sections setting forth hearing procedures for public hearings conducted for purposes other than Sections 2603/2604 of the Charter".

The minutes of the May 31, 2017 meeting further indicate that I provided the Committee with a four page memorandum of discussion points and that I "read aloud through the points and provided details verbally." The minutes of the May 2017 Committee meeting and the four page memorandum are attached as Exhibits 3 and 4 respectively. In the May 31 memorandum I again suggested that the Committee consider adding the following topics to the PFRS Rules and Regulations:

"Hearing procedures for hearings conducted pursuant to Sections 2603 and/or 2604 of the City Charter."

"Hearing procedures for public hearings conducted for purposes other than Sections 2603/2604."

The Committee continued its review at the June 28, 2017 meeting. Although I had provided staff with a memorandum regarding the Committee's review on June 14, 2017 it was not included in the Agenda package. Therefore I handed the memorandum out at the June 28 meeting. The minutes of the June 28 meeting and my June 14 memorandum are included as Exhibits 5 and 6, respectively. In the June 14 memorandum, I once again requested that the Committee's review include:

"Hearing procedures for hearings conducted pursuant to Sections 2603 and 2604 of the Charter."

"Hearing procedures for public hearings that are not conducted pursuant to Sections 2603/2604 of the Charter."

The Committee's July 26, 2017 meeting was canceled. The Committee next discussed possible revisions to the rules and regulations at its August 30, 2017 meeting. An extensive staff report, which included an updated version of my June 14, 2017 memorandum, was included in the agenda package. The minutes of the August 30 meeting and the staff report are included as Exhibits 7 and 8, respectively. The updated version of my memorandum included the same references to hearing procedures as did the previous version.

The Committee continued its review at its September and October 2017 meetings. The matter was put over at the November 2017 meeting due to time constraints and the December 2017 meeting was cancelled. The minutes from the October 25, 2017 meeting, which are attached as Exhibit 9, include the following comments from Member Christine Daniel:

"...There is also a need for separate rules to address any member hearings under Section 2603 to due process...."

The Committee's review appeared on the January and February 2018 agendas but was put over each month due to time constraints. The Committee continued its review at the March 28, 2018 meeting. The minutes of this meeting, which are attached as Exhibit 10, include the following comments from me and Member Christine Daniel:

"...Upon the completion of their principal review and edit, Member Muszar said he had a several comments related to hearing procedures which may affect further editing to the PFRS Rules and Regulations. Following committee discussion, member Daniel made a motion directing staff complete an updated draft of the PFRS Rules and Regulations to date for continued discussion at the April 2018 Audit Committee meeting, and to provide the committee with the hearing procedures adopted by the Board for overpayment recovery hearings conducted in early 2016, second by member Muszar. Motion passed."

The Committee continued its review and began to finalize its recommendations at the April 25, 2018 meeting. The minutes of the April 25 meeting, which are attached as Exhibit 11, include the following:

"... Member Muszar said he would like to have the development and inclusion of Hearing Procedures included in the Rules and Regulations. Member Muszar said the setting of clear hearing procedures would help mitigate conflict and confusion regarding hearings. Member Daniel expressed a due process distinction between hearings for policy matters compared to individual matters."

“...Following committee discussion, the Audit Committee agreed that hearing procedures would not be included in the revised version of the PFRS Rules and Regulations but should continue to be developed separately.”

“...Staff was instructed to provide the Audit Committee at the May 2018 meeting research on the policy governing hearing procedures from other retirement systems, including Contra Costa County, City of Fresno and City of San Diego.”

On April 30, 2018 PFRS staff provided copies of the above-described hearing policies to Committee members via an email. The text of that email is attached as Exhibit 12.

The May 30, 2018 Committee meeting was canceled following the distribution of the agenda. The published agenda package did not include “*research* on the policy governing hearing procedures from other retirement systems, including Contra Costa County, City of Fresno and City of San Diego as directed by the Committee at its April meeting.”

The Board and its committees next met on June 27, 2018. The Committee’s recommendations regarding the PFRS Rules and Regulations and a Resolution approving them appeared on the Board’s agenda (the item did not appear on the Committee’s agenda). The minutes of the June 27, 2018 Board meeting, which are attached as Exhibit 13, show that the Board approved the Resolution.

The July meetings of the Board and its committees were canceled. The Committee next met on August 29, 2018. The published agenda package did not make reference to, nor did it include “research on the policy governing hearing procedures from other retirement systems, including Contra Costa County, City of Fresno and City of San Diego.” The Audit Committee Agenda Pending List did not include the pending development of hearing procedures. The Agenda and the Pending List are attached as Exhibits 14 and 15, respectively. The minutes of the August 29, 2018 meeting, which are attached as Exhibit 16, indicate that I raised the issue during Future Scheduling as follows:

“Member Muszar made a motion directing staff to add an additional agenda item to a future audit agenda item addressing the development of hearing procedures, second by member Daniel. Motion passed.”

Over what was essentially this same span of time, on a completely separate track, the Committee had been attempting to address the handling of confidential medical information and was attempting to determine whether the use of closed sessions was appropriate for this purpose. The minutes of the August 29, 2018 meeting indicate that I raised this issue during Future Scheduling as follows:

“Member Muszar wanted to add an agenda item to the audit committee agenda to have a dialogue regarding sensitive personal information at public meetings. Following some Committee discussion, Member Daniel suggested to PFRS legal counsel provide information on this matter when presenting information about hearing procedures at the upcoming meeting.”

Thereafter, the September, October, November and December 2018 as well as the January 2019 Audit Committee Agenda Pending Lists included references to this twofold direction which had been given to the City Attorney. The September 2018 Pending List, which is attached as Exhibit 17, referenced this item as follows:

Subject	Proposed Scheduled Meetings	Status
Discussion about Hearing Procedures and procedures to address sensitive personal information at public meetings.	10/31/18	Report to be developed by PFRS Legal Counsel

The October 2018 Pending List made further distinction that this item (and direction to the City Attorney) had two distinct components. The October 2018 Pending List, which is attached as Exhibit 18, referenced this item as follows:

Subject	Proposed Scheduled Meetings	Status
Procedures Addressing (1) Board Hearings and (2) Sensitive Personal Information at public meetings.	November 2018	Continuing to Prepare Report

The November and December 2018 as well as the January 2019 Pending Lists (Exhibit 19) continued to list this item. Although the proposed scheduling and the status sections varied slightly, the Subject section in each of the lists was identical to that of the October 2018 list.

The Committee's February 2019 agenda package included a staff report from the Plan Administrator which addressed only the 2nd portion of the direction that the Committee had previously provided to the City Attorney and any reference to this project was removed from the Committee's Pending List. The February 19, 2019 staff report and the February Agenda Pending List are attached as Exhibits 20 and 21 respectively. This item was put over to the Committee's March 2019 meeting.

At the Committee's March and April 2019 meetings I expressed concern that the above referenced staff report represented only half of the project and that item (1) of the project was to include draft hearing procedures for hearings scheduled pursuant to Section 2603 of the Charter as well as procedures addressing public hearings that are held for another purpose. At the Committee's April meeting, I was assigned to research this issue and report back to the Committee at its May 2019 meeting.

Based on all of the foregoing I believe that it is clear the Committee's direction to the City Attorney was twofold. First the City Attorney was to prepare a report addressing the development of procedures for the conduct of hearings held pursuant to Sections 2603/2604 of the Charter and procedures for public hearings conducted for purposes other than Sections 2603/2604. Second, the City Attorney was to prepare a report regarding the handling confidential medical information¹.

¹ Although not directly addressed in this memorandum the context of previous Committee discussions as well as the February 19, 2019 staff report demonstrate that the Committee was concerned about the use of Closed Sessions for the purposes of considering Widows' continuances and, potentially, applications to modify pension status from "Service" to "Disability" retirement. The need to protect confidential medical records to the maximum extent possible was a driving factor in these discussions.

D R A F T**PFRS Audit/Operations Committee Meeting Minutes**

April 26, 2017

Page 1 of 3

A **SPECIAL AUDIT/OPERATIONS COMMITTEE MEETING** of the Oakland Police and Fire Retirement System ("PFRS") was on held Wednesday, April 26, 2017 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Robert J. Muszar, Member
- Christine Daniel, Member

Additional Attendees:

- Katano Kasaine, Plan Administrator
- David Low & Teir Jenkins, Staff Members
- Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:34 AM

1. **Approval of February 22, 2017 Audit Committee meeting minutes** – Member Muszar thanked staff for reviewing and editing the February 22, 2017 Audit Committee meeting minutes. Member Muszar made a motion to approve the February 22, 2017 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Approval of March 29, 2017 Audit Committee meeting minutes** –Member Daniel made a motion to approve the March 29, 2017 Audit Committee meeting minutes, second by Member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **PFRS Monthly Administrative Expenses Report** – Investment Officer Teir Jenkins presented the details of the PFRS administrative expenses report from July 1, 2016 through February 28, 2017. Member Daniel asked staff questions regarding budgeted projections of administrative expenses by the end of the fiscal year. Following committee discussion, Member Daniel made a motion to accept the Administrative Expenses Report from July 1, 2016 through February 28, 2017, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Review of PFRS Rules and Regulations** – Member Muszar discussed his recommendation to schedule a review and recommendation to modify the PFRS rules and regulations by the October 2017 Board meeting. He suggested staff first take the lead with inquiring with the PFRS board members any Rules & Regulations update-related concerns to be brought back to the PFRS Audit Committee for further review at upcoming audit committee meeting.

Plan Administrator Katano Kasaine and the Audit Committee discussed this matter to clearly form the committee's instruction to staff on regarding this matter. Member Muszar noted that the recent confusion in procedure he experienced was the lack of organization regarding Member Hearings which he felt were illustrated the need for such a review/update. He also felt the election procedures are antiquated and can should be updated. Member Muszar added that a 'periodic review' mechanism should be built into the Rules and Regulations.

Member Muszar made a motion that the Audit Committee inform the PFRS Board of their plan to review and possible update the PFRS Rules and Regulations, and the need for PFRS Board members to submit their review questions related to this update to staff by May 15, 2017 for inclusion of the audit committee discussion at the next PFRS audit committee, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

D R A F T

5. **Review of PFR Protocols regarding closed session process for disability hearings** – Member Muszar stated his concerns regarding the closed session process used last month on the Carlisle hearings regarding service/non-service cause of death. Legal counsel will provide the board members with a California Attorney General Opinion which addresses the issue.

Member Daniel made a motion to continue this item to the May 2017 meeting, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

6. **Review possible administrative/management audit of PFRS Administration** – Member Muszar requested the audit committee recommend the Board approve a management audit of the PFRS system. Member Daniel moved that staff provide for committee review the following items: (1) The prior management audit Final Report ; (2) Board response to the audit items; (3) the RFP for the management report consultant, and (4) the cost for the service, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

7. **Resolution No. 6965 - Travel Authorization for Board Member R. Steven Wilkinson** – Member Daniel made a motion to recommend Board Approval of Resolution No. 6965 - Travel Authorization for Staff Member R. Steven Wilkinson to Travel and Attend the 2017 NASP Pension and Financial Services Conference ("2017 NASP Conference") from/on June 26, 2017 to June 28, 2017 in Los Angeles, CA with an Estimated Budget of One Thousand Seven Hundred Fifty-Seven Dollars (\$1,757.00), second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

8. **Resolution No. 6968 - Travel authorization for Staff Member Pelayo Llamas** – Member Daniel made a motion to recommend Board approval of Resolution No. 6968 – Travel authorization for Staff Member Pelayo Llamas to travel and attend the 2017 CALAPRS Attorneys' Roundtable Conference ("2017 CALAPRS Conference") from/on June 2, 2017 in Burbank, CA with an estimated budget of Eight Hundred Nine Dollars (\$809.00), second by member Muszar. Motion passed..

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

9. **Resolution No. 6969 – Travel authorization for PFRS Board Member R. Steven Wilkinson** – Member Muszar said he had some questions for Member Wilkinson regarding his requested attendance to this conference. Member Muszar made a motion to recommend carrying action on Resolution No. 6969 for Board consideration to the Board meeting, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

10. **Resolution No. 6970 – Travel authorization for PFRS Staff Member Katano Kasaine** – Member Daniel made a motion to recommend Board approval of Resolution No. 6970 – the travel authorization for PFRS Staff Member Katano Kasaine to travel and attend the 2017 IIR Public Funds Roundtable Conference ("2017 IIR Conference") from/on April 26, 2017 to April 28, 2017 in Los Angeles, CA with an estimated budget of One Thousand Two Hundred Seventeen Dollars (\$1,217.00), second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

DRAFT

11. **Open Forum – No Report.**

12. **Future Scheduling** – The next audit committee meeting was scheduled for May 31, 2017.

The meeting adjourned at 10:04 AM

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

DRAFT



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: Katano Kasaine

SUBJECT: Discussion of PFRS Rules and Regulations **DATE:** May 24, 2017

BACKGROUND

At its April 26, 2017 meeting, the PFRS Board directed Staff to request each PFRS Board member to list and send back to Staff each section of the PFRS Rules and Regulations for which they have some questions, comments, and/or concerns which they would like to discuss. Staff was directed by the Board to bring these board questions, comments, and/or concerns to the May 31, 2017 Audit Committee for discussion and evaluation.

To date, staff received comments from only one PFRS Board member (attached).

Respectfully submitted,

Katano Kasaine, Plan Administrator
Oakland Police and Fire Retirement System

Attachment:

- PFRS Rules and Regulations -- effective 24SEP2014.
- PFRS Board Member submission(s) of sections of the Rules and Regs for discussion.

Agenda Item B2
PFRS Board Meeting
May 31, 2017

ATTACHMENT A

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Article 1: IDENTIFICATION

Section 1.1: Name

The Oakland Police and Fire Retirement Systems ("PFRS") Board

Section 1.2: Office Location

Retirement Systems, 150 Frank H. Ogawa Plaza, Suite 3332, Oakland, CA 94612

Section 1.3: Authority, Statutory Requirements

The PFRS Board shall comply with all applicable laws, including but not limited to Article XVI, Section 17 of the California Constitution, Article XXVI of the Oakland City Charter, the Oakland Sunshine Ordinance (Oakland Municipal Code ("OMC") Chapter 2.20, the Ralph M. Brown Act (Government Code section 54950 et seq.), the California Public Records Act (Government Code section 6250 et seq.), and the Oakland Conflict of Interest Code (OMC Chapter 3.16).

Article 2: MISSION STATEMENT

It is the mission of the Board of the Oakland Police and Fire Retirement System to manage and administer the Oakland Police and Fire Retirement System and Fund. In order to fulfill this mission, the PFRS Board shall:

1. Possess power to make all necessary rules and regulations for its guidance;
2. Have exclusive control of the administration and investment of the fund established for the maintenance and operation of the System;
3. Administer the System in accordance with the provisions of Article XXVI of the Oakland City Charter;
4. Exercise its plenary authority and fiduciary responsibility for investment of the Plan's funds in accordance with Article XVI, Section 17 of the California Constitution.

Article 3: BOARD OF TRUSTEES

Section 3.1: Board Membership

The Board of the Police and Fire Retirement System consists of seven members, appointed or elected as set forth in Oakland City Charter section 2601: the Mayor (or a designated representative), a life insurance executive of a local office, a senior officer of a local bank, a community representative, an elected retired member of the Police Department, an elected retired member of the Fire Department, and an elected member position that alternates between the Police Department and Fire Department memberships. A retired police or fire member may be elected by the active and retired

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

membership to serve if no active member is elected to serve on the Board from their respective department.

Section 3.2: Procedure to Fill Vacancy of Elected Members

In the event a vacancy occurs before the end of a full term in any of the three (3) elected offices of the Board which are filled by retired members of the Retirement System, a successor shall be elected for the unexpired portion of the term vacated in accordance with Section 11.12.

Section 3.3: Procedure to Fill Vacancy of Appointed Members

In the event a vacancy occurs before the end of a five (5) year term in any of the three (3) appointed offices of the Board, the Mayor's office will be notified of the vacancy by the Retirement office. The new appointee shall be appointed by the Mayor, confirmed by Oakland City Council and sworn-in by the Oakland City Clerk's office. A successor appointed under this Section shall be appointed for the remainder of the vacated term.

Section 3.4: Holdover

In the event of a failure to appoint a successor to the Board seat held by the life insurance representative, bank representative, or community representative after the expiration of a five (5) year term, the Board member most recently filling that seat may continue to serve as a Board member during the following term in a holdover capacity for up to one year.

Section 3.5: Compensation

All Board members shall serve without compensation.

Article 4: **BOARD MEMBER RESPONSIBILITIES AND CORE COMPETENCIES**

Section 4.1: Attendance

All Board members are expected to attend all board and applicable committee meetings. While attendance is not always possible, board members should, once the calendar for a year is set, immediately identify any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts. Absences for medical or other substantial reasons shall be deemed to be excused absences in the discretion of the Board President.

Section 4.2: Preparation

Board members should come to Board and committee meetings having already read the materials prepared and circulated by staff and/or consultants, and having already asked any questions of staff necessary for their understanding.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 4.3: Integrity

Board members shall conduct themselves with integrity and dignity, maintaining the highest ethical conduct at all times. They should understand system objectives and exercise care, prudence and diligence in handling confidential information.

Section 4.4: Conflict of Interest

No Board member and no employee of the Board shall have any interest, direct or indirect in the making of any investment, or in the gains or profits accruing there from. No member or employee of the Board, directly or indirectly, for himself or herself or as an agent or partner of others, shall borrow any of its funds or deposits or in any manner use the same except to make such current and necessary payments as are authorized by the Board; nor shall any member or employee of the Board become an endorser or surety or become in any manner an obligor for moneys invested by the Board.

Board members, staff and specified consultants are subject to the conflict of interest provisions the Oakland Municipal Code (OMC Chapter 3.16) and California state law, including but not limited to the Political Reform Act (Government Code section 81000 et seq) and Government Code section 1090.

Board members shall timely file annually the Statement of Economic Interests (Fair Political Practices Commission Form 700) as required by the City of Oakland's Conflict of Interest Code.

Section 4.5: Knowledge

Board members should develop and maintain their knowledge and understanding of the issues involved in the management of the system. The specific areas in which board members should develop and maintain a high level of knowledge should include:

- Public pension plan governance.
- Asset allocation and investment management.
- Actuarial principles and funding policies.
- Financial reporting, controls and audits.
- Benefits administration.
- Vendor selection process.
- Open meeting and public records laws.
- Fiduciary responsibility.
- Ethics and conflicts of interest.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

Section 4.6: Education

Board members are expected to pursue educational opportunities that will assist them in the fulfillment of their fiduciary duties to the retirement plan and its beneficiaries. Each Board member will be allocated an educational allowance on an annual basis.

Section 4.7: Collegiality

Board members shall make every effort to engage in collegial deliberations, and to maintain an atmosphere in which board or committee members can speak freely, explore ideas before becoming committed to positions and seek information from staff and other members.

Article 5: **MEETINGS**

Section 5.1: Open Meetings / Quorum

Public notice of all meetings shall be provided as required by the Brown Act and the Sunshine Ordinance. Four members of the Board shall constitute a quorum for the transaction of business. Two Board Members constitute a quorum for the purpose of a Committee meeting. The powers conferred by the Charter upon the Board shall be exercised by order or resolution adopted by the affirmative votes of at least four (4) Board members. The affirmative votes of five (5) members of the Board are required for all investment decisions excluding Board approved drawdowns for benefits payments or administrative expenses.

Section 5.2: Time and Place of Regular Meetings

Section 5.2a: Full Board

The regularly scheduled meetings of the PFRS Board shall take place at Oakland City Hall on the last Wednesday of each month.

Section 5.2b: Standing Committee

The regularly scheduled meetings of the Audit/Operations Committee shall take place at Oakland City Hall on the last Wednesday of each month, at a specified time.

The regularly scheduled meetings of the Investment Committee shall take place at Oakland City Hall on the last Wednesday of each month, at a specified time.

Section 5.3: Special Meetings

The President or a majority of the members of the Board may schedule a Special Meeting of the board at any time, with notice given in accordance with the notice provisions of the Sunshine Ordinance and Brown Act.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Article 6: FISCAL YEAR

The fiscal year of the Board shall commence upon the first day of July each year and terminate on the thirtieth day of June of the following year.

Article 7: OFFICERS

Section 7.1: Elective Officers

At the regular meeting in September of each year, the Board shall elect one of its members to act as President for the ensuing year, and one to act as Vice President. The Board shall also appoint a Secretary who shall hold office at its pleasure.

Section 7.2: Terms of President and Vice-President

The President and Vice-President shall take office at the close of the September meeting following their election and shall serve for one year or until their successors have been elected and take office.

Section 7.3: Duties of President and Vice-President

The President of the Board shall preside at all Board meetings. In his or her absence, the Vice-President shall preside. In the absence of both the President and the Vice-President, when the President has not selected a President Pro Tem in advance, the Board shall select one of its own members to preside.

The President shall also:

- Appoint the members of the Board's standing committees annually prior to the October meeting;
- Add or delete items from the Full Board Meeting Agenda and Committee Agendas;
- Schedule a Special Meeting of the Board,
- Create ad hoc committees for a limited duration and purpose, which shall be comprised of at least one but less than a quorum of board members, and may include a non-board member(s),
- Sign authorized contracts, agreements and financial documents on the Board's behalf; and
- Perform other duties as directed by the Board.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

The Vice President shall also:

- Assume and discharge the President's duties when the President is absent or otherwise unable to perform them, or when directed by the President; and
- Perform other duties as directed by the Board.

Section 7.4: Duties of the Secretary of the Board

The Secretary shall have the power to:

- Administer oaths and affirmations
- Issue subpoenas in all matters pertaining to the administration and operation of the System

Section 7.5: Duties of the Plan Administrator

The Plan Administrator is authorized to:

- Approve the withdrawal of funds for the purpose of making benefit payments to retirees and their beneficiaries in the event that the Board is unable to do so in a timely manner and submit to the board for ratification.
- Approve all demands for payment of claims against the administrative appropriation as approved by the Board.

The Plan Administrator shall also:

- Submit a monthly report to the Board that shall summarize plan expenses and membership count of the Retirement System.
- Prepare an annual report for the Board and the City Council.
- Annually submit a budget for approval by the Board and to be submitted to the City Administrator for the bi-annual budget.

Article 8: **STANDING COMMITTEES**

Section 8.1: Investment Committee

The Investment Committee shall be a Standing Committee of the Board, consisting of three members, whose chairperson shall be the banker representative on the Board. If the banker representative position is vacant, the Board President shall appoint a chairperson. Annually, before the October meeting, the President of the Board shall appoint the additional members of the committee, who shall serve until their successors have been appointed.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

The Investment Committee shall have the responsibility for making recommendations to the Board in the following areas:

- Review the Plan's overall investment objectives, risk tolerance and performance standards and recommend changes to the Board.
- Recommend the hire or termination of investment managers to the PFRS Board.
- Keep the Board apprised of the performance of the Plan's investment portfolio.
- Recommend the asset allocation of the Plan to the Board.
- Recommend to the Board which investments to target for the purpose of making benefit payments under the Plan.
- Review the Investment Policy and recommend changes to the Board.

Section 8.2: Audit/Operations Committee

The Audit/Operations Committee shall be a Standing Committee of the Board, consisting of three members. Annually, before the October meeting, the President of the Board shall appoint the members of the committee, who shall serve until their successors have been appointed. The President shall appoint a Committee chairperson from one of the three Committee members.

The Audit/Operations Committee shall have the responsibility for making recommendations to the Board in the following areas:

- Review the Plan's administrative procedures for the purpose of ensuring prompt delivery of benefits and related services to participants and their beneficiaries and recommend necessary changes to the full Board.
- Review and recommend solutions to specific issues raised by the Board that relate to administration of the PFRS Plan.
- Review the actuarial valuation report and the annual financial audit report of the Plan and recommend approval by the Board, unless the Board President determines that a report should be reviewed in the first instance by the full Board.
- Review the annual budget and recommend approval by the Board.
- Monitor the Plan's administrative budget and assist the Board in defraying reasonable expenses.
- Develop and recommend changes to Board rules, regulations and policies in non-investment areas.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

- Other duties and/ or issues as directed by the Board.
- Approve Board Member Travel.
- Periodically review PFRS Travel Policy.

Article 9: MEETING PROCEDURES AND BOARD ACTION

Section 9.1: Board and Committee Time Management

The Board President or Committee Chair is responsible for time management of the applicable body. To the greatest extent feasible, all items on Board and Committee agendas shall be supported by concise, easily accessible written information.

Section 9.2: Speakers' Cards

Members of the public wishing to speak must submit their name and the item on the agenda they wish to discuss, if any, to staff before being recognized by the presiding officer.

Members of the public who wish to speak must complete a speaker card for each agenda item he/she wishes to speak on. Multiple agenda items cannot be listed on one speaker card.

Section 9.3: Public Speaker Procedures

Members of the public addressing the Board shall state their name. They shall confine their remarks to the agenda item under discussion, unless they are speaking during the Open Forum portion of the agenda.

Section 9.4: Time Limits for Public Speakers

Any member of the public who has submitted a speaker card on an agenda item, other than open forum, shall be allotted three (3) minutes to speak prior to any vote or action by the Board.

Subject to the provisions of this Rule that apply to public speakers who submit multiple speaker's cards, all public speakers on any one item shall be allotted the same amount of speaking time on that item, unless given ceded time, or unless more time must be given to comply with due process or other legal requirements or in circumstances where the Board is acting in a quasi-adjudicatory capacity.

Section 9.5: Speakers Submitting Speaker's Cards on Multiple Items

Subject to Section 9.4 and the discretion of the presiding officer, which discretion must be exercised in accordance with Section 9.4, a speaker who submits his or her name to speak on four or more items (other than open forum) will be instructed to address all items concurrently and shall be allotted 2 minutes per item up to a maximum of 10

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

minutes; if the presiding officer exercises his/her discretion under Section 9.4 to reduce each speaker's time to one (1) minute, speakers who submit four or more speaker's cards shall be allotted one (1) minute per item up to a maximum of 5 minutes.

Section 9.6: Ceding Time

In case the allotted time for each public speaker is less than two (2) minutes on an agenda item, a public speaker may extend his or her speaking time if other public speakers who have submitted their names to speak agree to cede their time to the recipient public speaker. The recipient public speaker will receive one (1) minute speaking time from each ceding public speaker, up to a maximum of five (5) minutes. At the presiding officer's discretion, a public speaker may be allotted more than five (5) minutes based on ceded time. The recipient public speaker must submit the ceding public speakers' speaking cards, and the ceding public speakers must be present at the time the recipient public speaker speaks.

Section 9.7: Open Forum

Public speakers submitting their names to speak under open forum shall be allotted a maximum of three (3) minutes. A public speaker may speak only once under open forum during any one meeting, subject to the discretion of the presiding officer. The presiding officer may reduce each public speaker's allotted time to one (1) minute if he or she publicly states all reasons justifying any reduction in speaker time, which reasons shall be based at least on consideration of the time allocated or anticipated for the meeting, the number and complexity of agenda items and the number of persons wishing to address the local body, and whether there will be sufficient time available during the meeting to consider all agenda items if all public speakers are allowed two (2) minutes to speak.

The Board cannot take any action under Open Forum unless it is deemed an emergency or urgency matter under the Sunshine Ordinance and Brown Act by a vote of the Board.

Section 9.8: Procedure for Placing New Items on an Agenda

For any new business by any board member, the full Board is authorized to add the item to future agendas of any meeting by an affirmative vote of a majority of the quorum of Board members present.

Section 9.9: Procedure to Add, Remove Agenda Items

For Board items, any Board member wishing to add (or remove) a Board agenda item after the Board has met, but before the agenda is published, must obtain authorization from the President of the Board.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

For Committee items, any Board member wishing to add (or remove) a Committee agenda item after the Committee has met, but before the agenda is published, must obtain authorization from the President of the Board and the Chair of the Committee.

Section 9.10: Minutes

The Secretary shall cause to be recorded in the minutes, the time and place of each meeting of the Board, the names of Board members present and all official acts of the Board along with a summation of the Board discussion along with the votes, and shall cause the minutes to be written and presented for approval no later than the second succeeding regular meeting.

Draft minutes shall be prepared and forwarded to Board members for review by the 15th business day following each meeting. The minutes or a true copy thereof, submitted and signed by the Secretary after approval by the Board shall form part of the permanent records of the Board.

Section 9.11: Other Requests

Other requests by the plan sponsor, other entities or the public will be directed to the Plan Administrator, who will review and respond administratively. To the extent the request need to be addressed to or by the Board, the request will be brought to the full board for further direction or authorization.

Section 9.12: Requests by the Board

Any research, analyses and reports from staff as are necessary for the Board's effective oversight of PFRS operations shall be initiated by placing that item on a future agenda in accordance with section 9.8. Such requests will be agendaized and considered at regularly scheduled Board meetings. If approved, the Plan Administrator will be responsible for coordinating the completion of the approved project or report within a reasonable time or by the completion date specified in the Board action.

Section 9.13: Requests by Individual Board Members

Board members making individual requests for information will be advised to place the item on the Board meeting agenda in accordance with section 9.8 unless the information is readily available and the Plan Administrator determines that a response will not require any significant commitment of staff time or other PFRS resources.

Section 9.14: Resolutions

The Board shall act either by order or by resolutions, numbered in sequence of passage. In every instance, authorization by Board resolution shall be required for the following:

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

- Retirement of active members of the Police and Fire Retirement System;
- Setting of Retirement and Disability Allowances;
- Reinstatement of members from the Disability Allowance Roll to active status;
- Approval of Death Benefits;
- Approval of continuation of allowances to eligible surviving spouse.
- Authorization of Contracts

The Board may, in its discretion, act by resolution in other matters not listed above. Actions taken by the Board by way of order shall be set forth in the minutes of the Board.

Section 9.15: Ayes and Noes

The Board shall pass resolutions or orders only by taking the ayes and noes by an audible vote, which shall be entered in its minute book. Each resolution shall show on its face the ayes and noes vote thereon and the members so voting.

Section 9.16: Subject and Title

Every resolution of the Board shall be confined to one subject, which shall be clearly expressed in its title.

Article 10: RULES OF ORDER

Roberts' Rules of Order shall be the final authority on all questions of procedure and parliamentary law, not otherwise provided for by the City Charter, (Article XXVI) or these rules.

Article 11: ELECTION OF MEMBERS OF THE BOARD REPRESENTING ACTIVE AND RETIRED MEMBERS OF THE RETIREMENT SYSTEM

Section 11.1: Day for Counting of Ballots

The fourth Wednesday in August of the year in which such election is required to be held is hereby designated as the day for counting of ballots.

In the event of a vacancy of one or more of the elected PFRS Retirement Board seats before the completion of the full term, the day for counting ballots for the election to fill the vacant PFRS Retirement Board seat shall be the fourth Wednesday of the month that follows 90 days after the date of being informed of the vacancy.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 11.2: Notice of Nomination

On or before the first business day in June of each year in which an election is required, the office of the Police and Fire Retirement Board shall send a notice stating that nomination papers may be obtained at the office of said Police and Fire Retirement Board, the place where nomination papers shall be filed and the final date of filing thereof, the date when ballots will be counted and such other information as may be appropriate to the following organizations:

- Retired Oakland Police Officers' Association (ROPOA)
- International Association of Fire Fighters, Local 55 (IAFF Local 55)

In the event of a vacancy of one of the elected PFRS Retirement Board seats before the completion of the full term, the office of the Police and Fire Retirement Board shall send notice as stated above no later than ten (10) calendar days after the date of being informed of the vacancy.

Section 11.3: Nomination for Membership

Nomination for membership on the Police and Fire Retirement Board from the active membership of the Police and Fire Department shall be in writing on forms supplied by the office of said Police and Fire Retirement Board upon request therefore. Nomination papers shall be substantially in the form shown in Appendix A.

Nomination papers shall be signed by at least ten retired members of the Police or Fire Department, as the case may be, who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person nominated. Each signator of a nominating paper shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased members are not eligible to vote in elections.

Section 11.4: Date of Filing Nomination Papers

Nominating papers shall be filed in the Office of the Oakland City Clerk, Room 306 of the Oakland City Hall, not less than thirty-five days before the day of counting ballots. If said date falls on a non-business day for the City of Oakland, it shall be filed on the next business day.

Section 11.5: Determination of Sufficiency of Nominating Papers

The City Clerk of the City of Oakland will determine when a member is nominated and for this purpose shall have access to the records of the Police and Fire Retirement Board the names of those active or retired members of the respective departments determined by him to have been nominated.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 11.6: Winner by Default

In the event that only one person is nominated in accordance with this Article 11 as a member of the Board, that person shall be declared a winner.

Section 11.7: Mailing of Ballots

11Not less than fifteen days before the day for the counting of the ballots that shall be prepared by and mailed for the office of the Police and Fire Retirement Board to each active or retired member of the Police Department of Fire Department who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The Ballots shall contain the names in alphabetical order of the candidates certified by the City Clerk as nominated. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his or her name, may be returned to the City Clerk not later than 10:00 a.m. of the day for the counting of ballots.

Section 11.8: Roster of Eligible Voters

There shall be prepared in the office of the Police and Fire Retirement Board a roster of eligible voters which shall contain the names of the active or retired members of the Police or Fire Department who are members of the Police and Fire Retirement System, excluding beneficiaries of deceased members. Such roster of eligible voters shall be delivered to the City Clerk not less than fifteen days before the day for the counting of ballots and shall be in such form as to permit appropriate asking thereon by the City Clerk to indicate that an eligible member has voted.

Section 11.9: Counting of Ballots

11On the day for the counting of ballots at the hour of 10:00 A.M. thereof, the ballot box shall be opened and no ballot received after said hour shall be counted. The ballots will be counted under the supervision and control of the City Clerk in such manner that the identity of the individual casting any ballot will not be disclosed. No ballot shall be counted unless it is enclosed in an envelope bearing the name of the voter. No ballot shall be counted which contains a vote for a person not nominated in accordance with Article 12. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and the candidate elected, and notify each candidate thereof by mail.

Section 11.10: Vote Necessary for Election

The candidate receiving the highest number of eligible votes shall be declared elected.

Section 11.11: Disposition of Ballots after Counting

Upon conclusion of the counting of the ballots they shall be kept by the City Clerk in the manner and for the period the ballots of municipal elections are kept.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 11.12: Procedure to Fill Vacancy of Elected Members

In the event a vacancy occurs before the end of a full term in any of the three (3) elected offices of the Board which are filled by retired members of the Retirement System, a successor shall be elected for the unexpired portion of the term vacated. The successor shall be elected from the same department of the member who is vacating the seat for the remainder of said unexpired three (3) year, or five (5) year, term. The election shall be governed by Article 11.

Article 12: RECALL OF MEMBER OF THE BOARD REPRESENTING ACTIVE AND RETIRED MEMBERS OF THE RETIREMENT SYSTEM

Section 12.1: Day for Counting Recall Ballots

The Ballots shall be counted not less than 90 days from receiving Recall Petition.

Section 12.2: Notice of Recall Petition

Upon receiving a Notice of Recall, the office of the Police and Fire Retirement Board shall send to the Retired Oakland Police Officers' Association (ROPOA), International Association of Fire Fighters, Local 55 (IAFF Local 55) and the City Clerk a notice stating that a recall petition had been received, the date when ballots will be counted and such other information as may be appropriate.

The Petition for recall of an active or retired member on the Police and Fire Retirement Board shall be in writing on forms supplied by the Secretary of the Board upon request. Recall petitions shall be substantially in the form as shown in Appendix B.

Recall petition shall be signed by 10 active or retired members of the Police or Fire Department (as the case may be). And who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person recalled. Each signator of a recall petition shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased retired members are not eligible to sign or vote on recall.

Section 12.3: Date of Filing Recall Petition Paper

Petition papers shall be filed in the Office of the Oakland City Clerk, Room 306 of the Oakland City Hall, not more than thirty (30) days after filing the notice of recall petition.

Within seven (7) days after filing of petition the board member sought for recall may file with the City Clerk, a response, in not more than 200 words, to the statement of the proponents. If a response is filed, the City Clerk shall serve a copy by Certified Mail, to one of the proponents named in the petition.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Copies of the Petition and Response shall be distributed and posted within the offices of ROPOA, IAFF Local 55 and the City Clerk. The statement and answers shall be for voter's information and will be mailed to them upon the request.

Section 12.4: Determination of Recall Petition

The City Clerk of the City of Oakland will determine when a member is recalled and for this purpose shall have access to the records of the Police and Fire Retirement Board. The City Clerk, within five (5) days after the last day for filing Recall Petition papers will certify to the office of the Police and Retirement Board the names of those active or retired members of the respective departments determined by him to have been recalled.

Section 12.5: Mailing of Ballots

Not less than fifteen (15) days before the day the counting of the ballots shall be prepared by and mailed from the office of the Police and Fire Retirement Board to each retired member of the Police or Fire Department and who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The ballots shall contain the name of the member to be recalled, as certified by the City Clerk. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his/her name, may be returned to the City Clerk not later than 10:00 A.M. of the day for counting of ballots.

Section 12.6: Roster of Eligible Voters

The Roster of Eligible Voters described in Section 11.8 shall be delivered to the City Clerk not less than fifteen (15) days before the day for counting of the ballots and shall be in such form as to permit appropriate marking thereon by the City Clerk to indicate that an eligible member has voted on the recall.

Section 12.7: Counting of Ballots

On the day for counting of ballots at the hour of 10:00 A.M. thereof the ballot box shall be opened and no ballots received after said hour shall be counted. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and notify the Retirement Board of the results.

Section 12.8: Vote Necessary for Recall

The majority of eligible votes counted and cast to recall or not recall the board member shall prevail.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS**

Section 12.9: Disposition of Ballots after Counting

Upon conclusion of the counting of the ballots, they shall be kept by the City Clerk in the manner and for the period, the ballots of municipal recalls are kept.

Article 13: PROCEDURE TO FILL VACANCY OF RECALLED MEMBER

A vacancy created after a successful recall pursuant to Article 12 shall be filled by the procedure set forth in Article 11.12.


These rules may be amended by a majority vote of the Board at any regular meeting or special meeting called for that purpose.

Article 14: AMENDMENT OF RULES AND REGULATIONS

These Rules and Regulations may be amended under the following procedures:

- Amendments shall be read at a regular meeting.
- No vote may be taken earlier than the next regular meeting.
- At least four (4) members of the Board must vote in favor of the amendments.

The Rules and Regulations of the Oakland Police and Fire Retirement System have been approved by vote of the Board of Administration, effective SEPTEMBER 24, 2014.



WALTER L. JOHNSON, SR.
PRESIDENT
OAKLAND POLICE & FIRE RETIREMENT SYSTEM BOARD



KATANO KASAINÉ
SECRETARY
OAKLAND POLICE & FIRE RETIREMENT SYSTEM BOARD

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

APPENDIX A

Nomination Form – Elected PFRS Member

OAKLAND POLICE AND FIRE RETIREMENT BOARD

I, undersigned, am a retired member of the Oakland Police Department (or Fire Department as the case may be), and a member of the POLICE AND FIRE RETIREMENT SYSTEM, and I hereby nominate _____, PRINT NOMINEE NAME, a member of the POLICE AND FIRE RETIREMENT SYSTEM, as a candidate for membership on the Police and Fire Retirement Board from the retired membership of the Oakland Police Department (or Fire Department as the case may be), for the term expiring August 31, _____.

	Name	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

I accept the nomination and consent to serve if elected.

Signature of Nominee

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

APPENDIX B

Board Member Recall Form – Elected PFRS Member

OAKLAND POLICE AND FIRE RETIREMENT BOARD

I, undersigned, am an active or retired member of the Oakland Police or Fire Department (as the case may be), and a member of the POLICE AND FIRE RETIREMENT SYSTEM. I hereby request that _____, a member of the POLICE AND FIRE RETIREMENT BOARD as representative for the Police or Fire Department (as the case may be), be recalled by the retired membership of said department, for the unexpired term ending _____, for the following reasons:

	Name	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

DIRECTORY OF AMENDMENTS

Amendment ID	Date	Notes
	09/24/2014	Creation of New Rules and Regulations approved by PFRS Board.
	07/29/2015	Passage of PFRS Board Resolution No. 6856 affirming, "that the September 24, 2014 Rules and Regulations are the only Rules the PFRS board uses to govern, until amended."

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 6856

ON MOTION OF MEMBER Wilkinson SECONDED BY MEMBER Speakman

RESOLUTION AFFIRMING THE BOARD'S MOTION OF SEPTEMBER 24, 2014 WHEREIN IT APPROVED AND ADOPTED THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

WHEREAS, in the period of July 2011 through September 2014, the PFRS Board conducted public meetings to consider revising and amending its Rules and Regulations as authorized by Charter section 2601(e), with the goal of creating an all-encompassing set of rules, regulations, and procedures; and

WHEREAS, the PFRS Board invited any interested persons to provide oral and written input, comments, and suggestions to the board about certain terms of the Rules and Regulations; and

WHEREAS, the Retired Police Officers Association (ROPOA) provided extensive oral and written input, comments, and suggestions to the board about certain terms of the Rules and Regulations; and

WHEREAS, PFRS staff provided written responses, comments, and revisions in light of the written and verbal commentary and suggestions received during the course of the multiple public meetings about the revision of the Rules and Regulations; and

WHEREAS, on September 24, 2014, the PFRS Board passed a motion (motion by Member Speakman, Second by Member Cooper) by a vote of 7 Aye:0 Nay: 0 Abstain, to approve and adopt said rules and regulations; and

WHEREAS, Charter section 2601(b) states that the Board exercises its powers under Article XXVI by order or resolution; and

WHEREAS, passage of this resolution will eliminate any ambiguity that the Rules and Regulations adopted by unanimous motion of the Board on September 24, 2014 are in full force, now therefore be it

RESOLVED: That the comprehensive Rules and Regulations approved and adopted by unanimous motion of the PFRS Board on September 24, 2014 is hereby affirmed and made part of this Resolution; and be it

FURTHER RESOLVED: that the September 24, 2014 Rules and Regulations are the only Rules this Board uses to govern, until amended.

IN BOARD MEETING, CITY HALL, OAKLAND, CA JULY 29, 2015

PASSED BY THE FOLLOWING VOTE:

AYES: JOHNSON, GODFREY, SPEAKMAN, ~~COOPER~~, ~~OZNOWICZ~~, WILKINSON, SOLITEI

NOES:

ABSENT: Cooper, Oznowicz

ATTEST: [Signature]
PRESIDENT

ATTEST: [Signature]
SECRETARY

ATTACHMENT A

ATTACHMENT B

Date: May 15, 2017

To: Katano Kasaine
Teir Jenkins
Pelayo Llamas

From: Robert J. Muszar

Subject: Submissions Regarding Audit/Operations Committee Review of PFRS Rules and Regulations

At its April 26, 2017 meeting, the Audit/Operations Committee ("Committee"), pursuant to the responsibilities assigned to the Committee by Section 8.2 of Oakland Police and Fire Retirement System Rules and Regulations ("PFRS Rules" or "Rules"), decided to conduct a review of the Rules with the goal of submitting any recommendations which may result from this review to the PFRS Board for consideration at its October 2017 meeting.

At the Board meeting on the same date, Board members and staff were invited to "flag" Rules sections for review and asked to submit them along with any other comments or suggestions to PFRS staff by May 19, 2017. Staff was directed to compile the information received and present it to the Committee at its May 2017 meeting.

Please include the following Articles and/or Sections of the PFRS Rules on the list of those to be reviewed:

<ul style="list-style-type: none"> • Article 2. <ul style="list-style-type: none"> ➤ All. • Article 3. <ul style="list-style-type: none"> ➤ Sections 3.1 and 3.4. • Article 4. <ul style="list-style-type: none"> ➤ Section 4.6. • Article 7. <ul style="list-style-type: none"> ➤ Sections 7.1, 7.3, 7.4 and 7.5. • Article 8. <ul style="list-style-type: none"> ➤ Section 8.2. 	<ul style="list-style-type: none"> • Article 9. <ul style="list-style-type: none"> ➤ Sections 9.4, 9.8, 9.9, 9.10, 9.13, & 9.14. • Article 10. <ul style="list-style-type: none"> ➤ All. • Article 11. <ul style="list-style-type: none"> ➤ All. • Article 12. <ul style="list-style-type: none"> ➤ All
--	---

Also, please include the following topics for possible addition to the Rules:

- Article/Sections setting forth hearing procedures for Board hearings conducted pursuant to Sections 2603 and/or 2604 of the City Charter.
- Article/Sections setting forth hearing procedures for public hearings conducted for purposes other than Sections 2603/2604 of the Charter.
- Article/Sections requiring periodic review of the PFRS Rules and setting forth the schedule/timing of such reviews.

I will comment regarding all of the above during discussion at the May 2017 meeting of the Audit/Operations Committee.

D R A F T

PFRS Audit/Operations Committee Meeting Minutes
May 31, 2017
Page 1 of 2

A SPECIAL AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was on held Wednesday, May 31, 2017 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Robert J. Muszar, Member
- Christine Daniel, Member

Additional Attendees:

- Katano Kasaine, Plan Administrator
- David Low, Staff Member
- Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:38 AM

1. **Approval of April 26, 2017 Audit Committee meeting minutes** – Member Muszar made a motion to approve the April 26, 2017 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **PFRS Monthly Administrative Expenses Report** – Plan Administrator Katano Kasaine presented the details of the PFRS administrative expenses report from July 1, 2016 through March 31, 2017. Following committee discussion, Member Daniel made a motion to accept the Administrative Expenses Report from July 1, 2016 through February 28, 2017, second by member Muszar. A discrepancy in the physical count of retirees on one chart was addressed and Ms. Kasaine said a correction would be made. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Review of PFRS Rules and Regulations** – Ms. Kasaine reported that staff followed the Board's instructions from the April 2017 Board meeting to deliver the current PFRS Rules and Regulations to each Board member and also asked each Board member to send to staff any questions about the rules and regulations to be brought back to the Audit committee for discussion today. She reported that that staff only received a response from one Board member.

Member Muszar passed out a four-page document stating his discussion points. He read aloud through the points and provided details verbally. The committee and staff discussed these points and made plans to resume discussion at future audit committee meetings.

Member Muszar said he would draft revised language for Rules and Regulations item 9.8 regarding procedures for placing new items onto agendas. Staff was instructed to bring a working draft of revisions to the Rules and Regulations which removes all references to "active" PFRS members, because they are all in retired status, for the July 2017 audit meeting.

4. **Procedures for member hearings involving private medical information** – Member Muszar thanked PFRS legal counsel Pelayo Llamas for his delivery of the California Attorney General's legal opinion regarding the procedures for member hearings involving private medical information at Closed Session meetings in the context of member hearings. The committee and staff discussed this matter and Member Daniel made a motion recommending PFRS Legal Counsel prepare a legal opinion about the PFRS Board's ability to discuss confidential medical information in Closed Session in the context of member hearings, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

5. **Discussion of 2006 management audit of PFR administration** – This matter was continued until the July 2017 Audit Committee meeting.

D R A F T

DRAFT

6. **Open Forum** – No Report.

7. **Future Scheduling** – The next audit committee meeting was scheduled for June 28, 2017.

The meeting adjourned at 10:42 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

DRAFT

Date: May 31, 2017

To: Audit and Operations Committee
PFRS Staff
Pelayo Llamas, Deputy City Attorney

From: Robert J. Muszar

Subject: Comments In Support of Submissions Regarding Audit/Operations Committee Review of PFRS Rules and Regulations

The following comments are offered in support of my May 15, 2017 memorandum regarding the Audit/Operations Committee review of the PFRS Rules and Regulations:

- Article 2.
 - ✓ There is no mention of retirees/widows in the Mission Statement.
 - ✓ Mission statement in PFRS Rules does not match Mission Statement on PFRS website.

From Website: "The Oakland Police and Fire Retirement System is dedicated to protection and prudent investing of the pension funds for the benefit of the PFRS retirees and beneficiaries. PFRS strives to give the beneficiaries of this retirement system friendly and courteous service."
 - ✓ Item 2 should mention administration of the system
(Charter Section 2601: *The System and fund shall be managed and administered by a Board hereby created...*)
 - ✓ Item 3 should also reference the state constitution.
 - ✓ Item 4 should be a more complete statement of the Constitution.

(Section 17: Notwithstanding any other provisions of law or this Constitution to the contrary, the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system...)
- Article 3; Sections 3.1 and 3.4.
 - ✓ The final sentence of Section 3.1 is obsolete and should be eliminated.
 - ✓ The Charter sets specific terms for Board members and specifies the timeline for appointments/elections. The Charter does not provide for holdovers. What is the authority for Section 3.4?

- Article 4; Section 4.6.
 - ✓ We should comply with final sentence in a way that is transparent and includes up-to-date reporting.

- Article 7; Sections 7.1, 7.3, 7.4 and 7.5.
 - ✓ 7.1 does not recognize the correct status of the Secretary of the Board as addressed in the Charter. Section 2601 is clear that the Secretary of the Board is an employee of the Board and historically has served as the Plan Administrator. It is an at-will employment position, not an annually appointed "officer".
 - ✓ 7.3, second bullet point is problematic and grants too much authority to the President.
 - ✓ 7.4 does not adequately describe the duties of Secretary of the Board. 7.4 and 7.5 should be combined under the title of Secretary of the Board.

- Article 8; Section 8.2.
 - ✓ The sixth bullet point is the most likely place to include a provision requiring the periodic review of the Rules with a set schedule such as every 3 years, or so.
 - ✓ The eighth bullet point gives the Committee the authority to "approve" Board member travel but that is not the way we seem to operate. Perhaps the rule should be changed to "recommend approval". Also, the bullet point makes no mention of staff travel.
 - ✓ The last bullet point should establish a set schedule for the periodic review of Travel Policy.

- Article 9; Sections 9.4, 9.8, 9.9, 9.10, 9.12, 9.13, and 9.14.
 - ✓ In General, Article 9 is overkill and is overly complex for PFRS needs. Since the vast majority of "public speakers" are members of the system or representatives of members of the system, this Article is viewed to limit their participation in their own retirement system. We should seek to make recommendations that consolidate and simplify Article 9.
 - ✓ Section 9.7 has been interpreted to prevent Board members from asking questions of individuals who speak during Open Forum. Although the Board is barred from taking action, members should not be prohibited from asking questions and/or commenting.

- ✓ 9.8 is really about scheduling and should have its own Article. Any Board Member should be able to have an item placed on the agenda without the need for a vote of the majority of the Board. This requirement is inconsistent with the responsibilities of individual Board members and can be used to keep unpopular (but valid) topics off the agenda. It also drags the Board's processes out and makes it more difficult to deal with issues in a timely manner. The Section has led to disagreement and frustration on the part of Board Members.
- ✓ How are 9.8 and 9.9 supposed to work in harmony with each other? Shouldn't the committee chair control the committee's agenda?
- ✓ 9.10 is about minutes and maybe should have its own Article or be included in the duties of the Secretary of the Board.

The 15 day due date does not match the requirements of the Sunshine Ordinance which are: "The draft minutes of each meeting shall be available for inspection and copying upon request no later than ten business days after the meeting. The officially adopted minutes shall be available for inspection and copying upon request no later than five business days after the meeting at which the minutes are adopted."

Compliance with the 15 day rule has been spotty at best.

Should we consider adding a provision for the preparation and distribution of action minutes?

- ✓ Section 9.12 will be impacted by what we do with 9.8.
 - ✓ Section 9.13 could be impacted by what we do with 9.8.
 - ✓ 9.14 may benefit from some updating to eliminate references to active members and the setting of retirement and disability allowances.
- Article 10.
 - ✓ Should a parliamentarian be designated?
 - Article 11.
 - ✓ The entire article should be reviewed and updated to eliminate references to active members and with an eye toward simplifying the nomination and election processes. The Charter specifically provides that the Board "...may from time to time revise the manner of conducting such elections."
 - ✓ Could/should we have a provision allowing either a police or fire representative to fill a position designated for the other if no one from the appropriate department is available to serve?

- Article 12.
 - ✓ Could be better sequenced.
 - ✓ The requirement for 10 signatures is the same as for nomination. If we continue down the path of requiring signatures, should there be a higher threshold for recall?
 - ✓ Can recall and election of replacement be combined into one ballot with 2 questions? It would eliminate the need for two elections and would reduce the amount of time a Board position would be vacant.

I suggest we consider adding the following topics to the PFRS Rules:

- Hearing procedures for hearings conducted pursuant to Sections 2603 and/or 2604 of the City Charter.
- Hearing procedures for public hearings conducted for purposes other than Sections 2603/2604 of the Charter.
- Periodic, scheduled review of the PFRS Rules.

cc: PFRS Board

D R A F T**PFRS Audit/Operations Committee Meeting Minutes**

June 28, 2017

Page 1 of 2

A **SPECIAL AUDIT/OPERATIONS COMMITTEE MEETING** of the Oakland Police and Fire Retirement System ("PFRS") was on held Wednesday, June 28, 2017 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Robert J. Muszar, Member
- Christine Daniel, Member

Additional Attendees:

- Katano Kasaine, Plan Administrator
- David Low, Staff Member
- Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:18 AM

1. **Approval of April 26, 2017 Audit Committee meeting minutes** – Member Muszar made a motion to approve the April 26, 2017 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **PFRS Monthly Administrative Expenses Report** – Investment Officer Teir Jenkins presented the details of the PFRS administrative expenses report from July 1, 2016 through April 30, 2017. Following committee discussion, Member Daniel made a motion to accept the Administrative Expenses Report from July 1, 2016 through April 30, 2017, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Review of PFRS Rules and Regulations** – Plan Administrator Katano Kasaine explained that Member Muszar's extensive draft revisions of the Rules and Regulations that he sent to staff (dated June 14, 2017) were not published in today's packet because the Committee's direction given at the May 2017 meeting was to focus on a revision of section 9.8 (procedure for placing new items on an agenda). Staff included in today's packet Member Muszar's proposed revision of section 9.8 only. Member Muszar explained that his draft sections 9.9, 9.10, and 9.11 all relate to the subject of placing new items on an agenda. He also explained that the text appearing in **bold type** in his 6/14/17 document indicates it is new language proposed by him. Member Muszar then passed out copies of his 6/14/17 proposal.

Member Muszar asked that his comprehensive suggestions and recommendations dated May 15, 2017 (suggestions), May 31, 2017 (Committee meeting comments handout) and June 14, 2017 (Comprehensive Recommendations) along with any other Board suggestions and recommendations be added to the next Committee meeting package for discussion. Ms. Kasaine stated that all changes proposed by Mr. Muszar should be consolidated into one document in order to avoid confusion, and staff will provide a single comprehensive document per the committee's direction. Member Muszar said he would review all of his revisions and resubmit his June 14, 2017 recommendations. The Committee and staff further discussed this matter as well as placing of Member Muszar's work on next month's agenda.

Ms. Kasaine said staff would provide the current redlined draft copy of the Rules and Regulations and Member Muszar's additional document will be added as an attachment to the Rules and Regulations for discussion at the upcoming meeting. Following committee and staff discussion, Member Daniel made a motion to continue discussion on rules and regulations until the July 26, 2017 meeting, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Open Forum** – No Report.

D R A F T

D R A F T

PFRS Audit/Operations Committee Meeting Minutes
June 28, 2017
Page 2 of 2

5. **Future Scheduling** – The next audit committee meeting was scheduled for July 26, 2017. Member Daniel and Plan Administrator Kasaine said they would be absent from the July 26 meeting.

The meeting adjourned at 10:58 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

D R A F T

Date: June 14, 2017

To: Audit/Operations Committee

From: Robert J. Muszar

Subject: Audit/Operations Committee Review of PFRS Rules and Regulations - Draft Recommendations

The Audit and Operations Committee began its review of the System's Rules and Regulations on May 31, 2017 with the goal of submitting its recommendations to the full Board at the Board's October 2017 meeting.

At the May 31, 2017 Committee meeting I volunteered to draft proposed modifications to Article 9 of the Rules as they apply to placing items onto Board and committee agendas.

I have taken the liberty to expand my effort to include proposed language regarding most of the Rules sections flagged for review.

By way of the attached draft, I am also requesting further discussion regarding some sections subject to review.

I would like to thank the Committee for providing this opportunity. I look forward to our discussions.

Attachment

cc: Katano Kasaine
Pelayo Llamas

1 **Audit – Operations Committee**
2 **Review of Rules and Regulations**
3 **Comments of Board/Committee Member Robert Muszar**
4 **June 14, 2017**
5
6

7 **Article 2: MISSION STATEMENT**

8
9 ~~It is the~~ **The** mission of the ~~Board of the~~ Oakland Police and Fire Retirement System
10 **is** to manage and administer the ~~Oakland Police and Fire Retirement System and~~
11 **Fund for its members and beneficiaries in a prudent, accurate, timely and cost-**
12 **effective manner while administering Fund assets in a manner that achieves**
13 **investment and funding objectives within prudent levels of risk.** In order to fulfill
14 this mission, the PFRS Board shall:

- 15
16 1. Possess power to make all necessary rules and regulations for its guidance;
17
18 2. Have exclusive control of the administration and investment of the fund
19 established for the maintenance and operation of the System;
20
21 3. Administer the System in accordance with the provisions of Article XXVI of the
22 Oakland City Charter **and Article XVI, Section 17 of the California**
23 **Constitution;**
24
25 4. Exercise its plenary authority and fiduciary responsibility for **the administration**
26 **of the System and the** investment of the ~~Plan's~~ **System's** funds in accordance
27 with Article XVI, Section 17 of the California Constitution.
28
29

1 **Article 3: BOARD OF TRUSTEES**

2
3 Section 3.1: Board Membership

4
5 The Board of the Police and Fire Retirement System consists of seven members,
6 appointed or elected as set forth in Oakland City Charter section 2601: the Mayor (or
7 a designated representative), a life insurance executive of a local office, a senior
8 officer of a local bank, a community representative, an elected retired member of the
9 Police Department, an elected retired member of the Fire Department, and an
10 elected member position that alternates between the Police Department and Fire
11 Department memberships. ~~A retired police or fire member may be elected by the~~
12 ~~active and retired membership to serve if no active member is elected to serve on~~
13 ~~the Board from their respective department.~~

14
15 Section 3.4: Holdover

16
17 *(Referred to Deputy City Attorney for research).*

18
19 **Article 4: BOARD MEMBER RESPONSIBILITIES AND CORE COMPETENCES**

20
21 Section 4.6: Education

22 Board members are expected to pursue educational opportunities that will assist
23 them in the fulfillment of their fiduciary duties to the retirement plan and its
24 beneficiaries. Each Board member will be allocated an educational allowance on an
25 annual basis. **The amount of individual training allotments will be detailed in**
26 **the PFRS budget and each Board member's expenditures will be reported to**
27 **the Audit/Operations Committee monthly.**

1 **Article 7: OFFICERS**

2
3 Section 7.1: Elective Officers

4
5 *(Request further discussion)*

6
7 Section 7.3: Duties of President and Vice-President

8
9 The President of the Board shall preside at all Board meetings. In his or her
10 absence, the Vice-President shall preside. In the absence of both the President and
11 the Vice President, when the President has not selected a President Pro Tem in
12 advance, the Board shall select one of its own members to preside.

13 The President shall also:

- 14
- 15 • Appoint the members of the Board's standing committees annually prior to the
16 October meeting;
 - 17
 - 18 • ~~Add or delete items from the Full Manage~~ **Board Meeting Agendas in accordance**
19 **with Article 9 of these Rules. and, Committee Agendas;**
 - 20
 - 21 • **Ensure that Committee Chairs manage committee agendas in accordance**
22 **with Article 9 of these Rules.**
 - 23
 - 24 • Schedule a Special Meeting of the Board,
 - 25
 - 26 • Create ad hoc committees for a limited duration and purpose, which shall be
27 comprised of at least one but less than a quorum of board members, and may
28 include a non-board member(s),
 - 29

1 • Sign authorized contracts, agreements and financial documents on the Board's
2 behalf; and

3
4 • Perform other duties as directed by the Board.
5

6 Section 7.4: Duties of the Secretary of the Board
7

8 *(Request further discussion)*
9

10 Section 7.5: Duties of the Plan Administrator
11

12 *(Request further discussion)*
13

14 **Article 8: STANDING COMMITTEES**
15

16 Section 8.2: Audit/Operations Committee
17

18 The Audit/Operations Committee shall be a Standing Committee of the Board,
19 consisting of three members. Annually, before the October meeting, the President of
20 the Board shall appoint the members of the committee, who shall serve until their
21 successors have been appointed. The President shall appoint a Committee
22 chairperson from one of the three Committee members.
23

24 The Audit/Operations Committee shall have the responsibility for making
25 recommendations to the Board in the following areas:
26

27 • Review the Plan's administrative procedures for the purpose of ensuring prompt
28 delivery of benefits and related services to participants and their beneficiaries and
29 recommend necessary changes to the full Board.
30

1 • Review and recommend solutions to specific issues raised by the Board that relate
2 to administration of the PFRS Plan.

3
4 • Review the actuarial valuation report and the annual financial audit report of the
5 Plan and recommend approval by the Board, unless the Board President determines
6 that a report should be reviewed in the first instance by the full Board.

7
8 • Review the annual budget and recommend approval by the Board.

9
10 • Monitor the Plan's administrative budget and assist the Board in defraying
11 reasonable expenses.

12
13 • Develop and recommend changes to Board rules, regulations and policies in
14 noninvestment areas. **At a minimum, review Board rules and make**
15 **recommendations to the Board as deemed appropriate every three years with**
16 **the first review to be conducted in 2020.**

17
18 • Other duties and/ or issues as directed by the Board.

19
20 • **Recommend approval of Approve Board Member Travel and staff travel in**
21 **accordance with the PFRS Travel Policy and individual training allotments.**

22
23 • Periodically review PFRS Travel Policy. **At a minimum, review the Board travel**
24 **policy and make recommendations to the Board as deemed appropriate every**
25 **three years with the first review to be conducted in 2020.**

1 **Article 9: MEETING PROCEDURES AND BOARD ACTION**

2
3 Section 9.1: Board and Committee Time Management

4
5 The Board President or Committee Chair is responsible for time management of the
6 applicable body. To the greatest extent feasible, all items on Board and Committee
7 agendas shall be supported by concise, easily accessible written information **which**
8 **shall be submitted pursuant to Section 9.11, below.**

9
10 Section 9.2: Speakers' Cards

11
12 ~~Members of the public~~ **Except as provided in Section 9.7 below, Individuals**
13 wishing to speak must submit their name and the item on the agenda they wish to
14 discuss, if any, to staff ~~before being recognized by the presiding officer~~ **prior to the**
15 **beginning of the meeting.**

16
17 ~~Members of the public who wish to speak must complete a speaker~~ **A speaker's**
18 **card must be completed** for each agenda item he/she wishes to speak on.
19 ~~Speakers' cards listing multiple agenda items cannot be listed on one speaker~~
20 ~~card will not be accepted. If the intent is to cede time to another speaker, the~~
21 **name of the individual to whom time is being ceded shall also be listed on the**
22 **speaker card.**

23
24 Section 9.3: Public Speaker Procedures

25
26 ~~Members of the public~~ **Individuals** addressing the Board shall state their name.
27 They shall confine their remarks to the agenda item under discussion, unless they
28 are speaking during the Open Forum portion of the agenda.

1 Section 9.4: Time Limits for Public Speakers

2
3 **The Board President or Committee Chair may impose reasonable time limits**
4 **on speakers. In making this determination the number of speakers' cards**
5 **submitted, the complexity of the issues to be addressed and the number of**
6 **items on the agenda will be considered. If time limits are to be imposed they**
7 **will be announced at the beginning of the meeting.**

8
9 **If time limits have not been imposed, speakers are expected to be respectful of**
10 **the Board/Committee's time limiting presentations to concise, on-point**
11 **comments. Generally presentations should not exceed five minutes. If a**
12 **presentation exceeds five minutes the Board President or Committee Chair**
13 **may direct the speaker to conclude his/her remarks and may impose a time**
14 **limit for so doing.**

15
16 ~~Any member of the public who has submitted a speaker card on an agenda item,~~
17 ~~other than open forum~~ **If time limits have been imposed, each speaker normally**
18 ~~will shall~~ **be allotted three (3) minutes to speak prior to any vote or action by the**
19 ~~Board. If more than five (5) individuals have submitted speakers' cards on the~~
20 ~~same item, the Board President or Committee Chair may limit time to two (2)~~
21 ~~minutes per speaker. If more than ten (10) speakers have submitted speakers~~
22 ~~cards on the same item, time may be limited to one (1) minute per speaker.~~

23
24 ~~Subject to the provisions of this Rule that apply to public speakers who submit~~
25 ~~multiple speaker's cards~~ **ceding time**, all public speakers on any one item shall be
26 ~~allotted the same amount of speaking time on that item, unless given ceded time, or~~
27 ~~unless more time must be given to comply with due process or other legal~~
28 ~~requirements or in circumstances where the Board is acting in a quasi-adjudicatory~~
29 ~~capacity.~~

1 ~~Section 9.5: Speakers Submitting Speaker's Cards on Multiple Items~~

2
3 ~~Subject to Section 9.4 and the discretion of the presiding officer, which discretion~~
4 ~~must be exercised in accordance with Section 9.4, a speaker who submits his or her~~
5 ~~name to speak on four or more items (other than open forum) will be instructed to~~
6 ~~address all items concurrently and shall be allotted 2 minutes per item up to a~~
7 ~~maximum of 10 minutes; if the presiding officer exercises his/her discretion under~~
8 ~~Section 9.4 to reduce each speaker's time to one (1) minute, speakers who submit~~
9 ~~four or more speaker's cards shall be allotted one (1) minute per item up to a~~
10 ~~maximum of 5 minutes.~~

11
12 ~~Section 9.6~~ **9.5: Ceding Time**

13
14 ~~In case the allotted time for each public speaker is less than two (2) minutes on an~~
15 ~~agendized item~~ **If time limits have been imposed**, a public speaker may extend his
16 or her speaking time if other public speakers who have submitted speakers' cards
17 cede their time to the recipient public speaker. The recipient public speaker will
18 receive **one-half of the allotted (1) minute** speaking time from each ceding public
19 speaker, up to a maximum of five (5) minutes **three times the allotted time**.

20
21 At the presiding officer's discretion, a public speaker may be allotted more than five
22 (5) minutes **three times the allotted time** based on ceded time. ~~The recipient public~~
23 ~~speaker must submit the ceding public speakers' speaking cards, and the~~ **Speakers**
24 ~~ceding public speakers~~ **time** must be present at the time the recipient public speaker
25 speaks.

26
27 ~~Section 9.7~~ **9.6: Open Forum**

28
29 ~~Public~~ **Speakers** submitting their names to speak under open forum shall be allotted
30 a maximum of three (3) minutes. A public speaker may speak only once under open

1 forum during any one meeting, subject to the discretion of the presiding officer. If
2 **more than five (5) individuals have submitted speakers' cards for open forum,**
3 **the Board President or Committee Chair may** ~~The presiding officer may reduce~~
4 **limit each public speaker's allotted time to one (1) minute two (2) minutes.** . If
5 **more than ten (10) speakers have submitted speakers cards for open forum,**
6 **time may be limited to one (1) minute per speaker.** ~~if he or she publicly states all~~
7 ~~reasons justifying any reduction in speaker time, which reasons shall be based at~~
8 ~~least on consideration of the time allocated or anticipated for the meeting, the~~
9 ~~number and complexity of agenda items and the number of persons wishing to~~
10 ~~address the local body, and whether there will be sufficient time available during the~~
11 ~~meeting to consider all agenda items if all public speakers are allowed two (2)~~
12 ~~minutes to speak.~~

13
14 The Board cannot take any action, **other than scheduling the item for future**
15 **consideration,** under Open Forum unless it is deemed an emergency or urgency
16 matter under the Sunshine Ordinance and Brown Act by a vote of the Board. **Board**
17 **members and staff representatives may ask clarifying questions of the**
18 **speaker but will engage in no substantive discussion of the issue.**

19
20 **Sections 9.7: Exceptions**

21
22 **The provisions of Section 9.4 above, shall not apply to the following:**

- 23
24
- 25 • **Speakers who are presenting an agenda item or making a report to the**
26 **Board or a committee.**
 - 27 • **Individuals or the representatives of individuals who are the subject of**
28 **or directly impacted by the subject matter of a public hearing held by**
29 **the Board or a committee.**
- 30

- **Individuals or the representatives of individuals who are the subject of a hearing of the Board held pursuant to Sections 2603 or 2604 of the City Charter.**

Section 9.8: Procedure for Placing New Items on an Agenda – Board Members

During the Future Scheduling (or New Business) portion of Board/Committee meetings and subject to Section 9.11, below ~~For any new business by any board member, the full Board is authorized to may add the~~ **have an item that is within the subject matter responsibility of the Board/Committee placed onto a future Board/Committee agendas of any meeting by an affirmative vote of a majority of the quorum of Board members present. Discussion during Future Scheduling will be limited to scheduling issues and seeking clarity as to proper titling of the future agenda item. There shall be no substantive discussion of the topic.**

Section 9.9: Procedure to Add, Remove Agenda Items Between Meetings – Board Members

For Board items, any Board member wishing to add a Board agenda item (or remove **an item which he/she has had added**) after the Board has met, but before the agenda is published, must obtain authorization from the President of the Board.

For Committee items, any Board member wishing to add a Committee agenda item (or remove **an item which he/she has had added**) after the Committee has met, but before the agenda is published, must obtain authorization from the ~~President of the Board~~ and the Chair of the Committee **who may consult with the Board President before responding.**

1 **Section 9.10: Procedure for Placing New Items on Agenda – Non Board**
2 **Members**

3
4 **Subject to Section 9.11 below, requests from other entities/individuals to have**
5 **an item that is within the subject matter responsibility of the Board/Committee**
6 **placed onto a Board/Committee agenda will be submitted in writing to the Plan**
7 **Administrator. The Board President or Committee Chair, in consultation with**
8 **the Plan Administrator will decide whether to place the item on a future**
9 **agenda. The decision of the Board President/Committee Chair will be**
10 **communicated in writing to the requesting entity/individual by the Plan**
11 **Administrator.**

12
13 **The provisions of Section 9.10 are not intended to apply to scheduled reports**
14 **provided to the Board and/or its Committees by PFRS staff or the Board's**
15 **professional advisers. These items may be placed on the appropriate agenda**
16 **by the Plan Administrator as a matter of routine.**

17
18 **Section 9.11: Submission of Agenda Materials**

19
20 **Items which are placed onto a Board or Committee agenda pursuant to the**
21 **processes described in Sections 9.8, 9.9 and 9.10 above, normally will be**
22 **supported by written materials submitted to the Plan Administrator by close of**
23 **business on the Wednesday that is two (2) weeks prior to the scheduled**
24 **Board/Committee meeting. If such materials are received following this**
25 **deadline, the item will not be placed onto the appropriate agenda until the**
26 **following month.**

27
28 **This Section is not intended to prohibit oral-only submissions, but unless**
29 **specifically approved by the Plan Administrator with the concurrence of the**
30 **Board President/Committee Chair written materials that do not conform to the**

1 **above-described schedule will not be accepted for inclusion in agenda**
2 **packages.**

3
4 Section 9.12: Minutes

5
6 The Secretary shall cause to be recorded in the minutes, the time and place of each
7 meeting of the Board, the names of Board members present and all official acts of
8 the Board along with a summation of the Board discussion along with the votes, and
9 shall cause the minutes to be written and presented for approval no later than the
10 second succeeding regular meeting.

11
12 Draft minutes shall be prepared and forwarded to Board members for review by the
13 ~~15th~~ 10th business day following each meeting. The minutes or a true copy thereof,
14 submitted and signed by the Secretary after approval by the Board shall form part of
15 the permanent records of the Board.

16
17 Section 9.13: Other Requests

18
19 Other requests by the plan sponsor, **retirees/beneficiaries**, other entities or the
20 public will be directed to the Plan Administrator, who will review and respond
21 administratively. To the extent the request needs to be addressed to or by the Board
22 **or a Committee**, the request will be brought to the full board/**committee** for further
23 direction or authorization.

24
25 Section 9.14: Other Requests by the Board

26
27 Any research, analyses and reports from staff as are necessary for the Board's
28 effective oversight of PFRS operations shall be initiated by placing that item on a
29 future agenda in accordance with section 9.8. Such requests will be agendized and
30 considered at regularly scheduled Board meetings. If approved, the Plan

1 Administrator will be responsible for coordinating the completion of the approved
2 project or report within a reasonable time or by the completion date specified in the
3 Board action.

4
5 **Section 9.15: Other Requests by Individual Board Members**

6
7 Board members making individual requests for information will be advised to place
8 the item on the Board meeting agenda in accordance with section 9.8 unless the
9 information is readily available and the Plan Administrator determines that a
10 response will not require any significant commitment of staff time or other PFRS
11 resources.

12
13 **Section 9.16: Resolutions and Orders**

14
15 The Board shall act either by order or by resolutions, numbered in sequence of
16 passage. In every instance, authorization by Board resolution shall be required for
17 the following:

- 18
19 • ~~Retirement of active members of the Police and Fire Retirement System;~~
20
21 • ~~Setting of Retirement and Disability Allowances;~~
22
23 • **Changes to the types of compensation to be included as “Compensation”**
24 **and/or “Compensation Attached to the Average Rank Held”**
25
26 • ~~Reinstatement of members from the Disability Allowance Roll to active status;~~
27
28 • Approval of Death Benefits;
29
30 • Approval of continuation of allowances to eligible surviving spouse;

- 1 • Authorization of Contracts.

2
3 The Board may, in its discretion, act by resolution in other matters not listed above.
4 Actions taken by the Board by way of order shall be set forth in the minutes of the
5 Board.

6
7 Section 9.17: Ayes and Noes

8
9 The Board shall pass resolutions or orders only by taking the ayes and noes by an
10 audible vote, which shall be entered in its minute book. Each resolution shall show
11 on its face the ayes and noes vote thereon and the members so voting.

12
13 Section '9.18: Resolutions - Subject and Title

14
15 Every resolution of the Board shall be confined to one subject, which shall be clearly
16 expressed in its title.

17
18 **Article 10: RULES OF ORDER**

19
20 Roberts' Rules of Order shall be the final authority on all questions of procedure and
21 parliamentary law, not otherwise provided for by the City Charter, (Article XXVI) or
22 these rules. **The deputy City Attorney in attendance will serve as the**
23 **Parliamentarian for the Board and its Committees.**

24
25 **Article 11: ELECTION OF MEMBERS OF THE BOARD REPRESENTING**
26 **ACTIVE AND RETIRED MEMBERS OF THE RETIREMENT**
27 **SYSTEM**

28
29 *(Referred to staff to remove references to active members and other possible*
30 *clean-up)*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

(Request further discussion on possible provision to allow police or fire representative to fill position designated for the other if no one from appropriate department is available to serve)

**Article 12: RECALL OF MEMBER OF THE BOARD REPRESENTING
 ~~ACTIVE AND RETIRED~~ MEMBERS OF THE RETIREMENT
 SYSTEM**

(Referred to staff to remove references to active members and other possible clean-up)

(Request further discussion regarding combining recall and replacement elections into a single election with two questions)

Request further discussion regarding the following:

- Hearing procedures for hearings conducted pursuant to Sections 2603 and 2604 of the Charter.

- Hearing procedures for public hearings that are not conducted pursuant to Sections 2603/2604 of the Charter.

D R A F T

A SPECIAL AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was on held Wednesday, August 30, 2017 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present: • John C. Speakman, Chairman
• Robert J. Muszar, Member
• Christine Daniel, Member

Additional Attendees: • Katano Kasaine, Plan Administrator
• Teir Jenkins & David Low, Staff Member
• Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:34 AM

1. **Approval of June 30, 2017 Audit Committee meeting minutes** – Member Muszar made a motion to approve the June 30, 2017 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Financial Audit Services Report** – Annie Louie from Macias Gini & O'Connell, LLP presented an overview of the financial audit her firm will be providing for PFRS covering the fiscal year ending June 30, 2017. Following committee discussion, Member Muszar made a motion to accept the Financial Audit Services Report, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **PFRS Monthly Administrative Expenses Report** – Investment Officer Teir Jenkins presented the details of the PFRS administrative expenses report from July 1, 2016 through June 30, 2017. Following committee and staff discussion, Member Daniel made a motion to accept the Administrative Expenses Report from July 1, 2016 through June 30, 2017, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Review of PFRS Rules and Regulations** – Plan Administrator Katano Kasaine reported that staff had submitted the current working draft of the update to the PFRS Rules and Regulations to the audit committee for their continued review. Member Muszar presented his draft recommendations to the Rules and Regulations for committee discussion and read each recommended change to the Rules & Regulations through Article 10.

Member Muszar said article 2 (mission statement) should include some mention of the mission of the PFRS board for the benefit of the Member and Beneficiaries. Ms. Kasaine said that she recalled the original development of the current version of the Rules and Regulation purposely omitted mention of the Members and Beneficiaries. Also, Member Muszar noted that the mission statement on the PFRS webpage and the current Rules and Regulation do not match.

Member Muszar questioned the purpose of the holdovers provisions in the Rules and Regulations of section 3.4, which is not a subject that is mentioned in the City Charter. He said the question about holdovers was put to PFRS Legal Counsel to research and report to the committee. Mr. Llamas reported that the use of holdovers is consistent with the Charter

D R A F T

and California law, the underlying policy of which is to allow boards and commissions to continue to be able to act, rather than have too few members of a body to form a quorum, prohibiting action.

Regarding section 4.6 (Education), Member Muszar suggested that staff provide a report of travel and education expenditures by each board member at each Audit Committee meeting and that board members who travel to education or conferences provide a brief report of their conference attendance. Ms. Kasaine reported that the Travel Policy includes the allocation allowance already.

Regarding Article 7, Member Muszar said that the current language regarding board elections and the appointment of the secretary of the PFRS board should be separated into specific sections. The committee and staff discussed options further specify changes to this section related to the Board Secretary and the Plan Administrator. He also made a suggestion that the Board president and the respective committee chairpersons manage their respective agendas.

On Article 8, member Muszar suggested inclusion of a section to make a regular review of the rules and regulations, perhaps every three years. Member Muszar and staff discussed his concerns about the travel policy and the rules and regulations.

Member Muszar addressed his concerns about Article 9 (meeting procedures and board action). He suggested the elimination of the use of the term "public speakers" in the rules and regulations and in the writing of the meeting minutes, stating that retirees who come to speak at the PFRS meetings dislike being referred to as 'public speakers' in the meeting minutes.

Member Muszar expressed his desire to eliminate the express time restrictions on public comment, and his preference to replace them by empowering the chair or president of a body to limit speaker time case-by-case. He also talked about Open Forum constraints of the rules and regulations.

Member Daniel expressed her concerns about Member Muszar's suggested changes to Article 9, because his suggestions create an amount of ambiguity in its written language to give the meeting chairperson too much authority to control time management at the meeting. She said a clear procedure delineated in the Rules and Regulations minimizes such issues. Member Muszar said the current Rules and Regulation provide a framework for time management of public speakers, but he feels its use is not followed. Member Daniel stated she would review several sections of article 9 and present proposed edits at the next Audit Committee meeting.

Member Daniel made a motion to table further discussion to the next Audit Committee meeting, second by member Muszar. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

5. **Review of the previous administrative/management audit of PFRS Administration** – The Audit Committee and staff discussed the administrative/management audit of the PFRS system started in 2006.

Following some committee and staff discussion, Member Daniel recommended that staff review the task checklist / matrix represented in attachments C and D of the agenda package for this item and report back to the Audit Committee at the September 2017 meeting as to its

status. Member Muszar recommended this matter be brought back to the next meeting for further discussion. Member Daniel made a motion to table discussion of the matter until the next schedule Audit Committee meeting tentatively scheduled for September 27, 2017, second by member Muszar. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

- 6. Retirement Department Office Remodel** – Plan Administrator Kasaine reported the details for the request for approval of funds to supplement the City's funding of remodeling costs of the office of the Retirement department. Following discussion between the Committee and staff, member Daniel made a motion to recommend moving this matter to the Board meeting for further discussion and action, second by member Muszar. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

- 7. Open Forum** – No Report.

- 8. Future Scheduling** – The next Audit Committee meeting is scheduled for September 27, 2017. Staff and committee members discussed the scheduling of additional agenda items at upcoming meeting, including presentation of an updated overpayment/underpayment policy (November), Estate Attorney hiring update report (September) and the updated travel policy (September).

The meeting adjourned at 10:48 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE



AGENDA REPORT

TO: Oakland Police and Fire Retirement Board

FROM: Katano Kasaine

SUBJECT: Rules and Regulations Review

DATE: August 10, 2017

SUMMARY

At the May 31, 2017 PFRS Board meeting, the PFRS Board directed staff to bring a redlined draft copy of the current PFRS Rules and Regulations (**Attachment 1**) with edits for the Audit Committee's review. The PFRS Board directed staff to remove references to "active" PFRS members and to make other minor edits to update the current Rules and Regulations. In addition, Member Robert Muszar submitted his written edits to the Rules and Regulations and are attached as **Attachment 2**.

Respectfully submitted,

Katano Kasaine, Plan Administrator
Oakland Police and Fire Retirement System

Attachment(2):

- Draft PFRS Rules and Regulations submitted by Staff
- Edited Draft PFRS Rules and Regulations submitted by Member Robert Muszar

ATTACHMENT 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Article 1: IDENTIFICATION

Section 1.1: Name

The Oakland Police and Fire Retirement Systems ("PFRS") Board

Section 1.2: Office Location

Retirement Systems, 150 Frank H. Ogawa Plaza, Suite 3332, Oakland, CA 94612

Section 1.3: Authority, Statutory Requirements

The PFRS Board shall comply with all applicable laws, including but not limited to Article XVI, Section 17 of the California Constitution, Article XXVI of the Oakland City Charter, the Oakland Sunshine Ordinance (Oakland Municipal Code ("OMC") Chapter 2.20, the Ralph M. Brown Act (Government Code section 54950 et seq.), the California Public Records Act (Government Code section 6250 et seq.), and the Oakland Conflict of Interest Code (OMC Chapter 3.16).

Article 2: MISSION STATEMENT

It is the mission of the Board of the Oakland Police and Fire Retirement System to manage and administer the Oakland Police and Fire Retirement System and Fund. In order to fulfill this mission, the PFRS Board shall:

1. Possess power to make all necessary rules and regulations for its guidance;
2. Have exclusive control of the administration and investment of the fund established for the maintenance and operation of the System;
3. Administer the System in accordance with the provisions of Article XXVI of the Oakland City Charter;
4. Exercise its plenary authority and fiduciary responsibility for investment of the Plan's funds in accordance with Article XVI, Section 17 of the California Constitution.

Article 3: BOARD OF TRUSTEES

Section 3.1: Board Membership

The Board of the Police and Fire Retirement System consists of seven members, appointed or elected as set forth in Oakland City Charter section 2601: the Mayor (or a designated representative), a life insurance executive of a local office, a senior officer of a local bank, a community representative, an elected retired member of the Police Department, an elected retired member of the Fire Department, and an elected retired member position that alternates between the Police Department and Fire Department memberships. ~~A retired police or fire member may be elected by the active and retired~~

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

~~membership to serve if no active member is elected to serve on the Board from their respective department.~~

Section 3.2: Procedure to Fill Vacancy of Elected Members

In the event a vacancy occurs before the end of a full term in any of the three (3) elected offices of the Board which are filled by retired members of the Retirement System, a successor shall be elected for the unexpired portion of the term vacated in accordance with Section 11.12.

Section 3.3: Procedure to Fill Vacancy of Appointed Members

In the event a vacancy occurs before the end of a five (5) year term in any of the three (3) appointed offices of the Board, the Mayor's office will be notified of the vacancy by the Retirement office. The new appointee shall be appointed by the Mayor, confirmed by Oakland City Council and sworn-in by the Oakland City Clerk's office. A successor appointed under this Section shall be appointed for the remainder of the vacated term.

Section 3.4: Holdover

In the event of a failure to appoint a successor to the Board seat held by the life insurance representative, bank representative, or community representative after the expiration of a five (5) year term, the Board member most recently filling that seat may continue to serve as a Board member during the following term in a holdover capacity for up to one year.

Section 3.5: Compensation

All Board members shall serve without compensation.

Article 4: BOARD MEMBER RESPONSIBILITIES AND CORE COMPETENCIES

Section 4.1: Attendance

All Board members are expected to attend all board and applicable committee meetings. While attendance is not always possible, board members should, once the calendar for a year is set, immediately identify any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts. Absences for medical or other substantial reasons shall be deemed to be excused absences in the discretion of the Board President.

Section 4.2: Preparation

Board members should come to Board and committee meetings having already read the materials prepared and circulated by staff and/or consultants, and having already asked any questions of staff necessary for their understanding.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 4.3: Integrity

Board members shall conduct themselves with integrity and dignity, maintaining the highest ethical conduct at all times. They should understand system objectives and exercise care, prudence and diligence in handling confidential information.

Section 4.4: Conflict of Interest

No Board member and no employee of the Board shall have any interest, direct or indirect in the making of any investment, or in the gains or profits accruing there from. No member or employee of the Board, directly or indirectly, for himself or herself or as an agent or partner of others, shall borrow any of its funds or deposits or in any manner use the same except to make such current and necessary payments as are authorized by the Board; nor shall any member or employee of the Board become an endorser or surety or become in any manner an obligor for moneys invested by the Board.

Board members, staff and specified consultants are subject to the conflict of interest provisions the Oakland Municipal Code (OMC Chapter 3.16) and California state law, including but not limited to the Political Reform Act (Government Code section 81000 et seq) and Government Code section 1090.

Board members shall timely file annually the Statement of Economic Interests (Fair Political Practices Commission Form 700) as required by the City of Oakland's Conflict of Interest Code.

Section 4.5: Knowledge

Board members should develop and maintain their knowledge and understanding of the issues involved in the management of the system. The specific areas in which board members should develop and maintain a high level of knowledge should include:

- Public pension plan governance.
- Asset allocation and investment management.
- Actuarial principles and funding policies.
- Financial reporting, controls and audits.
- Benefits administration.
- Vendor selection process.
- Open meeting and public records laws.
- Fiduciary responsibility.
- Ethics and conflicts of interest.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 4.6: Education

Board members are expected to pursue educational opportunities that will assist them in the fulfillment of their fiduciary duties to the retirement plan and its beneficiaries. Each Board member will be allocated an educational allowance on an annual basis.

Section 4.7: Collegiality

Board members shall make every effort to engage in collegial deliberations, and to maintain an atmosphere in which board or committee members can speak freely, explore ideas before becoming committed to positions and seek information from staff and other members.

Article 5: **MEETINGS**

Section 5.1: Open Meetings / Quorum

Public notice of all meetings shall be provided as required by the Brown Act and the Sunshine Ordinance. Four members of the Board shall constitute a quorum for the transaction of business. Two Board Members constitute a quorum for the purpose of a Committee meeting. The powers conferred by the Charter upon the Board shall be exercised by order or resolution adopted by the affirmative votes of at least four (4) Board members. The affirmative votes of five (5) members of the Board are required for all investment decisions excluding Board approved drawdowns for benefits payments or administrative expenses.

Section 5.2: Time and Place of Regular Meetings

Section 5.2a: Full Board

The regularly scheduled meetings of the PFRS Board shall take place at Oakland City Hall on the last Wednesday of each month.

Section 5.2b: Standing Committee

The regularly scheduled meetings of the Audit/Operations Committee shall take place at Oakland City Hall on the last Wednesday of each month, at a specified time.

The regularly scheduled meetings of the Investment Committee shall take place at Oakland City Hall on the last Wednesday of each month, at a specified time.

Section 5.3: Special Meetings

The President or a majority of the members of the Board may schedule a Special Meeting of the board at any time, with notice given in accordance with the notice provisions of the Sunshine Ordinance and Brown Act.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Article 6: FISCAL YEAR

The fiscal year of the Board shall commence upon the first day of July each year and terminate on the thirtieth day of June of the following year.

Article 7: OFFICERS

Section 7.1: Elective Officers

At the regular meeting in September of each year, the Board shall elect one of its members to act as President for the ensuing year, and one to act as Vice President. The Board shall also appoint a Secretary who shall hold office at its pleasure.

Section 7.2: Terms of President and Vice-President

The President and Vice-President shall take office at the close of the September meeting following their election and shall serve for one year or until their successors have been elected and take office.

Section 7.3: Duties of President and Vice-President

The President of the Board shall preside at all Board meetings. In his or her absence, the Vice-President shall preside. In the absence of both the President and the Vice-President, when the President has not selected a President Pro Tem in advance, the Board shall select one of its own members to preside.

The President shall also:

- Appoint the members of the Board's standing committees annually prior to the October meeting;
- Add or delete items from the Full Board Meeting Agenda and Committee Agendas;
- Schedule a Special Meeting of the Board,
- Create ad hoc committees for a limited duration and purpose, which shall be comprised of at least one but less than a quorum of board members, and may include a non-board member(s),
- Sign authorized contracts, agreements and financial documents on the Board's behalf; and
- Perform other duties as directed by the Board.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

The Vice President shall also:

- Assume and discharge the President's duties when the President is absent or otherwise unable to perform them, or when directed by the President; and
- Perform other duties as directed by the Board.

Section 7.4: Duties of the Secretary of the Board

The Secretary shall have the power to:

- Administer oaths and affirmations
- Issue subpoenas in all matters pertaining to the administration and operation of the System

Section 7.5: Duties of the Plan Administrator

The Plan Administrator is authorized to:

- Approve the withdrawal of funds for the purpose of making benefit payments to retirees and their beneficiaries in the event that the Board is unable to do so in a timely manner and submit to the board for ratification.
- Approve all demands for payment of claims against the administrative appropriation as approved by the Board.

The Plan Administrator shall also:

- Submit a monthly report to the Board that shall summarize plan expenses and membership count of the Retirement System.
- Prepare an annual report for the Board and the City Council.
- Annually submit a budget for approval by the Board and to be submitted to the City Administrator for the bi-annual budget.

Article 8: **STANDING COMMITTEES**

Section 8.1: Investment Committee

The Investment Committee shall be a Standing Committee of the Board, consisting of three members, whose chairperson shall be the banker representative on the Board. If the banker representative position is vacant, the Board President shall appoint a chairperson. Annually, before the October meeting, the President of the Board shall appoint the additional members of the committee, who shall serve until their successors have been appointed.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

The Investment Committee shall have the responsibility for making recommendations to the Board in the following areas:

- Review the Plan's overall investment objectives, risk tolerance and performance standards and recommend changes to the Board.
- Recommend the hire or termination of investment managers to the PFRS Board.
- Keep the Board apprised of the performance of the Plan's investment portfolio.
- Recommend the asset allocation of the Plan to the Board.
- Recommend to the Board which investments to target for the purpose of making benefit payments under the Plan.
- Review the Investment Policy and recommend changes to the Board.

Section 8.2: Audit/Operations Committee

The Audit/Operations Committee shall be a Standing Committee of the Board, consisting of three members. Annually, before the October meeting, the President of the Board shall appoint the members of the committee, who shall serve until their successors have been appointed. The President shall appoint a Committee chairperson from one of the three Committee members.

The Audit/Operations Committee shall have the responsibility for making recommendations to the Board in the following areas:

- Review the Plan's administrative procedures for the purpose of ensuring prompt delivery of benefits and related services to participants and their beneficiaries and recommend necessary changes to the full Board.
- Review and recommend solutions to specific issues raised by the Board that relate to administration of the PFRS Plan.
- Review the actuarial valuation report and the annual financial audit report of the Plan and recommend approval by the Board, unless the Board President determines that a report should be reviewed in the first instance by the full Board.
- Review the annual budget and recommend approval by the Board.
- Monitor the Plan's administrative budget and assist the Board in defraying reasonable expenses.
- Develop and recommend changes to Board rules, regulations and policies in non-investment areas.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

- Other duties and/ or issues as directed by the Board.
- Approve Board Member Travel.
- Periodically review PFRS Travel Policy.

Article 9: MEETING PROCEDURES AND BOARD ACTION

Section 9.1: Board and Committee Time Management

The Board President or Committee Chairperson is responsible for time management of the applicable body. To the greatest extent feasible, all items on Board and Committee agendas shall be supported by concise, easily accessible written information.

Section 9.2: Speakers' Cards

Members of the public wishing to speak must submit their name and the item on the agenda they wish to discuss, if any, to staff before being recognized by the presiding officer.

Members of the public who wish to speak must complete a speaker card for each agenda item he/she/ he wishes to speak on. Multiple agenda items cannot be listed on one speaker card.

Section 9.3: Public Speaker Procedures

Members of the public addressing the Board shall state their name. They shall confine their remarks to the agenda item under discussion, unless they are speaking during the Open Forum portion of the agenda.

Section 9.4: Time Limits for Public Speakers

Any member of the public who has submitted a speaker card on an agenda item, other than open forum, shall be allotted three (3) minutes to speak prior to any vote or action by the Board.

Subject to the provisions of this Rule that apply to public speakers who submit multiple speaker's cards, all public speakers on any one item shall be allotted the same amount of speaking time on that item, unless given ceded time, or unless more time must be given to comply with due process or other legal requirements or in circumstances where the Board is acting in a quasi-adjudicatory capacity.

Section 9.5: Speakers Submitting Speaker's Cards on Multiple Items

Subject to Section 9.4 and the discretion of the presiding officer, which discretion must be exercised in accordance with Section 9.4, a speaker who submits his or her name to speak on four or more items (other than open forum) will be instructed to address all items concurrently and shall be allotted 2 minutes per item up to a maximum of 10 minutes; if

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

the presiding officer exercises his/her discretion under Section 9.4 to reduce each speaker's time to one (1) minute, speakers who submit four or more speaker's cards shall be allotted one (1) minute per item up to a maximum of 5 minutes.

Section 9.6: Ceding Time

In case the allotted time for each public speaker is less than two (2) minutes on an agenda item, a public speaker may extend his or her speaking time if other public speakers who have submitted their names to speak agree to cede their time to the recipient public speaker. The recipient public speaker will receive one (1) minute speaking time from each ceding public speaker, up to a maximum of five (5) minutes. At the presiding officer's discretion, a public speaker may be allotted more than five (5) minutes based on ceded time. The recipient public speaker must submit the ceding public speakers' speaking cards, and the ceding public speakers must be present at the time the recipient public speaker speaks.

Section 9.7: Open Forum

Public speakers submitting their names to speak under open forum shall be allotted a maximum of three (3) minutes. A public speaker may speak only once under open forum during any one meeting, subject to the discretion of the presiding officer. The presiding officer may reduce each public speaker's allotted time to one (1) minute if he or she publicly states all reasons justifying any reduction in speaker time, which reasons shall be based at least on consideration of the time allocated or anticipated for the meeting, the number and complexity of agenda items and the number of persons wishing to address the local body, and whether there will be sufficient time available during the meeting to consider all agenda items if all public speakers are allowed two (2) minutes to speak.

The Board cannot take any action under Open Forum unless it is deemed an emergency or urgency matter under the Sunshine Ordinance and Brown Act by a vote of the Board.

Section 9.8: Procedure for Placing New Items on an Agenda

For any new business by any board member, the full Board is authorized to add the item to future agendas of any meeting by an affirmative vote of a majority of the quorum of Board members present.

Section 9.9: Procedure to Add, Remove Agenda Items

For Board items, any Board member wishing to add (or remove) a Board agenda item after the Board has met, but before the agenda is published, must obtain authorization from the President of the Board.

For Committee items, any Board member wishing to add (or remove) a Committee agenda item after the Committee has met, but before the agenda is published, must obtain authorization from the President of the Board and the Chair of the Committee.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 9.10: Minutes

The Secretary shall cause to be recorded in the minutes, the time and place of each meeting of the Board, the names of Board members present and all official acts of the Board along with a summation of the Board discussion along with the votes, and shall cause the minutes to be written and presented for approval no later than the second succeeding regular meeting.

Draft minutes shall be prepared and forwarded to Board members for review by the 15th business day following each meeting. The minutes or a true copy thereof, submitted and signed by the Secretary after approval by the Board shall form part of the permanent records of the Board.

Section 9.11: Other Requests

Other requests by the plan sponsor, other entities or the public will be directed to the Plan Administrator, who will review and respond administratively. To the extent the request need to be addressed to or by the Board, the request will be brought to the full board for further direction or authorization.

Section 9.12: Requests by the Board

Any research, analyses and reports from staff as are necessary for the Board's effective oversight of PFRS operations shall be initiated by placing that item on a future agenda in accordance with section 9.8. Such requests will be agendized and considered at regularly scheduled Board meetings. If approved, the Plan Administrator will be responsible for coordinating the completion of the approved project or report within a reasonable time or by the completion date specified in the Board action.

Section 9.13: Requests by Individual Board Members

Board members making individual requests for information will be advised to place the item on the Board meeting agenda in accordance with section 9.8 unless the information is readily available and the Plan Administrator determines that a response will not require any significant commitment of staff time or other PFRS resources.

Section 9.14: Resolutions

The Board shall act either by order or by resolutions, numbered in sequence of passage. In every instance, authorization by Board resolution shall be required for the following:

- Retirement of active members of the Police and Fire Retirement System;
- Setting of Retirement and Disability Allowances;
- Reinstatement of members from the Disability Allowance Roll to active status;

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

- Approval of Death Benefits;
- Approval of continuation of allowances to eligible surviving spouse.
- Authorization of Contracts

The Board may, in its discretion, act by resolution in other matters not listed above. Actions taken by the Board by way of order shall be set forth in the minutes of the Board.

Section 9.15: Ayes and Noes

The Board shall pass resolutions or orders only by taking the ayes and noes by an audible vote, which shall be entered in its minute book. Each resolution shall show on its face the ayes and noes vote thereon and the members so voting.

Section 9.16: Subject and Title

Every resolution of the Board shall be confined to one subject, which shall be clearly expressed in its title.

Article 10: RULES OF ORDER

Roberts' Rules of Order shall be the final authority on all questions of procedure and parliamentary law, not otherwise provided for by the City Charter, (Article XXVI) or these rules.

Article 11: ELECTION OF MEMBERS OF THE BOARD REPRESENTING ~~ACTIVE AND RETIRED MEMBERS OF THE RETIREMENT SYSTEM~~

Section 11.1: Day for Counting of Ballots

The fourth Wednesday in August of the year in which such election is required to be held is hereby designated as the day for counting of ballots.

In the event of a vacancy of one or more of the elected PFRS Retirement Board seats before the completion of the full term, the day for counting ballots for the election to fill the vacant PFRS Retirement Board seat shall be the fourth Wednesday of the month that follows 90 days after the date of being informed of the vacancy.

Section 11.2: Notice of Nomination

On or before the first business day in June of each year in which an election is required, the office of the Police and Fire Retirement Board shall send a notice stating that nomination papers may be obtained at the office of said Police and Fire Retirement Board, the place where nomination papers shall be filed and the final date of filing thereof, the

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

date when ballots will be counted and such other information as may be appropriate to the following organizations:

- Retired Oakland Police Officers' Association (ROPOA)
- International Association of Fire Fighters, Local 55 (IAFF Local 55)

In the event of a vacancy of one of the elected PFRS Retirement Board seats before the completion of the full term, the office of the Police and Fire Retirement Board shall send notice as stated above no later than ten (10) calendar days after the date of being informed of the vacancy.

Section 11.3: Nomination for Membership

Nomination for membership on the Police and Fire Retirement Board ~~form from~~ from the active retired membership of the Police and Fire Department shall be in writing on forms supplied by the office of said Police and Fire Retirement Board upon request ~~therefore~~. Nomination papers shall be substantially in the form shown in Appendix A. Nomination papers shall be signed by at least ten retired members of the Police or Fire Department, as the case may be, who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person nominated. Each signator of a nominating paper shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased members are not eligible to vote in elections.

Section 11.4: Date of Filing Nomination Papers

Nominating papers shall be filed in the Office of the Oakland City Clerk, Room 306 of the Oakland City Hall, not less than thirty-five days before the day of counting ballots. If said date falls on a non-business day for the City of Oakland, it shall be filed on the next business day.

Section 11.5: Determination of Sufficiency of Nominating Papers

The City Clerk of the City of Oakland will determine when a member is nominated and for this purpose shall have access to the records of the Police and Fire Retirement Board the names of those ~~active or~~ retired members of the respective departments determined by him to have been nominated.

Section 11.6: Winner by Default

In the event that only one person is nominated in accordance with this Article 11 as a member of the Board, that person shall be declared a winner.

Section 11.7: Mailing of Ballots

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Not less than fifteen days before the day for the counting of the ballots that shall be prepared by and mailed for the office of the Police and Fire Retirement Board to each ~~active or~~ retired member of the Police Department of Fire Department who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The Ballots shall contain the names in alphabetical order of the candidates certified by the City Clerk as nominated. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his or her name, may be returned to the City Clerk not later than 10:00 a.m. of the day for the counting of ballots.

Section 11.8: Roster of Eligible Voters

There shall be prepared in the office of the Police and Fire Retirement Board a roster of eligible voters which shall contain the names of the ~~active or~~ retired members of the Police or Fire Department who are members of the Police and Fire Retirement System, excluding beneficiaries of deceased members. Such roster of eligible voters shall be delivered to the City Clerk not less than fifteen days before the day for the counting of ballots and shall be in such form as to permit appropriate asking thereon by the City Clerk to indicate that an eligible member has voted.

Section 11.9: Counting of Ballots

On the day for the counting of ballots at the hour of 10:00 A.M. thereof, the ballot box shall be opened and no ballot received after said hour shall be counted. The ballots will be counted under the supervision and control of the City Clerk in such manner that the identity of the individual casting any ballot will not be disclosed. No ballot shall be counted unless it is enclosed in an envelope bearing the name of the voter. No ballot shall be counted which contains a vote for a person not nominated in accordance with Article 12. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and the candidate elected, and notify each candidate thereof by mail.

Section 11.10: Vote Necessary for Election

The candidate receiving the highest number of eligible votes shall be declared elected.

Section 11.11: Disposition of Ballots after Counting

Upon conclusion of the counting of the ballots they shall be kept by the City Clerk in the manner and for the period the ballots of municipal elections are kept.

Section 11.12: Procedure to Fill Vacancy of Elected Members

In the event a vacancy occurs before the end of a full term in any of the three (3) elected offices of the Board which are filled by retired members of the Retirement System, a successor shall be elected for the unexpired portion of the term vacated. The successor shall be elected from the same department of the member who is vacating the seat for

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

the remainder of said unexpired three (3) year, or five (5) year, term. The election shall be governed by Article 11.

Article 12: RECALL OF MEMBER OF THE BOARD REPRESENTING ACTIVE AND RETIRED MEMBERS OF THE RETIREMENT SYSTEM

Section 12.1: Day for Counting Recall Ballots

The Ballots shall be counted not less than 90 days from receiving Recall Petition.

Section 12.2: Notice of Recall Petition

Upon receiving a Notice of Recall, the office of the Police and Fire Retirement Board shall send to the Retired Oakland Police Officers' Association (ROPOA), International Association of Fire Fighters, Local 55 (IAFF Local 55) and the City Clerk a notice stating that a recall petition had been received, the date when ballots will be counted and such other information as may be appropriate.

The Petition for recall of an ~~active or~~ retired member on the Police and Fire Retirement Board shall be in writing on forms supplied by the Secretary of the Board upon request. Recall petitions shall be substantially in the form as shown in Appendix B.

Recall petition shall be signed by 10 ~~active or~~ retired members of the Police or Fire Department (as the case may be). And who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person recalled. Each signator of a recall petition shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased retired members are not eligible to sign or vote on recall.

Section 12.3: Date of Filing Recall Petition Paper

Petition papers shall be filed in the Office of the Oakland City Clerk, Room 306 of the Oakland City Hall, not more than thirty (30) days after filing the notice of recall petition.

Within seven (7) days after filing of petition the board member sought for recall may file with the City Clerk, a response, in not more than 200 words, to the statement of the proponents. If a response is filed, the City Clerk shall serve a copy by Certified Mail, to one of the proponents named in the petition.

Copies of the Petition and Response shall be distributed and posted within the offices of ROPOA, IAFF Local 55 and the City Clerk. The statement and answers shall be for voter's information and will be mailed to them upon the request.

Section 12.4: Determination of Recall Petition

The City Clerk of the City of Oakland will determine when a member is recalled and for this purpose shall have access to the records of the Police and Fire Retirement Board. The City Clerk, within five (5) days after the last day for filing Recall Petition papers will

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

certify to the office of the Police and Retirement Board the names of those ~~active or~~ retired members of the respective departments determined by him to have been recalled.

Section 12.5: Mailing of Ballots

Not less than fifteen (15) days before the day the counting of the ballots shall be prepared by and mailed from the office of the Police and Fire Retirement Board to each retired member of the Police or Fire Department and who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The ballots shall contain the name of the member to be recalled, as certified by the City Clerk. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his/her name, may be returned to the City Clerk not later than 10:00 A.M. of the day for counting of ballots.

Section 12.6: Roster of Eligible Voters

The Roster of Eligible Voters described in Section 11.8 shall be delivered to the City Clerk not less than fifteen (15) days before the day for counting of the ballots and shall be in such form as to permit appropriate marking thereon by the City Clerk to indicate that an eligible member has voted on the recall.

Section 12.7: Counting of Ballots

On the day for counting of ballots at the hour of 10:00 A.M. thereof the ballot box shall be opened and no ballots received after said hour shall be counted. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and notify the Retirement Board of the results.

Section 12.8: Vote Necessary for Recall

The majority of eligible votes counted and cast to recall or not recall the board member shall prevail.

Section 12.9: Disposition of Ballots after Counting

Upon conclusion of the counting of the ballots, they shall be kept by the City Clerk in the manner and for the period, the ballots of municipal recalls are kept.

Article 13: PROCEDURE TO FILL VACANCY OF RECALLED MEMBER

A vacancy created after a successful recall pursuant to Article 12 shall be filled by the procedure set forth in Article 11.12.

These rules may be amended by a majority vote of the Board at any regular meeting or special meeting called for that purpose.

Article 14: AMENDMENT OF RULES AND REGULATIONS

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

These Rules and Regulations may be amended under the following procedures:

- Amendments shall be read at a regular meeting.
 - No vote may be taken earlier than the next regular meeting.
 - At least four (4) members of the Board must vote in favor of the amendments.
-

The Rules and Regulations of the Oakland Police and Fire Retirement System have been approved by vote of the Board of Administration, effective SEPTEMBER 24, 2014.

WALTER L. JOHNSON, SR.
PRESIDENT
OAKLAND POLICE & FIRE RETIREMENT SYSTEM BOARD

KATANO KASAINÉ
SECRETARY
OAKLAND POLICE & FIRE RETIREMENT SYSTEM BOARD

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

APPENDIX A

Nomination Form – Elected PFRS Member

OAKLAND POLICE AND FIRE RETIREMENT BOARD

I, undersigned, am a retired member of the Oakland Police Department (or Fire Department as the case may be), and a member of the POLICE AND FIRE RETIREMENT SYSTEM, and I hereby nominate _____, PRINT NOMINEE NAME a member of the POLICE AND FIRE RETIREMENT SYSTEM, as a candidate for membership on the Police and Fire Retirement Board from the retired membership of the Oakland Police Department (or Fire Department as the case may be), for the term expiring August 31, _____.

	Name	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

I accept the nomination and consent to serve if elected.

Signature of Nominee

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

APPENDIX B

Board Member Recall Form – Elected PFRS Member

OAKLAND POLICE AND FIRE RETIREMENT BOARD

I, undersigned, am an ~~active~~ or retired member of the Oakland Police or Fire Department (as the case may be), and a member of the POLICE AND FIRE RETIREMENT SYSTEM.

I hereby request that _____,
a member of the POLICE AND FIRE RETIREMENT BOARD as representative for the Police or Fire Department (as the case may be), be recalled by the retired membership of said department, for the unexpired term ending _____, for the following reasons:

	Name	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

DIRECTORY OF AMENDMENTS

Amendment ID	Date	Notes
	09/24/2014	Creation of New Rules and Regulations approved by PFRS Board.
	07/29/2015	Passage of PFRS Board Resolution No. 6856 affirming, "that the September 24, 2014 Rules and Regulations are the only Rules the PFRS board uses to govern, until amended."

ATTACHMENT 2

Date: July 5, 2017

To: Audit/Operations Committee

From: Robert J. Muszar

Subject: Audit/Operations Committee Review of PFRS Rules and Regulations - Draft Recommendations

The Audit and Operations Committee began its review of the System's Rules and Regulations on May 31, 2017 with the goal of submitting its recommendations to the full Board at the Board's October 2017 meeting.

At the May 31, 2017 Committee meeting I volunteered to draft proposed modifications to Article 9 of the Rules as they apply to placing items onto Board and committee agendas. I also took the liberty to expand my effort to include proposed language regarding most of the Rules sections flagged for review. This material was submitted to PFRS staff on Jun 15, 2017 for inclusion in the June 28, 2017 agenda package. However, the material was not included as requested.

At the June 28, 2017 Audit/Operations Committee meeting it was agreed that I would consolidate all of my suggestions (May 15, May 31 and June 14 memos) into a single set of recommendations. It was further agreed that: staff would prepare and maintain a second document which included only those recommendations that have been approved by the Committee for submission to the full Board; the City Attorney would provide advice/guidance regarding Sections 3.4 and the second paragraph of Section 9.10; and; both my updated recommendations and staff's document reflecting the Committee's recommendations would be included in the July 26 agenda package. Lastly, it was agreed that discussion of the material would be put over until the August 30 meeting.

I would like to thank the Committee for providing this opportunity. I look forward to our discussions.

Attachment

cc: Katano Kasaine
Pelayo Llamas

1 **Article 3: BOARD OF TRUSTEES**

2
3 Section 3.1: Board Membership

4
5 The Board of the Police and Fire Retirement System consists of seven members,
6 appointed or elected as set forth in Oakland City Charter section 2601: the Mayor (or
7 a designated representative), a life insurance executive of a local office, a senior
8 officer of a local bank, a community representative, an elected retired member of the
9 Police Department, an elected retired member of the Fire Department, and an elected
10 member position that alternates between the Police Department and Fire Department
11 memberships. ~~A retired police or fire member may be elected by the active and retired~~
12 ~~membership to serve if no active member is elected to serve on the Board from their~~
13 ~~respective department.~~

14
15 Section 3.4: Holdover

16
17 *(Referred to Deputy City Attorney for research).*

18
19 **Article 4: BOARD MEMBER RESPONSIBILITES AND CORE COMPETENCES**

20
21 Section 4.6: Education

22 Board members are expected to pursue educational opportunities that will assist them
23 in the fulfillment of their fiduciary duties to the retirement plan and its beneficiaries.
24 Each Board member will be allocated an educational allowance on an annual basis.
25 **The amount of individual training allotments will be detailed in the PFRS budget**
26 **and each Board member's expenditures will be reported to the Audit/Operations**
27 **Committee monthly.**

1 **Article 7: OFFICERS**

2

3 Section 7.1: Elective Officers

4

5 *(Request further discussion)*

6

7 Section 7.3: Duties of President and Vice-President

8

9 The President of the Board shall preside at all Board meetings. In his or her absence,
10 the Vice-President shall preside. In the absence of both the President and the Vice
11 President, when the President has not selected a President Pro Tem in advance, the
12 Board shall select one of its own members to preside.

13 The President shall also:

14

15 • Appoint the members of the Board's standing committees annually prior to the
16 October meeting;

17

18 • ~~Add or delete items from the Full Manage~~ Board Meeting Agendas in accordance
19 with Article 9 of these Rules. and, ~~Committee Agendas;~~

20

21 • **Ensure that Committee Chairs manage committee agendas in accordance with**
22 **Article 9 of these Rules.**

23

24 • Schedule a Special Meeting of the Board,

25

26 • Create ad hoc committees for a limited duration and purpose, which shall be
27 comprised of at least one but less than a quorum of board members, and may
28 include a non-board member(s),

29

1 • Sign authorized contracts, agreements and financial documents on the Board's
2 behalf; and

3
4 • Perform other duties as directed by the Board.
5

6 Section 7.4: Duties of the Secretary of the Board
7

8 *(Request further discussion)*
9

10 Section 7.5: Duties of the Plan Administrator
11

12 *(Request further discussion)*
13

14 **Article 8: STANDING COMMITTEES**
15

16 Section 8.2: Audit/Operations Committee
17

18 The Audit/Operations Committee shall be a Standing Committee of the Board,
19 consisting of three members. Annually, before the October meeting, the President of
20 the Board shall appoint the members of the committee, who shall serve until their
21 successors have been appointed. The President shall appoint a Committee
22 chairperson from one of the three Committee members.
23

24 The Audit/Operations Committee shall have the responsibility for making
25 recommendations to the Board in the following areas:
26

27 • Review the Plan's administrative procedures for the purpose of ensuring prompt
28 delivery of benefits and related services to participants and their beneficiaries and
29 recommend necessary changes to the full Board.
30

1 • Review and recommend solutions to specific issues raised by the Board that relate
2 to administration of the PFRS Plan.

3
4 • Review the actuarial valuation report and the annual financial audit report of the Plan
5 and recommend approval by the Board, unless the Board President determines that
6 a report should be reviewed in the first instance by the full Board.

7
8 • Review the annual budget and recommend approval by the Board.

9
10 • Monitor the Plan's administrative budget and assist the Board in defraying
11 reasonable expenses.

12
13 • Develop and recommend changes to Board rules, regulations and policies in
14 noninvestment areas. **At a minimum, review Board rules and make**
15 **recommendations to the Board as deemed appropriate every three years with**
16 **the first review to be conducted in 2020.**

17
18 • Other duties and/ or issues as directed by the Board.

19
20 • **Recommend approval of ~~Approve~~ Board Member ~~Travel~~ and staff travel in**
21 **accordance with the PFRS Travel Policy and individual training allotments.**

22
23 • **Periodically review PFRS Travel Policy. At a minimum, review the Board travel**
24 **policy and make recommendations to the Board as deemed appropriate every**
25 **three years with the first review to be conducted in 2020.**

1 **Article 9: MEETING PROCEDURES AND BOARD ACTION**

2
3 Section 9.1: Board and Committee Time Management

4
5 The Board President or Committee Chair is responsible for time management of the
6 applicable body. To the greatest extent feasible, all items on Board and Committee
7 agendas shall be supported by concise, easily accessible written information **which**
8 **shall be submitted pursuant to Section 9.11, below.**

9
10 Section 9.2: Speakers' Cards

11
12 ~~Members of the public~~ **Except as provided in Section 9.7 below, Individuals**
13 wishing to speak must submit their name and the item on the agenda they wish to
14 discuss, if any, to staff ~~before being recognized by the presiding officer~~ **prior to the**
15 **beginning of the meeting.**

16
17 ~~Members of the public who wish to speak must complete a speaker~~ **A speaker's card**
18 **must be completed** for each agenda item ~~he/she wishes to speak on.~~ **Speakers'**
19 **cards listing multiple agenda items cannot be listed on one speaker card will not be**
20 **accepted. If the intent is to cede time to another speaker, the name of the**
21 **individual to whom time is being ceded shall also be listed on the speaker card.**

22
23 Section 9.3: Public Speaker Procedures

24
25 ~~Members of the public~~ **Individuals** addressing the Board shall state their name. They
26 shall confine their remarks to the agenda item under discussion, unless they are
27 speaking during the Open Forum ~~portion of the agenda.~~

1 Section 9.4: Time Limits for Public Speakers

2
3 **The Board President or Committee Chair may impose reasonable time limits on**
4 **speakers. In making this determination the number of speakers' cards**
5 **submitted, the complexity of the issues to be addressed and the number of**
6 **items on the agenda will be considered. If time limits are to be imposed they**
7 **will be announced at the beginning of the meeting.**

8
9 **If time limits have not been imposed, speakers are expected to be respectful of**
10 **the Board/Committee's time limiting presentations to concise, on-point**
11 **comments. Generally presentations should not exceed five minutes. If a**
12 **presentation exceeds five minutes the Board President or Committee Chair may**
13 **direct the speaker to conclude his/her remarks and may impose a time limit for**
14 **so doing.**

15
16 ~~Any member of the public who has submitted a speaker card on an agenda item, other~~
17 ~~than open forum~~ **If time limits have been imposed, each speaker normally will**
18 ~~shall~~ **be allotted three (3) minutes to speak prior to any vote or action by the Board. If**
19 ~~more than five (5) individuals have submitted speakers' cards on the same item,~~
20 ~~the Board President or Committee Chair may limit time to two (2) minutes per~~
21 ~~speaker. If more than ten (10) speakers have submitted speakers cards on the~~
22 ~~same item, time may be limited to one (1) minute per speaker.~~

23
24 ~~Subject to the provisions of this Rule that apply to public speakers who submit multiple~~
25 ~~speaker's cards~~ **ceding time, all public speakers on any one item shall be allotted the**
26 ~~same amount of speaking time on that item, unless given ceded time, or unless more~~
27 ~~time must be given to comply with due process or other legal requirements or in~~
28 ~~circumstances where the Board is acting in a quasi-adjudicatory capacity.~~

29
30 ~~Section 9.5: Speakers Submitting Speaker's Cards on Multiple Items~~

1
2 ~~Subject to Section 9.4 and the discretion of the presiding officer, which discretion must~~
3 ~~be exercised in accordance with Section 9.4, a speaker who submits his or her name~~
4 ~~to speak on four or more items (other than open forum) will be instructed to address~~
5 ~~all items concurrently and shall be allotted 2 minutes per item up to a maximum of 10~~
6 ~~minutes; if the presiding officer exercises his/her discretion under Section 9.4 to~~
7 ~~reduce each speaker's time to one (1) minute, speakers who submit four or more~~
8 ~~speaker's cards shall be allotted one (1) minute per item up to a maximum of 5~~
9 ~~minutes.~~

10
11 ~~Section 9.6~~ **9.5: Ceding Time**

12
13 ~~In case the allotted time for each public speaker is less than two (2) minutes on an~~
14 ~~agendized item~~ **If time limits have been imposed**, a public speaker may extend his
15 or her speaking time if other public speakers who have submitted speakers' cards
16 cede their time to the recipient public speaker. The recipient public speaker will receive
17 **one-half of the allotted (1) minute** speaking time from each ceding public speaker,
18 up to a maximum of ~~five (5) minutes~~ **three times the allotted time.**

19
20 At the presiding officer's discretion, a public speaker may be allotted more than ~~five~~
21 ~~(5) minutes~~ **three times the allotted time** based on ceded time. The recipient public
22 speaker must submit the ceding public speakers' speaking cards, and the **Speakers**
23 ceding public speakers time must be present at the time the recipient public speaker
24 speaks.

25
26 ~~Section 9.7~~ **9.6: Open Forum**

27
28 **Public Speakers** submitting their names to speak under open forum shall be allotted
29 a maximum of three (3) minutes. A public speaker may speak only once under open
30 forum during any one meeting, subject to the discretion of the presiding officer. **If more**

1 **than five (5) individuals have submitted speakers' cards for open forum, the**
2 **Board President or Committee Chair may** ~~The presiding officer may reduce limit~~
3 ~~each public speaker's allotted time to one (1) minute~~ **two (2) minutes. . If more than**
4 **ten (10) speakers have submitted speakers cards for open forum, time may be**
5 **limited to one (1) minute per speaker. if he or she publicly states all reasons**
6 ~~justifying any reduction in speaker time, which reasons shall be based at least on~~
7 ~~consideration of the time allocated or anticipated for the meeting, the number and~~
8 ~~complexity of agenda items and the number of persons wishing to address the local~~
9 ~~body, and whether there will be sufficient time available during the meeting to consider~~
10 ~~all agenda items if all public speakers are allowed two (2) minutes to speak.~~

11
12 **The Board cannot take any action, other than scheduling the item for future**
13 **consideration,** under Open Forum unless it is deemed an emergency or urgency
14 matter under the Sunshine Ordinance and Brown Act by a vote of the Board. **Board**
15 **members and staff representatives may ask clarifying questions of the speaker**
16 **but will engage in no substantive discussion of the issue.**

17
18 **Sections 9.7: Exceptions**

19
20 **The provisions of Section 9.4 above, shall not apply to the following:**

- 21
22
 - **Speakers who are presenting an agenda item or making a report to the**
- 23 **Board or a committee.**
- 24
- 25
 - **Individuals or the representatives of individuals who are the subject of or**
- 26 **directly impacted by the subject matter of a public hearing held by the**
- 27 **Board or a committee.**

- 1 • **Individuals or the representatives of individuals who are the subject of a**
2 **hearing of the Board held pursuant to Sections 2603 or 2604 of the City**
3 **Charter.**

4
5 Section 9.8: Procedure for Placing New Items on an Agenda – Board Members

6
7 **During the Future Scheduling (or New Business) portion of Board/Committee**
8 **meetings and subject to Section 9.11, below** ~~For any new business by any board~~
9 ~~member, the full Board is authorized to may add the~~ **have an item that is within the**
10 **subject matter responsibility of the Board/Committee placed onto a future**
11 **Board/Committee agendas of any meeting by an affirmative vote of a majority of the**
12 ~~quorum of Board members present.~~ **Discussion during Future Scheduling will be**
13 **limited to scheduling issues and seeking clarity as to proper titling of the future**
14 **agenda item. There shall be no substantive discussion of the topic.**

15
16 Section 9.9: Procedure to Add, Remove Agenda Items Between Meetings – Board
17 Members

18
19 For Board items, any Board member wishing to add a Board agenda item (or remove
20 **an item which he/she has had added**) after the Board has met, but before the
21 agenda is published, must obtain authorization from the President of the Board.

22
23 For Committee items, any Board member wishing to add a Committee agenda item
24 (or remove **an item which he/she has had added**) after the Committee has met, but
25 before the agenda is published, must obtain authorization from the ~~President of the~~
26 ~~Board and the Chair of the Committee who may consult with the Board President~~
27 **before responding.**

1 **Section 9.10: Procedure for Placing New Items on Agenda – Non Board**
2 **Members**

3
4 **Subject to Section 9.11 below, requests from other entities/individuals to have**
5 **an item that is within the subject matter responsibility of the Board/Committee**
6 **placed onto a Board/Committee agenda will be submitted in writing to the Plan**
7 **Administrator. The Board President or Committee Chair, in consultation with**
8 **the Plan Administrator will decide whether to place the item on a future agenda.**
9 **The decision of the Board President/Committee Chair will be communicated in**
10 **writing to the requesting entity/individual by the Plan Administrator.**

11
12 **The provisions of Section 9.10 are not intended to apply to scheduled reports**
13 **provided to the Board and/or its Committees by PFRS staff or the Board's**
14 **professional advisers. These items may be placed on the appropriate agenda**
15 **by the Plan Administrator as a matter of routine.**

16
17 **Section 9.11: Submission of Agenda Materials**

18
19 **Items which are placed onto a Board or Committee agenda pursuant to the**
20 **processes described in Sections 9.8, 9.9 and 9.10 above, normally will be**
21 **supported by written materials submitted to the Plan Administrator by close of**
22 **business on the Wednesday that is two (2) weeks prior to the scheduled**
23 **Board/Committee meeting. If such materials are received following this**
24 **deadline, the item will not be placed onto the appropriate agenda until the**
25 **following month.**

26
27 **This Section is not intended to prohibit oral-only submissions, but unless**
28 **specifically approved by the Plan Administrator with the concurrence of the**
29 **Board President/Committee Chair written materials that do not conform to the**

1 **above-described schedule will not be accepted for inclusion in agenda**
2 **packages.**

3
4 Section 9.12: Minutes

5
6 The Secretary shall cause to be recorded in the minutes, the time and place of each
7 meeting of the Board, the names of Board members present and all official acts of the
8 Board along with a summation of the Board discussion along with the votes, and shall
9 cause the minutes to be written and presented for approval no later than the second
10 succeeding regular meeting.

11
12 Draft minutes shall be prepared and forwarded to Board members for review by the
13 ~~15th~~ 10th business day following each meeting. The minutes or a true copy thereof,
14 submitted and signed by the Secretary after approval by the Board shall form part of
15 the permanent records of the Board.

16
17 *(Should we consider adding a provision for the preparation and distribution*
18 *of action minutes?)*

19
20 Section 9.13: Other Requests

21
22 Other requests by the plan sponsor, **retirees/beneficiaries**, other entities or the public
23 will be directed to the Plan Administrator, who will review and respond
24 administratively. To the extent the request needs to be addressed to or by the Board
25 **or a Committee**, the request will be brought to the full board/**committee** for further
26 direction or authorization.

1 Section 9.14: Other Requests by the Board

2
3 Any research, analyses and reports from staff as are necessary for the Board's
4 effective oversight of PFRS operations shall be initiated by placing that item on a future
5 agenda in accordance with section 9.8. Such requests will be agendized and
6 considered at regularly scheduled Board meetings. If approved, the Plan Administrator
7 will be responsible for coordinating the completion of the approved project or report
8 within a reasonable time or by the completion date specified in the Board action.

9
10 Section 9.15: Other Requests by Individual Board Members

11
12 Board members making individual requests for information will be advised to place the
13 item on the Board meeting agenda in accordance with section 9.8 unless the
14 information is readily available and the Plan Administrator determines that a response
15 will not require any significant commitment of staff time or other PFRS resources.

16
17 Section 9.16: Resolutions and Orders

18
19 The Board shall act either by order or by resolutions, numbered in sequence of
20 passage. In every instance, authorization by Board resolution shall be required for the
21 following:

- 22
23 • ~~Retirement of active members of the Police and Fire Retirement System;~~
24
25 • ~~Setting of Retirement and Disability Allowances;~~
26
27 • **Changes to the types of compensation to be included as "Compensation"**
28 **and/or "Compensation Attached to the Average Rank Held"**
29
30 • ~~Reinstatement of members from the Disability Allowance Roll to active status;~~

1

2

- Approval of Death Benefits;

3

4

- Approval of continuation of allowances to eligible surviving spouse;

5

- Authorization of Contracts.

6

7

The Board may, in its discretion, act by resolution in other matters not listed above.

8

Actions taken by the Board by way of order shall be set forth in the minutes of the

9

Board.

10

11

Section 9.17: Ayes and Noes

12

13

The Board shall pass resolutions or orders only by taking the ayes and noes by an audible vote, which shall be entered in its minute book. Each resolution shall show on its face the ayes and noes vote thereon and the members so voting.

14

15

16

17

Section '9.18: Resolutions - Subject and Title

18

19

Every resolution of the Board shall be confined to one subject, which shall be clearly expressed in its title.

20

21

22

Article 10: RULES OF ORDER

23

24

Roberts' Rules of Order shall be the final authority on all questions of procedure and parliamentary law, not otherwise provided for by the City Charter, (Article XXVI) or these rules. **The deputy City Attorney in attendance will serve as the Parliamentarian for the Board and its Committees.**

25

26

27

28

1 **Article 11: ELECTION OF MEMBERS OF THE BOARD REPRESENTING**
2 **~~ACTIVE AND RETIRED~~ MEMBERS OF THE RETIREMENT**
3 **SYSTEM**

4
5 *(Referred to staff to remove references to active members and other possible*
6 *clean-up)*

7
8 *(Request further discussion on possible provision to allow police or fire*
9 *representative to fill position designated for the other if no one from appropriate*
10 *department is available to serve)*

11
12 **Article 12: RECALL OF MEMBER OF THE BOARD REPRESENTING ~~ACTIVE~~**
13 **~~AND RETIRED~~ MEMBERS OF THE RETIREMENT SYSTEM**

14
15 *(Referred to staff to remove references to active members and other possible*
16 *clean-up)*

17
18 *(Request further discussion regarding combining recall and replacement*
19 *elections into a single election with two questions)*

20
21 Request further discussion regarding the following:

- 22
23 • Hearing procedures for hearings conducted pursuant to Sections 2603 and
24 2604 of the Charter.
25
26 • Hearing procedures for public hearings that are not conducted pursuant to
27 Sections 2603/2604 of the Charter.

DRAFT

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was on held Wednesday, October 25, 2017 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Robert J. Muszar, Member
- Christine Daniel, Member

Additional Attendees:

- Katano Kasaine, Plan Administrator
- Teir Jenkins & David Low, Staff Member
- Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:13 am.

1. **Approval of September 27, 2017 Audit Committee meeting minutes** – The Audit Committee and staff discussed where in the meeting minutes was the discussion item regarding the 2016-17 budget amendment report. Member Muszar said it was meant to include the previously reported retirement department office buildout. Staff reported it would appear as part of the mid-cycle budget to be presented to the Board in early 2018. The Committee directed staff to review the recording of the meeting minutes and clarify the correct actions reported by the committee. The committee postponed approval of the meeting minutes to the next meeting. Member Daniel made a motion directing staff to clarify the correct actions reported at the September 27, 2017 meeting and return the audit committee meeting minutes for approval at the next audit committee meeting, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **PFRS Monthly Administrative Expenses Report** – Investment Officer Teir Jenkins presented the details of the PFRS administrative expenses report from July 1, 2017 through August 31, 2017. The Committee and staff discussed the reporting of Cash in Treasury (table 2) and what can be done to minimize cash on hand so it continues to be invested for maximum value. Staff and the Committee clarified the reporting and the actual cash that is carried month-to-month. Staff said that cash-in-treasury continues to be invested. Following committee and staff discussion, Member Daniel made a motion to accept the Administrative Expenses Report from July 1, 2017 through August 31, 2017, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Review of Possible administrative audit/management audit of PFRS Administration** – Member Muszar reviewed his reasons why he feels a new management audit would benefit the retirement system and why regular management audits would be prudent. He said the most recent management audit had laid the groundwork that could serve as the framework to conduct a follow-up. Member Daniel agreed that taking advantage of what was done before could be used as a checklist to affirm compliance with these approved recommendations.

DRAFT

Plan Administrator Katano Kasaine acknowledged the benefit of the management audit but noted that management and staff currently have little time to address and review the recommendations presented in the audit. The Audit Committee acknowledged Ms. Kasaine's concern that the time to address a management audit can wait for a time when the staff workload lightens before commencing and suggested sometime in the first part of 2018. Ms. Kasaine described the ability of the financial auditor to address the management audit in their scope of work.

Following additional discussion, Member Muszar made a motion to table discussion of this matter until the January 2018 meeting, second by member Daniel. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Review of PFRS Rules and Regulations** – Member Daniel said she was reviewing Member Muszar's proposed edits to the PFRS Rules and Regulations and explained her reasons why she did not support most of his proposed edits to article 9 (Meeting Procedures and Board Action). She feels that the chair and the public benefit from clear rules, and the chair should not be placed in a situation to create rules on an ad hoc basis. She did feel discussion regarding the procedures for placing items on committee agendas deserve some attention. There is also a need for separate rules to address any member hearings under Section 2603 to due process. She also opposes Member Muszar's proposal to allow any single member to place an item on an agenda. Member Muszar stated his reasons why any member of the Board should have the ability to add agenda items to the Board or Committee agendas. Plan Administrator Kasaine explained the history of why the Rules and Regulations included the current rules regarding adding agenda items to the agenda. Following committee and staff discussion, the committee agreed to carry discussion of this matter to the next Audit Committee meeting.
5. **Review of Staff Update of the PFRS Travel Policy** – Due to time constraints, this matter tabled to the next Audit Committee meeting. Member Muszar asked staff to provide a redline changes version to the current document for the future meeting.
6. **Resolution No. 6984 – Travel Authorization for PFRS Legal Counsel Pelayo Llamas** – Member Muszar made a motion to recommend Board approval of Resolution No. 6984 authorizing travel and reimbursement for PFRS Legal Counsel Pelayo Llamas to travel and attend the 2017 CALAPRS Attorneys' Roundtable Conference ("2017 CALAPRS Conference") on October 27, 2017 in San Jose, CA with an estimated budget of Two Hundred Dollars (\$200.00), second by member Daniel. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

7. **Resolution No. 6985 – Travel Authorization for PFRS Board Member R. Steven Wilkinson** – Member Muszar made a motion to recommend Board approval of Resolution No. 6985 authorizing travel and reimbursement for PFRS Board Member Steven Wilkinson to travel and attend the 2017 GCM Grosvenor Small + Emerging

Managers Conference ("2017 GCM Grosvenor Conference") from November 7-8, 2017 in Chicago, IL with an estimated budget of One Thousand Three Hundred Dollars (\$1,300.00), second by member Daniel. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

8. **Resolution No. 6986 – Travel Authorization for PFRS Investment Officer Teir Jenkins** – Member Muszar made a motion to recommend Board approval of Resolution No. 6986 authorizing travel and reimbursement for PFRS Staff Member Teir Jenkins to travel and attend the 2017 GCM Grosvenor Small + Emerging Managers Conference ("2017 GCM Grosvenor Conference") from November 7-8, 2017 in Chicago, IL with an estimated budget of One Thousand Three Hundred Dollars (\$1,300.00), second by member Daniel. Motion passed.

[SPEAKMAN - Y / DANIEL - Y / MUSZAR - Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

9. **Open Forum – No Report.**

10. **Future Scheduling** – The next audit committee meeting was scheduled for November 29, 2017. Staff reported that this time may change depending on review by the Board at the Board meeting.

The meeting adjourned at 10:11 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

PFRS Audit/Operations Committee Meeting Minutes
March 28, 2018
Page 1 of 3

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held on Wednesday, March 28, 2018 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present: • John C. Speakman, Chairman
 • Robert J. Muszar, Member
 • Christine Daniel, Member

Additional Attendees: • Katano Kasaine, Plan Administrator
 • Teir Jenkins & David Low, Staff Member
 • Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 11:56 am.

1. **Approval of February 28, 2018 Audit Committee meeting minutes** – Member Muszar made a motion to approve the February 28, 2018 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Actuary Valuation of the PFRS Fund as of July 1, 2017** – Tim Doyle from Cheiron, Inc. (PFRS Actuary) presented the Actuary Valuation Report of the PFRS Plan as of July 1, 2017. Mr. Doyle explained the results of the Actuary Valuation Report following the application of the experience study approved by the PFRS Board at the February 28, 2018 Board meeting.

Member Muszar noted several concerns regarding certain terms used in the Actuary valuation such as "full funding." Following Audit Committee and staff discussion, Member Daniel made a motion to recommend Board approval of the Actuary Valuation of the PFRS Fund as of July 1, 2017, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Administrative Expenses Report** – Investment Officer Teir Jenkins presented the administrative expenses report from July 1, 2017 through January 31, 2018. Member Muszar made a motion to accept the report from July 1, 2017 through January 31, 2018, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Revision to the PFRS Education and Travel Policy** – The Audit Committee and staff continued the review and edit of the PFRS Education and Travel Policy. Upon completion of their review and edits, member Muszar made a motion to recommend Board approval the Audit Committee's direction that staff prepare and submit to the PFRS Board a final version of the PFRS Education and Travel Policy at its April 2018 meeting for review and approval, second my Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

Chairman Speakman took Agenda Items No. 6 and 7 out of order.

6. **PFRS July 1, 2026 Actuary Funding Deadline** – The Audit Committee discussed options to address Charter section 2619(6), which, in part, states “The City contributions made periodically during the year shall be such as when added to member contributions will actuarial fund all liabilities for all members prior to July 1, 1976, by July 1, 2026”. Member Muszar said he wanted to open dialogue on this matter between parties that include the City, PFRS staff and the PFRS Board. He said he hoped an Audit Committee representative and the Plan Administrator could speak with the City Administrator to form a work group to address this matter. Following committee and staff discussion, member Daniel made a motion (1) directing the Plan Administrator to ask the City Administrator to speak with a member of the PFRS Board to discuss charter section 2619 with the Plan administrator, (2) hold this matter for Audit Committee discussion at the April 2018 Audit Committee meeting, and (3) request the Plan Administrator submit a progress report at the April 2018 Audit Committee meeting, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

7. **Resolution No. 7009 - Travel authorization for PFRS Board Member Jaime Godfrey** – Member Daniel made a motion to recommend Board approval of Resolution No. 7009 – Travel authorization for PFRS Board Member Jaime Godfrey to travel to and attend the 2018 IMN Global Indexing and ETF Conference (“IMN Conference”) from June 26, 2018 to June 28, 2018 in Dana Point, CA with an estimated budget of One Thousand Nine Hundred Eighty-two Dollars (\$1,982.00), second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

5. **Review of PFRS Rules and Regulations** – The Audit Committee and staff continued the review and edit of the PFRS Rules and Regulations. Upon the completion of their principal review and edit, Member Muszar said he had a several comments related to hearing procedures which may affect further editing to the PFRS Rules and Regulations. Following committee discussion, member Daniel made a motion directing staff complete an updated draft of the PFRS Rules and Regulations to date for continued discussion at the April 2018 Audit Committee meeting, and to provide the committee with the hearing procedures adopted by the Board for overpayment recovery hearings conducted in early 2016, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

8. **Pending Audit Agenda List** – Staff and Audit Committee discussed the pending items list. The Audit Committee and Staff discussed the purpose and use of the pending audit agenda list.

- 9. **Future Scheduling** – The next Audit Committee meeting was scheduled for April 25, 2018.
- 10. **Open Forum** – No Report.
- 11. **Meeting Adjournment** – Meeting adjourned at 1:30 pm.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

PFRS Audit/Operations Committee Meeting Minutes
April 25, 2018
Page 1 of 3

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held on Wednesday, April 25, 2018 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Robert J. Muszar, Member
- Christine Daniel, Member

Additional Attendees:

- Katano Kasaine, Plan Administrator
- Teir Jenkins & David Low, Staff Member
- Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:04 am.

1. **Approval of Audit Committee meeting minutes** – Member Muszar made a motion to approve the March 28, 2018 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Administrative Expenses Report** – Investment Officer Teir Jenkins presented the administrative expenses report from July 1, 2017 through February 28, 2018. Member Muszar made a motion to accept the administrative expenses report from July 1, 2017 through February 28, 2018, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Report of the 2018-19 Mid-cycle PFRS Administrative Budget** – Plan Administrator Katano Kasaine reported the details and adjustments made to the mid-cycle 2018-2019 PFRS Administrative budget. Member Muszar said he was concerned that the increase to the Miscellaneous Expenditure line item for Internal Administrative Costs to include medical examination expenses for support of medical claims by retirees should be its own expense line item. Ms. Kasaine explained that the accounting system used by staff does not have a unique line item for such an expense and falls under miscellaneous. **MOTION:** Following Committee discussion, member Muszar made a motion to recommend Board approval the 2018-2019 Mid-cycle PFRS Administrative Budget with addition of a new line item indicating Retiree Medical Examination expenses. There was no second to this motion and Member Muszar's motion failed.

MOTION: Following additional committee discussion, Member Muszar made a motion to approve the 2018-2019 mid-cycle PFRS Administrative Budget, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

Staff was directed to add a footnote to any monthly expense report in which a "miscellaneous" expense has been incurred for medical costs to assess a retiree's claim of change in cause of disability, or claim of industrial cause of death. Staff was also directed to present a report at the next Audit Committee meeting stating year-to-date expenditures of said retiree medical examination expenses.

PFRS Audit/Operations Committee Meeting Minutes

April 25, 2018

Page 2 of 3

4. **City of Oakland Insurance for PFRS Board Member** – Mr. Jenkins presented his report of the City of Oakland’s insurance coverage that extends to the PFRS Board. Member Muszar said he feels the level of insurance coverage is inadequate (only limited to accidental cause, and low value of benefit) and wanted to explore how to obtain greater insurance coverage. Following committee discussion, Member Daniel made a motion to (1) hold this matter in committee, (2) direct staff to research the ability to obtain insurance for the PFRS Board and (3) research and obtain a cost estimate for broader insurance coverage, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

5. **Review of PFRS Rules and Regulations** – Mr. Jenkins reported the completion of the PFRS Rules and Regulations per the Audit Committees direction at the previous PFRS Audit Committee and presented the final draft version for review and approval. Member Muszar said he would like to have the development and inclusion of Hearing Procedures included in the Rules and Regulations. Member Muszar said the setting of clear hearing procedures would help mitigate conflict and confusion regarding hearings. Member Daniel expressed a due process distinction between hearings for policy matters compared to individual matters. Also, Member Muszar requested that, because the Mission Statement section does not address the members of the retirement system, such a statement should be added.

Following committee discussion, the Audit Committee agreed that hearing procedures would not be included in the revised version of the PFRS Rules and Regulations but should continue to be developed separately. Additionally, the committee agreed that the addition of new language to the Mission Statement section of the Rules and Regulations would be added and the current draft language would be edited.

MOTION: Member Daniel made a motion to recommend Board approval of the revised PFRS Rules and Regulations with the following edit to ARTICLE 2 – MISSION STATEMENT: “The Oakland Police and Fire Retirement System is dedicated to the protection and prudent investment of the pension funds for the benefit of the PFRS retirees and beneficiaries. PFRS strives to give the beneficiaries of this retirement system friendly and courteous service. The Board of the Oakland Police and Fire Retirement System manages and administers the Oakland Police and Fire Retirement System and Fund. In order to fulfill this mission, the PFRS Board shall:...”, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

Staff was instructed to provide the Audit Committee at the May 2018 meeting research on the policy governing hearing procedures from other retirement systems, including Contra Costa County, City of Fresno and City of San Diego.

PFRS Audit/Operations Committee Meeting Minutes

April 25, 2018

Page 3 of 3

6. **PFRS Policy governing the Overpayment and Underpayment of Member Benefits** – Ms. Kasaine presented the report about the draft policy governing the overpayment and underpayment of member benefits. Member Muszar thanked Ms. Kasaine and staff for their work and suggested it be held in Committee. He stated he has three pages of comments and requested that Committee Members submit any written comments to staff for discussion at the June 2018 meeting. **MOTION:** Member Muszar made a motion (1) to hold this matter over until the June 2018 Audit Committee meeting for further discussion and (2) to have Committee Members submit to staff written comments by June 15, 2018 in order for them to be published with the June 2018 agenda, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

7. **Discussion regarding PFRS July 1, 2026 Actuary Funding Deadline** – Ms. Kasaine stated she will report to the Audit Committee at its May 2018 meeting, her communication with the City Administrator's office about creating a working group to address the 2026 actuarial funding deadline of the system. The Audit Committee also suggested the necessity of including a member of the PFRS Investment Committee as well as from the Audit Committee in the working group. **MOTION:** Member Daniel made a motion to recommend the Board nominate an Investment Committee member to become part of the working group to address the July 1, 2026 actuarial funding deadline and to hold this matter over for continued discussion at the May 2018 Audit Committee meeting, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

6. **Pending Audit Agenda List** – Staff and Audit Committee discussed the pending items list. Staff was directed to bring the write-off of uncollectable accounts to the May 2018 Audit Committee meeting. The IFS Management Audit matter was also scheduled for the May 2018 Audit Committee with summary minutes from previous committee meeting.
7. **Future Scheduling** – The next Audit Committee meeting was scheduled for May 30, 2018.
8. **Open Forum** – No Report.
9. **Meeting Adjournment** – Meeting adjourned at 10:22 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

04/30/18 4:46pm

Message body

Attention PFRS Audit Committee members:

At the April 25, 2018 PFRS Audit Committee staff was instructed to deliver the following to the members of the Audit Committee:

PFRS HEARING POLICY AND PROCEDURES: Attached here are the hearing procedures for three California Retirement Systems: (1) CONTRA COSTA COUNTY EMPLOYEES RETIREMENT ASSOCIATION (CCCERA), (2) FRESNO CITY EMPLOYEES RETIREMENT SYSTEM (FCERS), and (3) SAN DIEGO CITY EMPLOYEES RETIREMENT SYSTEM (SDCERS).

PFRS OVERPAYMENT / UNDERPAYMENT POLICY: Attached here is the draft of the PFRS Policy Governing Overpayment or Underpayment of Member Retirement Allowances. Please review this policy and return your edits to Staff no later than 3:00 pm on Wednesday, June 13, 2018. Staff will prepare this matter for discussion for the June 27, 2018 Audit Committee meeting.

DAVID LOW

A BOARD MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held on June 27, 2018 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

- Board Members Present:
- Walter L. Johnson, President
 - Jaime T. Godfrey, Vice President
 - R. Steven Wilkinson, Member
 - John C. Speakman, Member
 - Robert J. Muszar, Member
 - Christine Daniel, Member

- Board Members Absent:
- Martin J. Melia, Member

- Additional Attendees:
- Pelayo Llamas, Jr., PFRS Legal Counsel
 - Katano Kasaine, Plan Administrator
 - David Low & Teir Jenkins, Staff Member
 - David Sancewich & Sean Copus, Pension Consulting Alliance

The meeting was called to order at 11:34 am. President Johnson re-ordered the discussion of the PFRS Board Agenda items.

C. Approval of PFRS Board Meeting Minutes – Member Godfrey made a motion to approve the April 25, 2018 PFRS Board meeting minutes, second by Member Daniel. Motion Passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

D. PFRS AUDIT COMMITTEE MEETING – JUNE 27, 2018

D1. Administrative Expenses Report – Investment Officer Teir Jenkins presented the administrative expenses report from July 1, 2017 through April 30, 2018. Member Daniel made a motion to accept the administrative expenses report from July 1, 2017 through April 30, 2018, second by member Speakman. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

D2. Resolution No. 7019 - Resolution to write-off approximately \$52,925 in overpaid death-related PFRS member benefits – Member Speakman summarized the Audit Committee discussion of this matter. Member Daniel added that there was additional staff and committee discussion regarding this write-off matter. Plan Administrator Katano Kasaine explained the current procedures established to prevent over-accumulation of such debt. Member Daniel made a motion to approve Resolution No. 7019 to write-off approximately \$52,925 in overpaid death-related PFRS member benefits as amended and recommended by the Audit Committee earlier today, second by member Speakman. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

D3. Discussion of the 2006 Management Audit of the PFRS System – Member Speakman reported the audit committee discussed this matter and would bring this matter back for continued discussion at the August 2018 Audit Committee meeting.

D4. PFRS Policy Governing the Overpayment or Underpayment of Member Benefits – Member Muszar reported the audit committee discussed this matter and would bring this matter back for continued discussion at the August 2018 Audit Committee meeting.

D5. Resolution No. 7013 - Travel Authorization for PFRS board member R. Steven Wilkinson – Member Daniel made a motion to approve Resolution No. 7013 as amended and approved by the Audit Committee this morning – Travel authorization for PFRS Board members R. Steven Wilkinson, second by member Speakman. Member Wilkinson abstained from the vote. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – ABTAIN]
(AYES: 5 / NOES: 0 / ABSTAIN: 1)

D6. Resolution No. 7018 - Travel Authorization for PFRS Board Member Martin Melia – Member Muszar made a motion to approve Resolution No. 7018 – Travel authorization for PFRS Board members Martin Melia, second by member Daniel. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

E. PFRS INVESTMENT COMMITTEE MEETING – JUNE 27, 2018

E1. Investment Manager Overview – Reams Asset Management – David Sancewich reported that Ream Asset Management presented a report to the PFRS Investment Committee. Member Godfrey made a motion accept the informational report regarding Reams Asset Management's presentation to the investment committee, second by member Daniel. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

E2. Investment Manager Overview – Reams Asset Management – David Sancewich reported PCA overview of Reams Asset Management. Member Godfrey made a motion to keep Reams Asset Management on watch status with a follow-up review to be scheduled for early September for possible reconsideration, second by member Wilkinson. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

E3. Investment Market Overview – David Sancewich report on current market conditions affecting the PFRS investment fund. Member Godfrey made a motion to accept the informational report from PCA regarding the Investment Market Overview, second by member Speakman. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- E4. \$14.2 million 3rd Quarter 2018 Member Benefits Drawdown** – Sean Copus from PCA report on the PFRS investment accounts which will be used to for the 3rd Quarter Member Benefits Drawdown with the \$11.2 million drawn from the City and \$3 million from the PFRS Fund. Member Godfrey made a motion to approve the \$14.2 million 3rd quarter 2018 member benefits drawdown, second by Member Daniel. Motion passed

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- E5. Investment Fund Performance Report for the Quarter Ending March 31, 2018** – Sean Copus reported the details of the PFRS Investment Fund Performance Report for the quarter ending March 31, 2018. Following Board discussion, member Godfrey made a motion to approve the Investment Fund Performance Report for the Quarter Ending March 31, 2018, second by member Wilkinson. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- E6. Investment Fund Performance Report for the Quarter Ending March 31, 2018 Investment Manager Search – Defensive Equity Asset Class Investment Manager** – Sean Copus reported on the status of the PCA selection process for the Defensive Equity Investment Manager. Staff was directed to schedule the committee meeting for its report about the defensive equity asset class investment managers for the August meeting with Interview conducted at the September 2018 Investment Committee meeting. Member Godfrey made a motion to direct staff to schedule meetings for the selection of finalists and interview of finalists, second by member Muszar. Motion passed

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- E7. Resolution No. 7017 - Resolution Adopting the Revised Oakland Police and Fire Retirement System Investment Policy** – David Sancewich reported that staff and PCA had completed its work to update the PFRS Investment Policy. Following Board discussion, Member Godfrey made a motion to approve Resolution No. 7017 to approve the adoption of the revised PFRS investment policy, second by member Wilkinson. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- A. Closed Session** – Sarah Grossman-Swenson, Legal counsel for the Retired Oakland Police Officers Association (“ROPOA”), alleged that the closed session about to be held today was not properly noticed under the Brown Act. PFRS Legal Counsel Pelayo Llamas showed her the published notice, and she agreed that the notice complied with the law. She then stated that ROPOA had made a settlement proposal to the Board, and it should be considered as an opening offer.

PFRS Legal Counsel Pelayo Llamas reported that PFRS Board Member Robert Muszar has a financial conflict related to matters to be heard in the closed session and asked Member Muszar if he would recuse himself from closed session proceedings. Mr. Muszar stated he would not recuse himself from the closed session of the PFRS Board at that time. Following additional Board and Staff discussion, the PFRS Board entered closed session at 12:07 pm.

B. Report of Board Actions from Closed Session – The PFRS Board reconvened the PFRS Board meeting following the conclusion of Closed Session at 1:12 pm. The PFRS Board reported no Board action was made during closed session.

F. Police Holiday Pay Calculation matters – Discussion on the police pay matter was continued to the September 2018 Board meeting by Board President Johnson. Speakers prepared to discuss this matter withdrew their requests for speaking on this matter. Member Daniel made a motion to continue this item to the September 2018 Board meeting, second by member Godfrey. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

G. Resolution No. 7014 – Approval of PFRS Rules and Regulations – Member Muszar requested the Rules and Regulations be returned to the Audit Committee. Following some Board discussion, Member Muszar made a motion to approve Resolution No. 7014 including the edits recommended by the Audit Committee, second by member Daniel. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

H. Announcement of upcoming election of Five-year Police Board Member seat – PFRS Staff reported the expiration of the Five-Year Police Board Member seat currently occupied by Mr. Muszar's will end August 31, 2018 and the Retired Oakland Police Officers Association had been notified of the upcoming election. Member Muszar made a motion to accept the informational report, second by member Daniel. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

I. Resolutions No. 7015-16 – The PFRS Board reviewed and approved Resolution No. 7015-16.

I1. Approval of Resolutions No. 7015 – Member Muszar made a motion to approve resolution No. 7015 approving Death Benefit Payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiaries of deceased members as follows: Ulla Lear, Theresa L. Tenorio, the Estate of Gerald H. Cohn, Elaine A. Kurlinski, Laurene A. Gruen, Heather Novak, Brett Mckay and Barry Mckay, second by member Speakman. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- 12. Approval of Resolutions No. 7016** – Member Muszar made a motion to approve resolution No. 7016 fixing the monthly allowance of Elizabeth Thompson, spouse of Steven Thompson; of Diana Kenton, spouse of Thomas Kenton; of Annette Brooks, spouse of Willie Brooks; of Joann Schoenweiler, spouse of Rolf Schoenweiler; and of Edith F. Brown, spouse of Robert E. Brown, retired members of the Police and Fire Retirement System, second by member Speakman. Motion passed.

[DANIEL – Y / GODFREY – Y / JOHNSON – Y / MELIA – ABSENT / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

J. NEW BUSINESS – No Report.

K. OPEN FORUM – No Report

L. FUTURE SCHEDULING – The next PFRS Board meeting was scheduled for Wednesday July 25, 2018. Plan Administrator asked Board members to contact PFRS Staff if they are running late for the committee or Board meetings.

The meeting adjourned at 1:24 pm.

KATANO KASAINÉ, BOARD SECRETARY

DATE

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.

Oakland Police and Fire 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.



Retirement Systems
150 Frank H. Ogawa Plaza
Oakland, California 94612

AGENDA

AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairman

Christine Daniel
Member

Robert J. Muszar
Member

In the event a quorum of the Board participates in the Committee meeting, the meeting is noticed as a Special Meeting of the Board; however, no final Board action can be taken. In the event that the Audit Committee does not reach quorum, this meeting is noticed as an informational meeting between staff and the Chair of the Audit Committee.

**REGULAR MEETING of the AUDIT / OPERATIONS COMMITTEE
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")**

Wednesday, August 29, 2018 – 9:00 am
One Frank H. Ogawa Plaza, Hearing Room 3
Oakland, California 94612

--- ORDER OF BUSINESS ---

- 1. **Subject:** PFRS Audit Committee Meeting Minutes
From: Staff of the PFRS Board

Recommendation: APPROVE June 27, 2018 Audit Committee meeting minutes.
- 2. **Subject:** Scope of Services and initiation of the Financial Audit of the PFRS fund for the Fiscal Year Ending June 30, 2018
From: Macias Gini & O'Connell, LLP and Staff of the PFRS Board

Recommendation: RECOMMEND BOARD APPROVAL of the Scope of Services and initiation of the Financial Audit of the PFRS fund for the Fiscal Year Ending June 30, 2018.
- 3. **Subject:** Administrative Expenses Report
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report regarding PFRS Administrative Expenses from July 1, 2017 through June 30, 2018.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR AUDIT COMMITTEE MEETING
AUGUST 29, 2018

ORDER OF BUSINESS, continued

4. **Subject:** Resolution No. 7020 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2020 at fees not to exceed \$45,500 for FY2018-2019 and \$46,500 for FY2019-2020
- From:** Staff of the PFRS Board
-
- Recommendation:** RECOMMEND BOARD APPROVAL Resolution No. 7020 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2020 at fees not to exceed \$45,500 for FY2018-2019 and \$46,500 for FY2019-2020.
5. **Subject:** PFRS Policy Governing the Overpayment or Underpayment of Member Benefits
- From:** Staff of the PFRS Board
-
- Recommendation:** DISCUSSION regarding PFRS Policy Governing the Overpayment or Underpayment of Member Benefits.
6. **Subject:** Discussion of the 2006 Management Audit of the PFRS System
- From:** Staff of the PFRS Board
-
- Recommendation:** DISCUSSION of the 2006 Management Audit of the PFRS System.
7. REVIEW OF PENDING AUDIT AGENDA ITEMS
8. Future Scheduling
9. Open Forum
10. Adjournment of Meeting



AGENDA REPORT

TO: Oakland Police and Fire Retirement Board

FROM: Katano Kasaine

SUBJECT: Audit Committee Agenda Pending List

DATE: August 20, 2018

	SUBJECT	PROPOSED SCHEDULED MEETINGS	STATUS
1	City of Oakland Travel Insurance for PFRS Board Member Travel on Board Business	9/26/18	Pending Cost Analysis from City Broker
2	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026.	VERBAL	Pending reply from City Administrator

Respectfully submitted,

Katano Kasaine, Plan Administrator
Oakland Police and Fire Retirement System

PFRS Audit/Operations Committee Meeting Minutes
August 29, 2018
Page 1 of 3

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held on Wednesday, August 29, 2018 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present: • John C. Speakman, Chairman
 • Robert J. Muszar, Member
 • Christine Daniel, Member

Additional Attendees: • Katano Kasaine, Plan Administrator
 • Teir Jenkins & David Low, Staff Member
 • Pelayo Llamas, PFRS Legal Counsel

The meeting was called to order at 9:05 am.

1. **PFRS Audit Committee Meeting Minutes** – Member Muszar made a motion to approve the June 27, 2018 Audit Committee meeting minutes, second by Member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Scope of Services and Initiation of the Financial Audit of the PFRS system for the year ended June 30, 2018** – Annie Louie from Macias Gini and O'Connell, LLP, reported details of the upcoming financial audit of the PFRS Fund. Following some committee and staff discussion, member Muszar made a motion to recommend Board approval of the Scope of Services and initiation of the Financial Audit of the PFRS Fund for the year ended June 30, 2018, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Administrative Expenses Report** – Investment Officer Teir Jenkins presented the administrative expenses report from July 1, 2017 through June 30, 2018. Following some committee and staff discussion, member Muszar made a motion to accept the administrative expenses report from July 1, 2017 through June 30, 2018, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Resolution No. 7020 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc.** – Staff reported that the service agreement between the PFRS Board and Cheiron Inc had expired and recommended a two-year extension of the service agreement through June 30, 2020. Following Committee and Staff discussion, Member Daniel made a motion to recommend Board approval of Resolution No. 7020 – A resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2020 at fees not to exceed \$45,500 for FY2018-2019 and \$46,500 for FY2019-2020, second by member Muszar. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
 (AYES: 3 / NOES: 0 / ABSTAIN: 0)

PFRS Audit/Operations Committee Meeting Minutes

August 29, 2018

Page 2 of 3

5. **PFRS Policy Governing the Overpayment or Underpayment of Member Benefits** – Member Muszar noted that the documents included as attachment 1 and 2 were identical. He said attachment 2 should have been his submitted recommendations regarding the PFRS Policy Governing the Overpayment or Underpayment of Member Benefits. Member Muszar recommended that this matter be held over until the September 2018 Audit Committee meeting for discussion. Following additional committee discussion, member Muszar made a motion to postpone discussion on this matter until the September 2018 Audit Committee meeting, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

6. **Discussion of the 2006 Management Audit of the PFRS System** – The Audit Committee and staff continued discussion regarding consideration of conducting a management audit of the PFRS system from the previous Audit Committee meeting. The Committee and staff discussed whether to include or exclude the examination of the investment-related aspects of the management audit in the new audit. **MOTION:** Member Muszar made a motion to recommend Board approval for a draft Request for Proposal (RFP) to request service for a management audit limited to verification of operational issues addressed in the previous management audit; there was no second to this motion and it failed.

MOTION: Following some discussion between the committee and staff, member Muszar made a motion to recommend that the Board act to authorize the audit committee to develop a management audit limited in scope to examining the operational issues covered in the previous management audit, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

7. **Pending Audit Agenda List** – Staff and Audit Committee discussed the pending items list.
8. **Future Scheduling** – The next Audit Committee meetings was scheduled for September 26, 2018. Member Muszar made a motion directing staff to add an additional agenda item to a future audit agenda item addressing the development of hearing procedures, second by member Daniel. Motion passed.

[SPEAKMAN – Y / DANIEL – Y / MUSZAR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

Member Muszar wanted to add an agenda item to the audit committee agenda to have a dialogue regarding sensitive personal information at public meetings. Following some Committee discussion, Member Daniel suggested to PFRS legal counsel provide information on this matter when presenting information about hearing procedures at the upcoming meeting.

9. **Open Forum – No Report.**

10. **Meeting Adjournment – Meeting adjourned at 9:48 am.**

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: Katano Kasaine

SUBJECT: Audit Committee Agenda Pending List

DATE: September 17, 2018

	SUBJECT	PROPOSED SCHEDULED MEETINGS	STATUS
1	City of Oakland Travel Insurance for PFRS Board Member Travel on Board Business	10/31/18	Pending Cost Analysis from City Broker
2	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026.	VERBAL	Meetings being scheduled in October 2018
3	Discussion about Hearing Procedures and procedures to address sensitive personal information at public meetings.	10/31/18	Report to be developed by PFRS Legal Counsel

Respectfully submitted,

Katano Kasaine, Plan Administrator
Oakland Police and Fire Retirement System

PFRS Audit Committee Meeting
September 26, 2018



AGENDA REPORT

TO: Oakland Police and Fire Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: October 22, 2018

	SUBJECT	PROPOSED SCHEDULED MEETINGS	STATUS
1	City of Oakland Travel Insurance for PFRS Board Member Travel on Board Business	VERBAL	Pending additional research
2	Procedures Addressing (1) Board Hearings and (2) Sensitive Personal Information at public meetings	November 2018	Continuing to Prepare Report
2	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026	VERBAL	Meetings are Ongoing

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: November 19, 2018

	SUBJECT	PROPOSED SCHEDULED MEETINGS	STATUS
1	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026	VERBAL	Meetings are Ongoing
2	Procedures Addressing (1) Board Hearings and (2) Sensitive Personal Information at public meetings	12/19/2018	To Be scheduled for December 2018 Meeting

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

PFRS Audit Committee Meeting
November 28, 2018



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: December 10, 2018

	SUBJECT	PROPOSED SCHEDULED MEETINGS	STATUS
1	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026	VERBAL	Meetings are Ongoing
2	Procedures Addressing (1) Board Hearings and (2) Sensitive Personal Information at public meetings	01/30/2019	To Be scheduled for January 2019 Meeting
3	PFRS Policy Governing the Overpayment or Underpayment of Member Benefits	01/30/2019	To Be scheduled for January 2019 Meeting

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

PFRS Audit Committee Meeting
December 19, 2018



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: January 22, 2019

	SUBJECT	PROPOSED SCHEDULED MEETINGS	STATUS
1	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026	VERBAL	Meetings are Ongoing
2	Procedures Addressing (1) Board Hearings and (2) Sensitive Personal Information at public meetings	02/27/2019	
3	PFRS Actuary Valuation as of July 1, 2018	02/27/2019	
4	Discussion of the 2006 Management Audit of the PFRS System	03/27/2019	

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

PFRS Audit Committee Meeting
January 30, 2019



AGENDA REPORT

TO: Oakland Police and Fire Retirement System Board **FROM:** David Jones

SUBJECT: Report on closed session hearings concerning change of retirement classification or cause of death **DATE:** February 19, 2019

SUMMARY

The Board has requested a report on whether hearings concerning member requests for change of retirement status or cause of a member's death can be conducted in closed session. Because meetings of the PFRS Board are to be held in public in compliance with the Ralph M. Brown Act, the evidence which the Board considers in making a quasi-adjudicatory decision should likewise be open to the public. The Brown Act specifies certain types of matters which can be conducted in a closed session meeting. Because there is no clear authority to conduct these types of hearings in closed session, PFRS staff proposes that they conduct the initial presentation of evidence through a Hearing Officer. If later brought to the Board under section 2603 of the Charter, the Board will serve as an appellate review body in open session, and review whether the Hearing Officer's decision is supported by substantial evidence or constitutes an abuse of discretion.

BACKGROUND

A PFRS retiree may seek a change of their retirement classification (from service retirement to disability or from non-service caused disability to service-caused disability). In addition, a retiree's widow may seek a Board finding that a member's death was caused by an injury or condition arising from the member's performance of service, qualifying the widow for a full-continuance. These inquiries often involve consideration of highly personal evidence about the member's medical or psychological condition. PFRS staff is concerned about avoiding undue exposure of such personal information during the course of a Board hearing on making these determinations.

ANALYSIS

Meetings of the PFRS Board are conducted in accordance with the state open meeting law known as the Ralph M. Brown Act (Gov. Code §§5490 – 54962). According to the Act, closed session meetings may be held when the subject matter to be considered fits certain criteria. Although PFRS would like to avoid public disclosure of highly personal medical or

OAKLAND POLICE & FIRE RETIREMENT SYSTEM

AGENDA REPORT – Report on closed session hearings concerning change of retirement classification or cause of death

February 19, 2019

PAGE 2

psychological information about a member, the Brown Act does not permit¹ the Board to convene in closed session to consider changing his retirement classification, or finding a member's cause of death. If the personal information is necessary to support a decision one way or the other, it must be presented to the fact-finder for consideration. When the fact finder is the Board, the information must be presented in an open meeting.

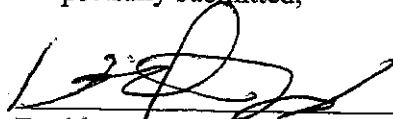
When the fact-finder is a hearing officer, there is no requirement that the hearing be conducted in public. Examination and cross examination of witnesses, and the weighing of evidence in these kind of hearings may be conducted by a hearing officer, who will then issue a decision and recommendation, and inform the retiree or widow. If the retiree or widow contests the decision, then it can be brought as an appeal to the PFRS Board under Charter Section 2603. At that time, the essential evidence should be presented to the Board for consideration. The retiree is always able to present any personal information to the Board.

CONCLUSION

Staff recommends that the Board approve the use of a Hearing Officer to conduct the evidentiary review of the member's sensitive medical or psychological condition. Staff further recommends that the Plan Administrator be appointed as the Plan's Hearing Officer. Upon review of the material in addition to a recommendation from the City Physician, the Hearing Officer will issue the initial decision and communicate directly with the member or widow. If the member or widow disagrees with that decision, then the member or widow may appeal that decision to the PFRS Board under section 2603 of the Charter.

In approved, staff will update the Board's Rules and Regulation, adding Hearing Officer to the duties of the Plan Administrator. In addition, staff would update their internal procedures to incorporate the use of a hearing officer to conduct the evidentiary review and issue a decision and recommendation.

Respectfully submitted,



David Jones, Plan Administrator
Oakland Police and Fire Retirement System

Attachments (if any):

¹ A 1982 Attorney General Opinion (65 Ops. Cal. Atty. Gen 412) concluded that the Brown Act did not supercede a provision of the County Employees Retirement Act which allowed retirement boards to examine member medical records in closed session concerning disability. However, a subsequent 2005 Attorney General Opinion (Opinion No. 04-408 Chesbro, 88 Ops. Cal. Atty. Gen 16) concluded its prior opinion was no longer valid due to changes in the laws. However, the 2005 opinion found that the "personnel" exception to the Brown Act allows a retirement board to meet in closed session to consider medical records of an employee's application for disability retirement. However, there is no case law extending the definition of "employee" to include a retiree, much less a deceased retiree.



AGENDA REPORT

TO: Oakland Police and Fire Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: February 19, 2019

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Plan Administrator Status Report regarding status of request to City Administrator to set up Working Group to Address Actuarial Funding date of July 1, 2026	VERBAL	Meetings are Ongoing
2	Discussion of the 2006 Management Audit of the PFRS System	04/24/2019	
3	PFRS Policy Governing the Overpayment or Underpayment of Member Benefits	03/27/2019	

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: June 17, 2019

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	TBD	
2	Proposals addressing (1) a Board review process, and (2) a Hearing Officer review process to address the handling of confidential membership files when presenting member cases before the PFRS Board.	July 31, 2019	Additional Research needed by PFRS Legal Counsel
3	Discussion of the 2006 Management Audit of the PFRS System	July 31, 2019	Bring the Committee the original Engagement Letter from IFS to Board

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

All persons wishing to address the Committee must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Committee 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.

Oakland Police and Fire Retirement Committee meetings are held in wheelchair accessible facilities. Contact the Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



AGENDA

INVESTMENT COMMITTEE MEMBERS

Jaime T. Godfrey
Chairman

R. Steve Wilkinson
Member

Martin J. Melia
Member

**In the event a quorum of the Board participates in the Committee meeting, the meeting is noticed as a Special Meeting of the Board; however, no final Board action can be taken. In the event that the Investment Committee does not reach quorum, this meeting is noticed as an informational meeting between staff and the Chair of the Investment Committee.*

REGULAR MEETING of the INVESTMENT AND FINANCIAL MATTERS COMMITTEE of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")

Wednesday, June 26, 2019 – 10:00 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

- - - ORDER OF BUSINESS - - -

- 1. Subject: PFRS Investment Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE May 29, 2019 Investment Committee meeting minutes.
- 2. Subject: Investment Market Overview**
From: Meketa Investment Group

Recommendation: ACCEPT an informational report on the global investment markets through June 2019.
- 3. Subject: Procedures to Review Replacing State Street Global Advisors as PFRS Investment Manager, and Provide Staff with Direction to Reallocate Investment Funds**
From: Meketa Investment Group

Recommendation: ACCEPT an informational report regarding the procedures to review replacing State Street Global Advisors as PFRS Investment Manager, and Provide Staff with Direction to Reallocate Investment Funds.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
JUNE 26, 2019

ORDER OF BUSINESS, continued

4. **Subject:** Investment Manager Selection for PFRS Crisis Risk Offset (Long Duration Treasury) Investments
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an informational report regarding investment manager selection for PFRS Crisis Risk Offset (Long Duration Treasury) Investments, and **RECOMMEND BOARD APPROVAL** regarding (1) selection of a new PFRS investment manager for the Crisis Risk Offset (Long Duration Treasury) account, or (2) provide alternative direction to staff on selection of a new CRO investment manager.
5. **Subject:** \$15.4 million 3rd Quarter 2019 Member Benefits Drawdown
From: Staff of the PFRS Board & Meketa Investment Group
-
- Recommendation:** **RECOMMEND BOARD APPROVAL** of the PCA recommendation of \$15.4 million drawdown, which includes an \$11.2 million contribution from the City of Oakland and a \$4.2 million contribution from the PFRS Investment Fund, to be used to pay for July 2019 through September 2019 member retirement allowances.
6. **Subject:** Asset Allocation Review and Update of the PFRS Fund
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an Informational Report regarding the asset allocation review and update of the PFRS Fund.
7. **Subject:** Informational Report on the status of the Request for Proposal (RFP) for the new PFRS Active International Equity Asset Class Investment Manager
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an Informational Report on the status of the Request for Proposal (RFP) for the new PFRS Active International Equity Asset Class Investment Manager.
8. **Schedule of Pending Investment Committee Meeting Agenda Items**
9. **Future Scheduling**
10. **Open Forum**
11. **Adjournment of Meeting**

AN INVESTMENT AND FINANCIAL MATTERS COMMITTEE MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held May 29, 2019 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present: • R. Steven Wilkinson, Member
• Martin J. Melia, Member

Committee Members Absent: • Jaime T. Godfrey, Chairman

Additional Attendees: • David Jones, Plan Administrator
• Jennifer Logue, PFRS Legal Counsel
• David Low & Teir Jenkins, Staff Members
• David Sancewich, Meketa Investment Group
• Brandon Ross, Meketa Investment Group

The meeting was called to order at 10:06 a.m. Member Wilkinson served as Chairman Pro Tem in Chairman Godfrey's absence from today's meeting.

1. **Approval of Investment Committee meeting minutes** – Member Melia made a motion to approve the March 27, 2019 Investment Committee meeting minutes, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

2. **Investment Manager Performance Review – Rice Hall James and Associates, LLC** – Yossi Lipsker from Rice Hall James and Associates, LLC (RHJ) presented a review of the Investment Performance of PFRS funds invested in its small cap growth domestic equities investment account. Following Committee and investment manager discussion, member Melia made a motion to accept the informational report from RHJ, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

3. **Investment Manager Overview – Rice Hall James and Associates, LLC** – David Sancewich presented Meketa's overview of RHJ. Mr. Sancewich reported that Meketa recommended the Investment Committee should place RHJ onto watch status for six to nine months, after which a follow-up review will determine the Board's next step with this investment manager. Member Melia made a motion to recommend Board approval of placement of Rice Hall James and Associates to watch status for six to nine month, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

4. **Investment Manager Overview – DDJ Capital Management, LLC** – David Sancewich reported that Meketa recommended the Investment Committee should place DDJ Capital Management onto watch status for six to nine months, after which a follow-up review will determine the Board's next step with this investment manager. Following discussion between the Committee and Meketa, Member Melia made a motion to recommend Board approval of placement of DDJ Capital Management, LLC

to watch status for six to nine month, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

5. **Investment Market Overview** – Mr. Sancewich reported on the global economic factors affecting the PFRS Fund. Member Melia made a motion accept the Informational Report from Meketa, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

6. **Investment Fund Performance for the Quarter Ending March 31, 2019** – Mr. Sancewich presented the Investment Committee with a detailed reporting of the investment performance report of the PFRS fund for the quarter ending March 31, 2019. Following his report, Member Melia mad a motion to accept the informational report from Meketa, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

7. **Status Report of the Request for Proposal (RFP) for the new PFRS Active International Equity Asset Class Investment Manager** – Brandon Ross from Meketa reported the current status of Meketa’s review of the Requests for Proposal submitted by Investment Managers wishing to serve as the new PFRS Active International Equity Asset Class Investment Manager for the PFRS Fund. Mr. Ross reported that Meketa plans to refine the current list of 50-plus applicants to three so the Investment Committee can consider its options to schedule interviews at a future Investment Committee meeting. Member Melia made a motion to accept the informational report from Meketa, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

8. **Report on the diversity of the Board of Directors for each Investment Manager of the PFRS Investment Fund** – Mr. Sancewich reported that the investment committee previously directed Meketa to bring a report of the diversity of the staffing and of the Boards of Directors for each PFRS Investment Manager. He presented his findings to the Investment Committee. Following committee discussion, member Melia made a motion to accept the informational report from Meketa, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

9. **Approval of Resolution No. 7052 authorizing the professional service agreement with State Street Global Advisors, or Approval of the temporary Investment of PFRS investment funds to be transferred into Exchange Traded Funds instead of a Crisis Risk Offset Account (Long Duration)** – Mr. Sancewich reported that the Investment Committee had previously discussed several options regarding the PFRS investment to the Crisis Risk Offset investment strategy (Long Duration). Mr. Sancewich and the PFRS Staff reviewed additional alternatives for the PFRS fund toward funding this investment mandate. Following Committee discussion, no action was made on Resolution No. 7052, and Member Melia made a motion to recommend Board approval of the investment of PFRS investment funds scheduled to transition into the Crisis Risk Offset Account (Long Duration) into Exchange-Traded Funds (ETFs) until a suitable Investment Manager is selected by the PFRS board, second by Chairman Pro Tem Wilkinson. Motion passed.

[GODFREY – ABSENT / MELIA – Y / WILKINSON – Y]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

10. **Schedule of Pending Agenda Items** – Staff reported the agenda items scheduled for future Investment Committee meetings.
11. **Future Scheduling** – The next Investment Committee meeting was scheduled for June 26, 2019.
12. **Open Forum** – No Report.
13. **Adjournment of Meeting** – The meeting adjourned at 11:14 am.

JAIME T. GODFREY, COMMITTEE CHAIRMAN

DATE

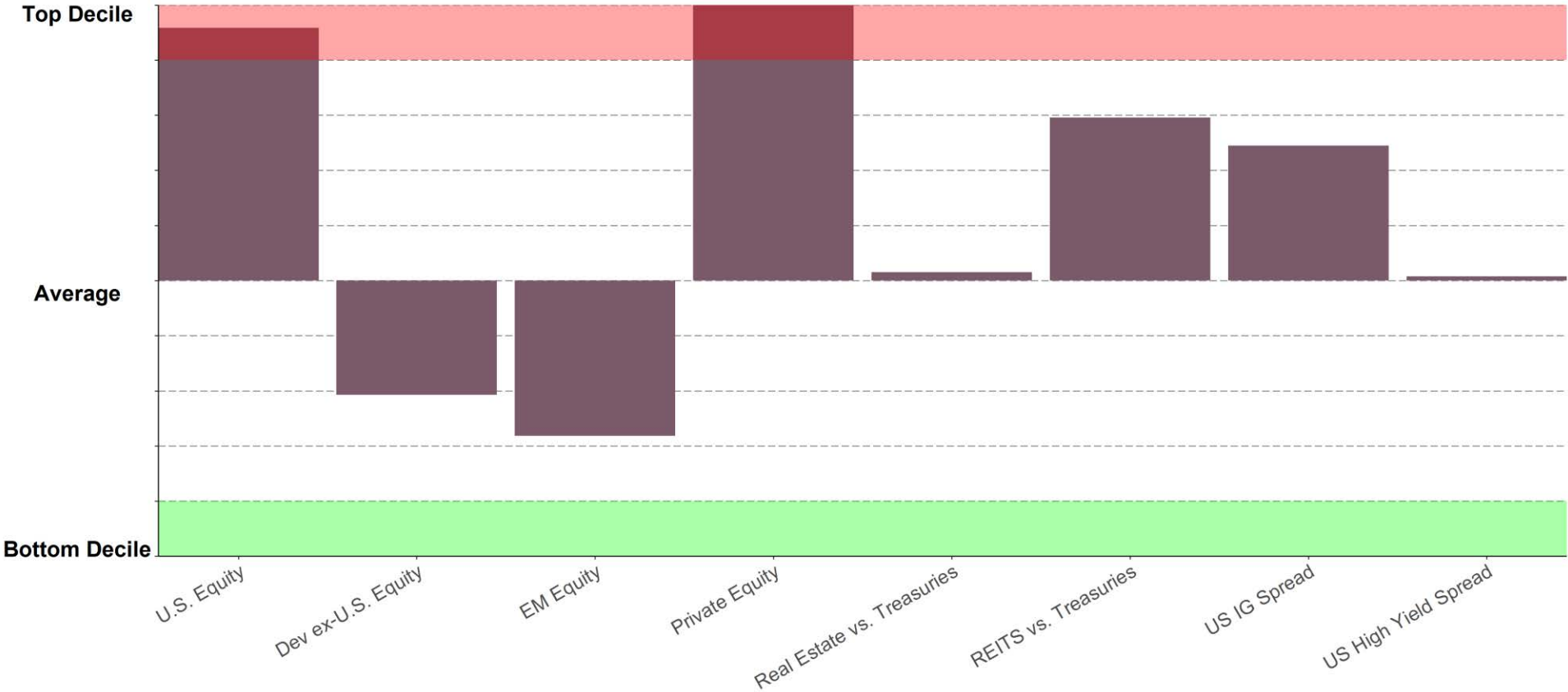
Capital Markets Outlook & Risk Metrics

Capital Market Outlook - Takeaways

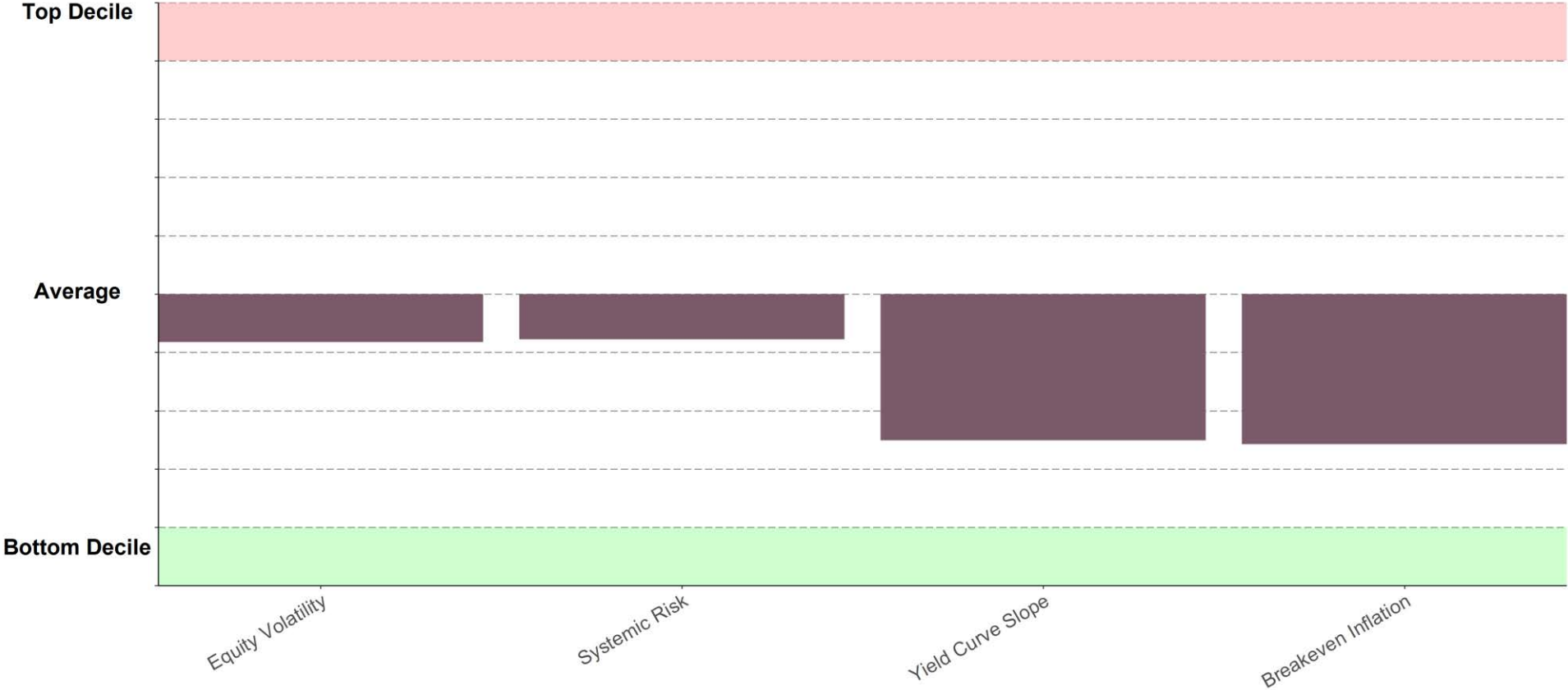
- May provided a quick flashback to the experiences of October and December 2018, as most equity market indices across the globe were down by roughly 5-10%. Despite this challenging month, year-to-date returns for most equity market indices remain at levels that are in-line with or higher than annual expectations.
- As implications from the trade wars and worries about global economic growth have reverberated throughout the capital markets, safe-haven assets (i.e., U.S. Treasury Bonds) have produced significant returns in 2019 as interest rates have trended down across most parts of the yield curve. Long U.S. Treasury Bonds, for example, have generated a year-to-date return of nearly 10%.
- A large area of interest over the near- and intermediate-terms will be the Federal Reserve's positioning on interest rates. Currently, markets are projecting interest rate cuts to likely occur in 2019, and this notion will continue to be discussed among policy makers over the coming months.
- U.S. equity markets remain expensive whereas Non-U.S. equity markets remain reasonably valued.
- Despite a material drawdown in risk-oriented assets in May, implied equity market volatility (i.e., VIX) was at or below its historical average ($\approx 19\%$) throughout the vast majority of the month.
- The Market Sentiment Indicator¹ returned to neutral (grey) as a result of year-over-year changes in equity markets.
- **Market uncertainty appears to be increasing.** Diverging global economic growth, nuanced monetary policies, and ongoing geopolitical turmoil has resulted in increased uncertainty in the global capital markets.

¹ See Appendix for the rationale for selection and calculation methodology used for the risk metrics.

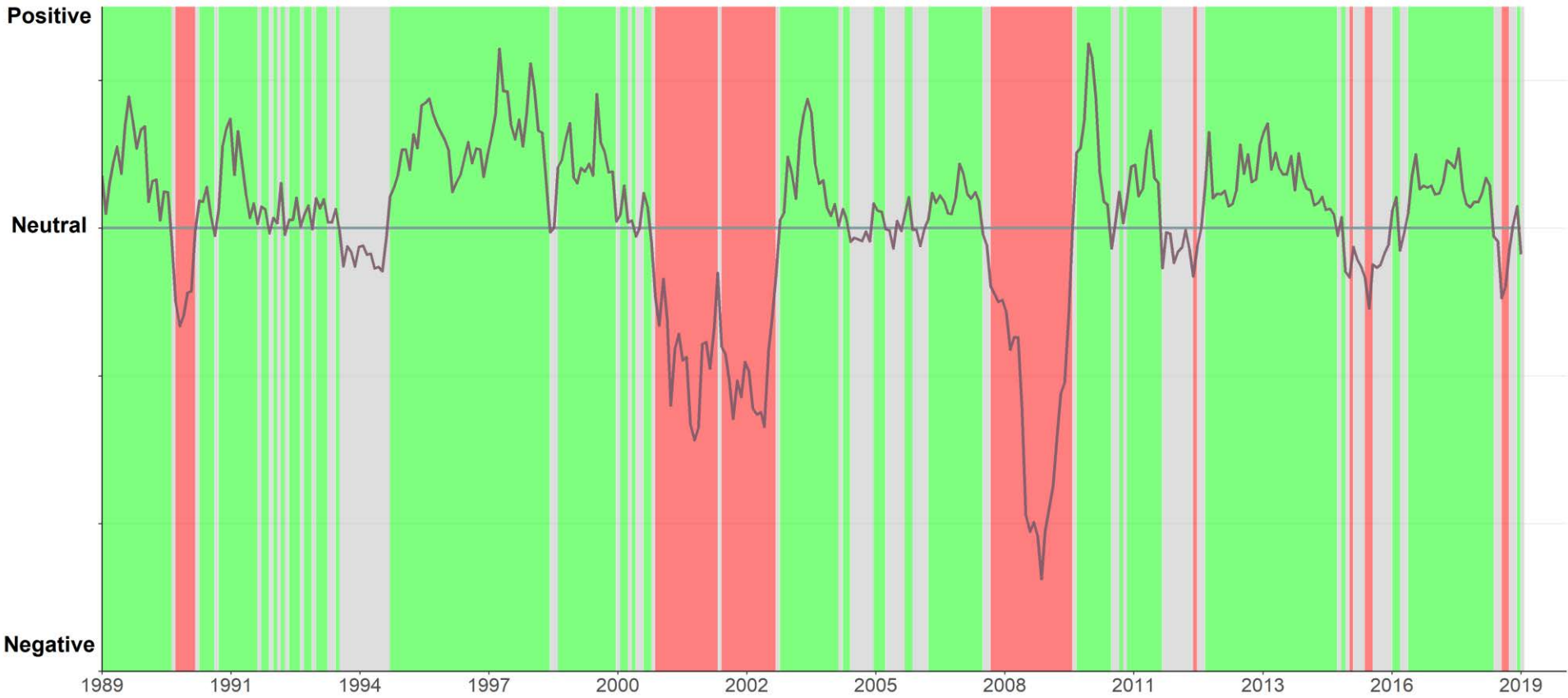
Risk Overview/Dashboard (1)



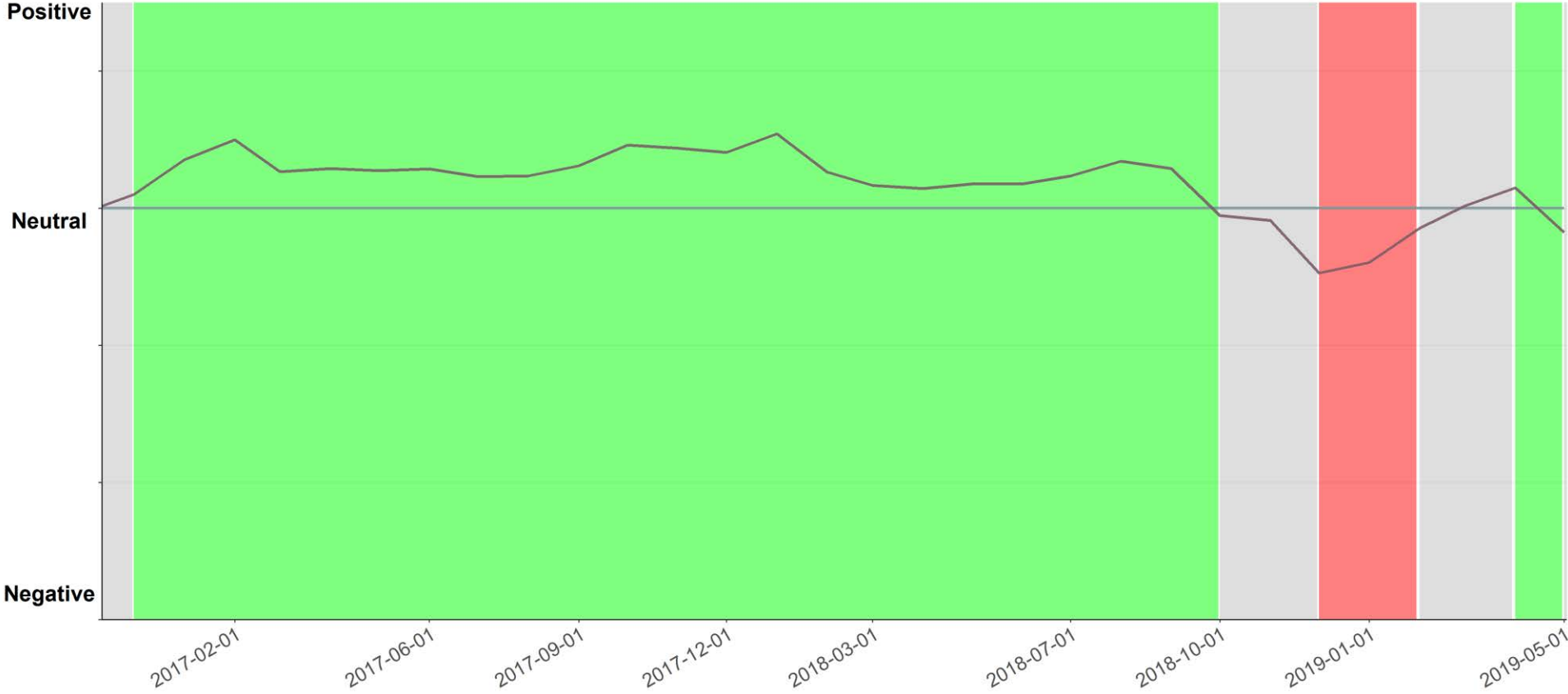
Risk Overview/Dashboard (2)



Market Sentiment Indicator (All History)



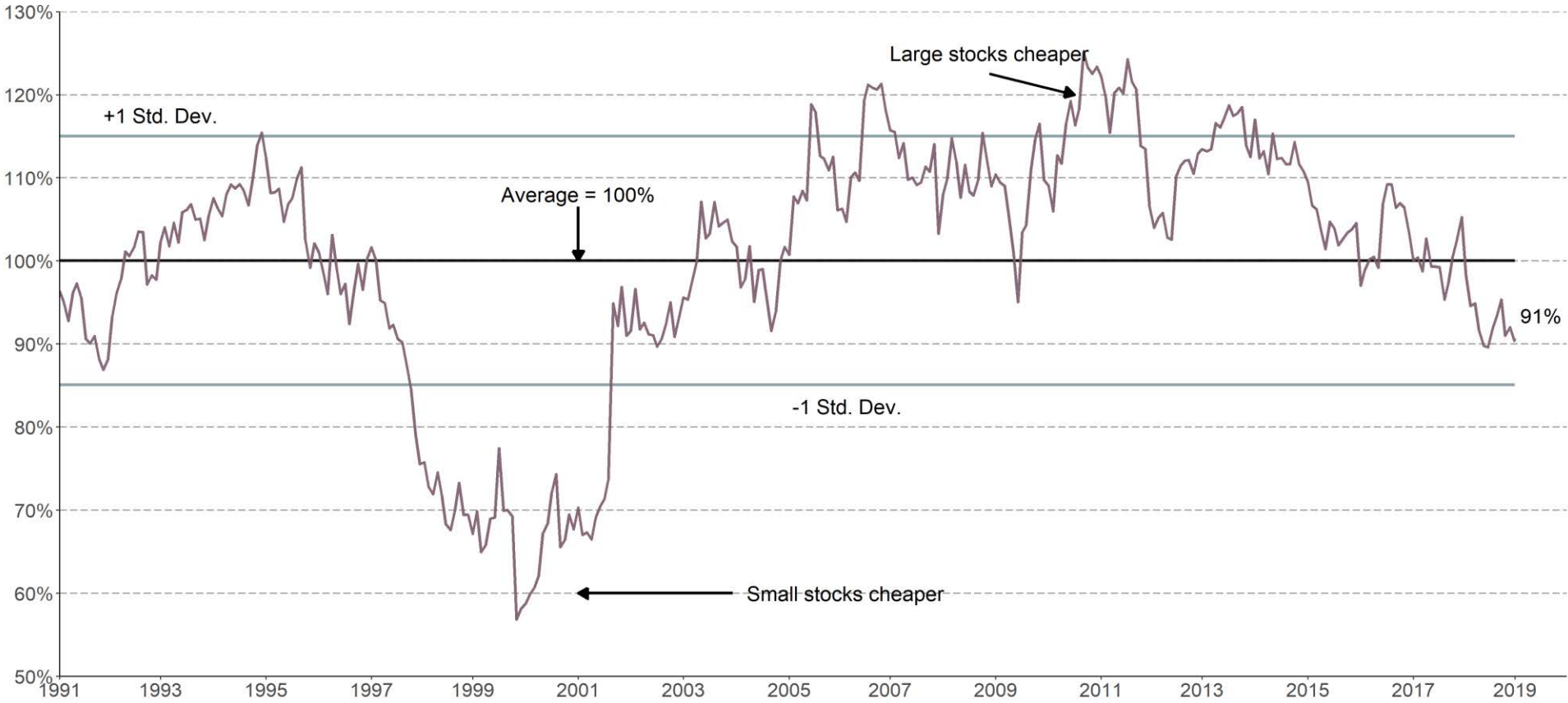
Market Sentiment Indicator (Last Three Years)



U.S. Equity Cyclically Adjusted P/E



Small Cap P/E vs. Large Cap P/E



Growth P/E vs. Value P/E



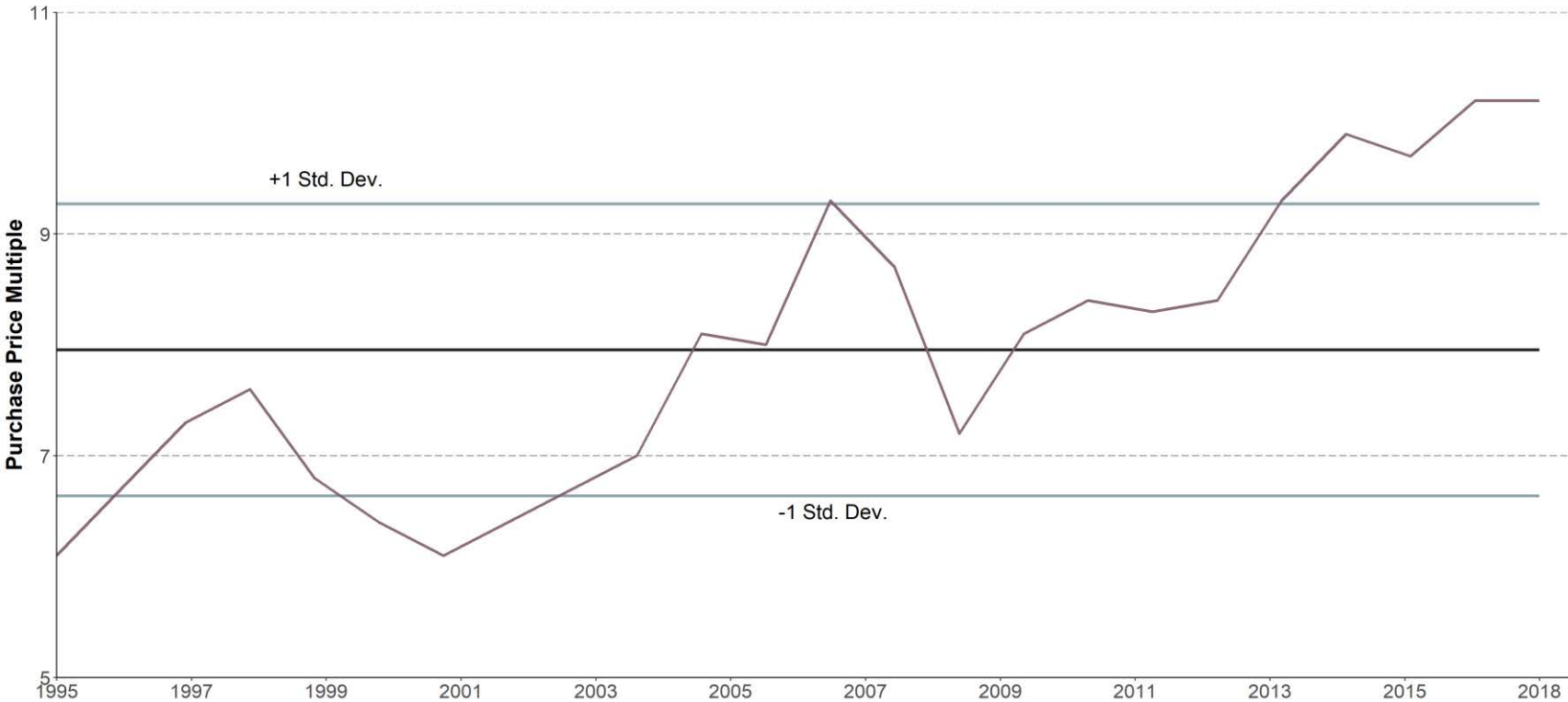
Developed International Equity Cyclically Adjusted P/E



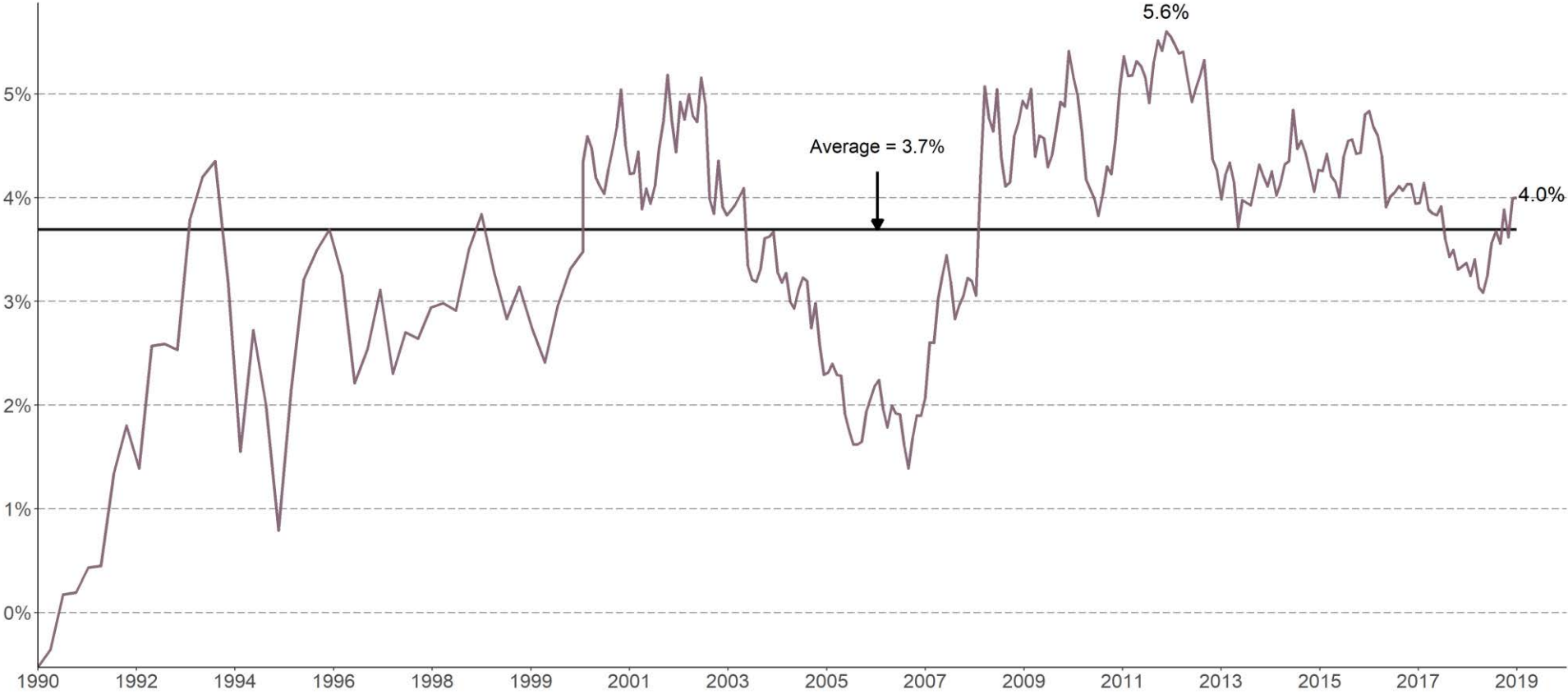
Emerging Market Equity Cyclically Adjusted P/E



Private Equity Multiples



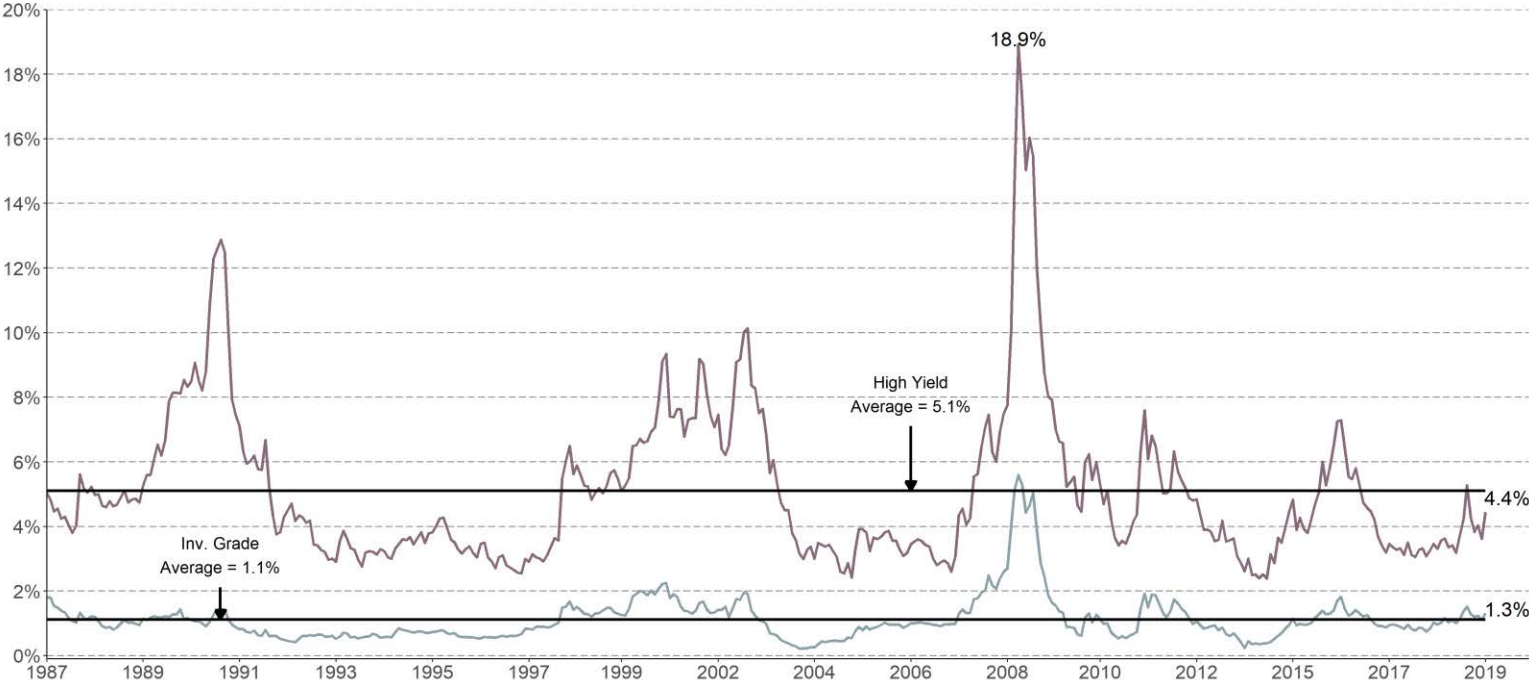
Core Real Estate Spread vs. Ten-Year Treasury



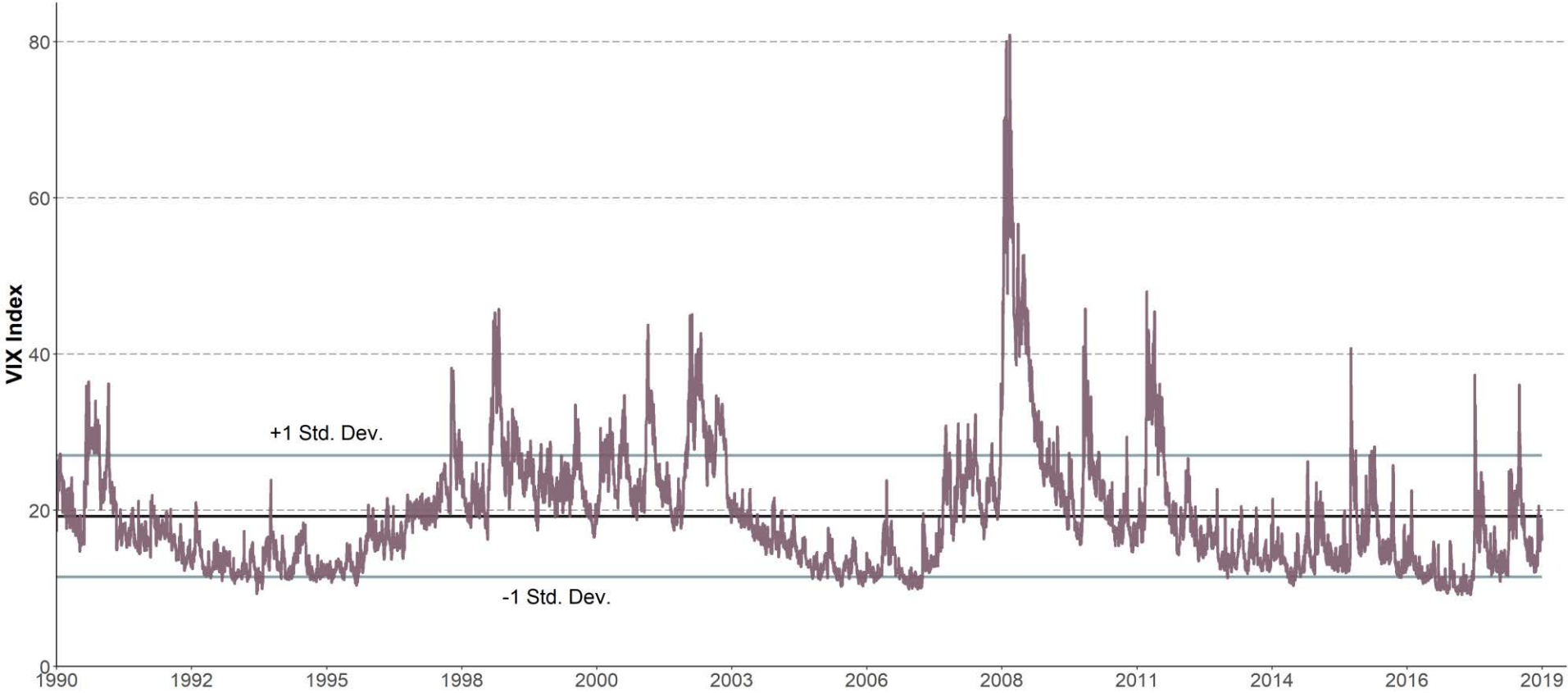
REITs Dividend Yield Spread vs. Ten-Year Treasury



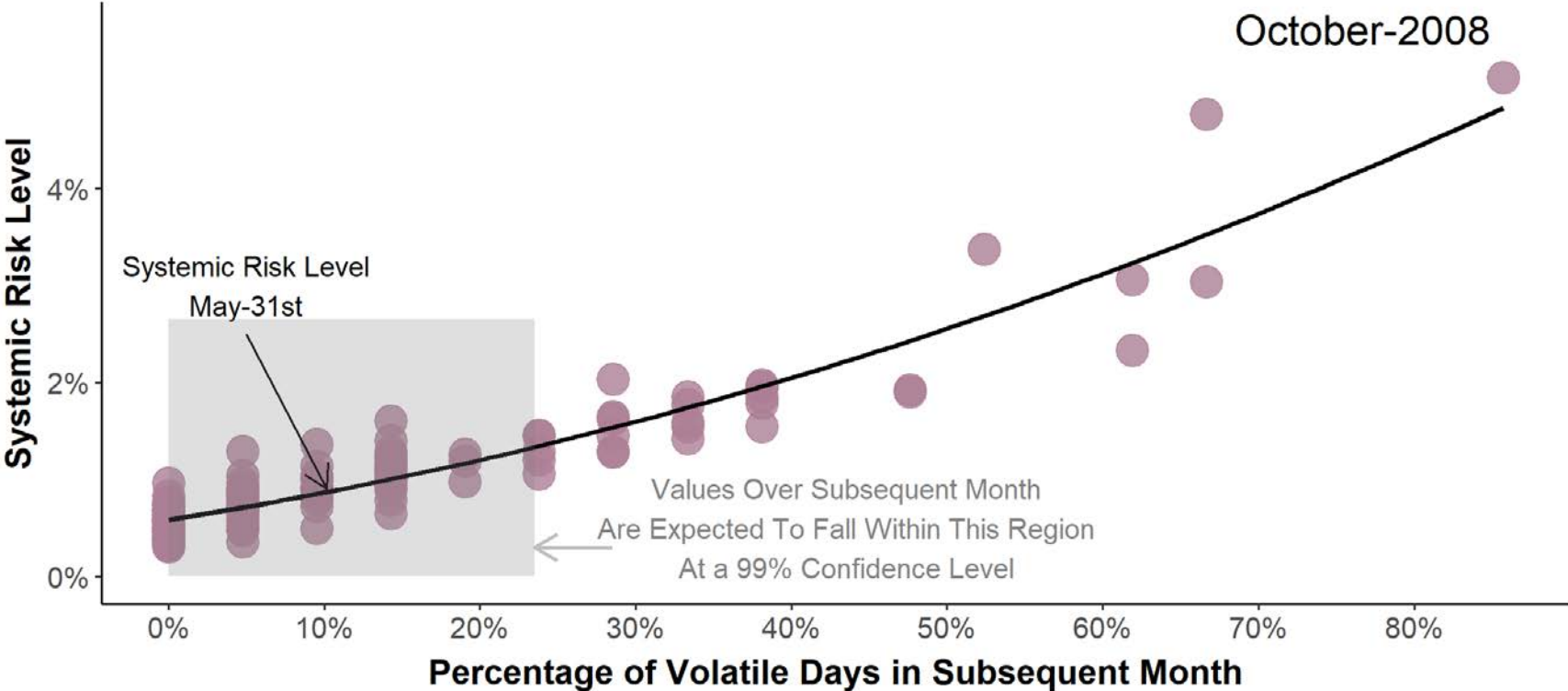
Credit Spreads



Equity Volatility



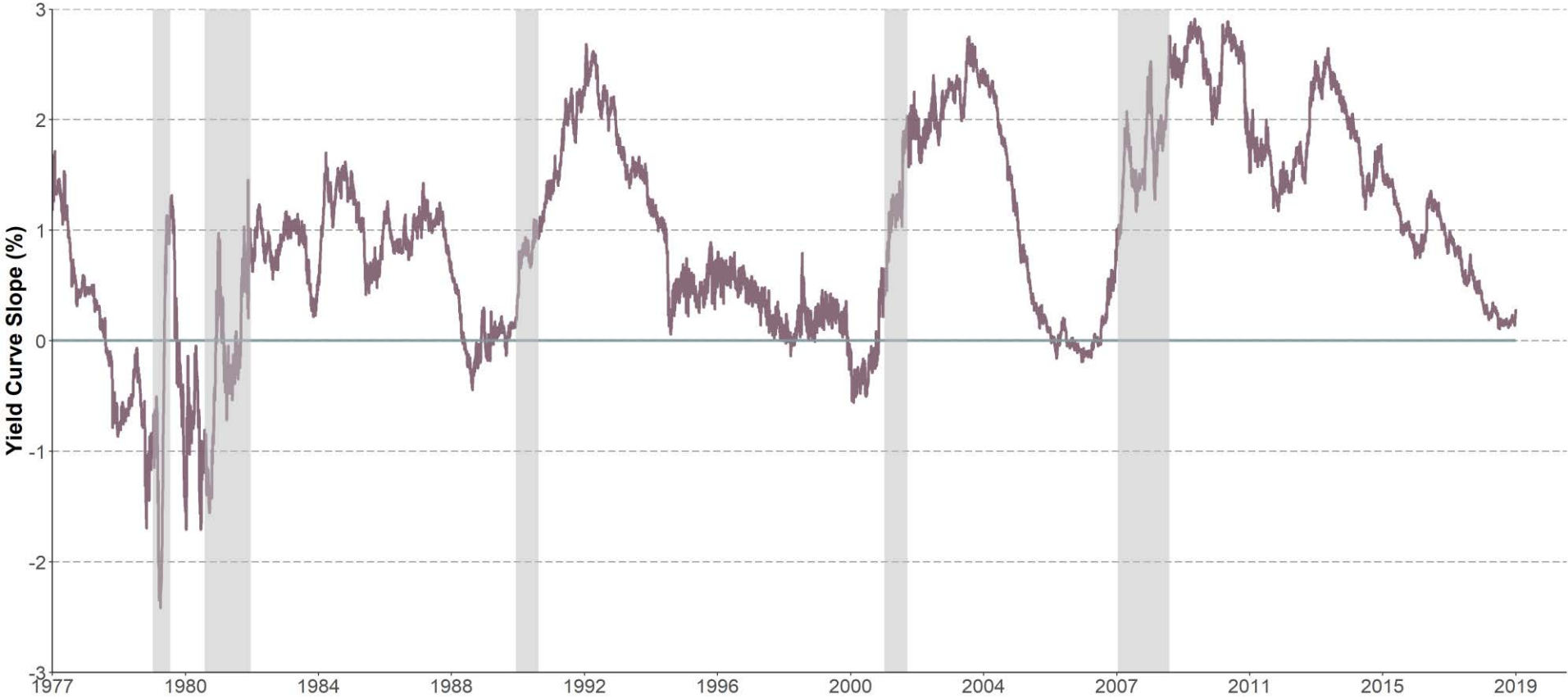
Systemic Risk and Volatile Market Days¹



¹ Source: Meketa Investment Group, as of April 30, 2019. Volatile days are defined as the top 10 percent of realized turbulence which is a multivariate distance between asset returns.



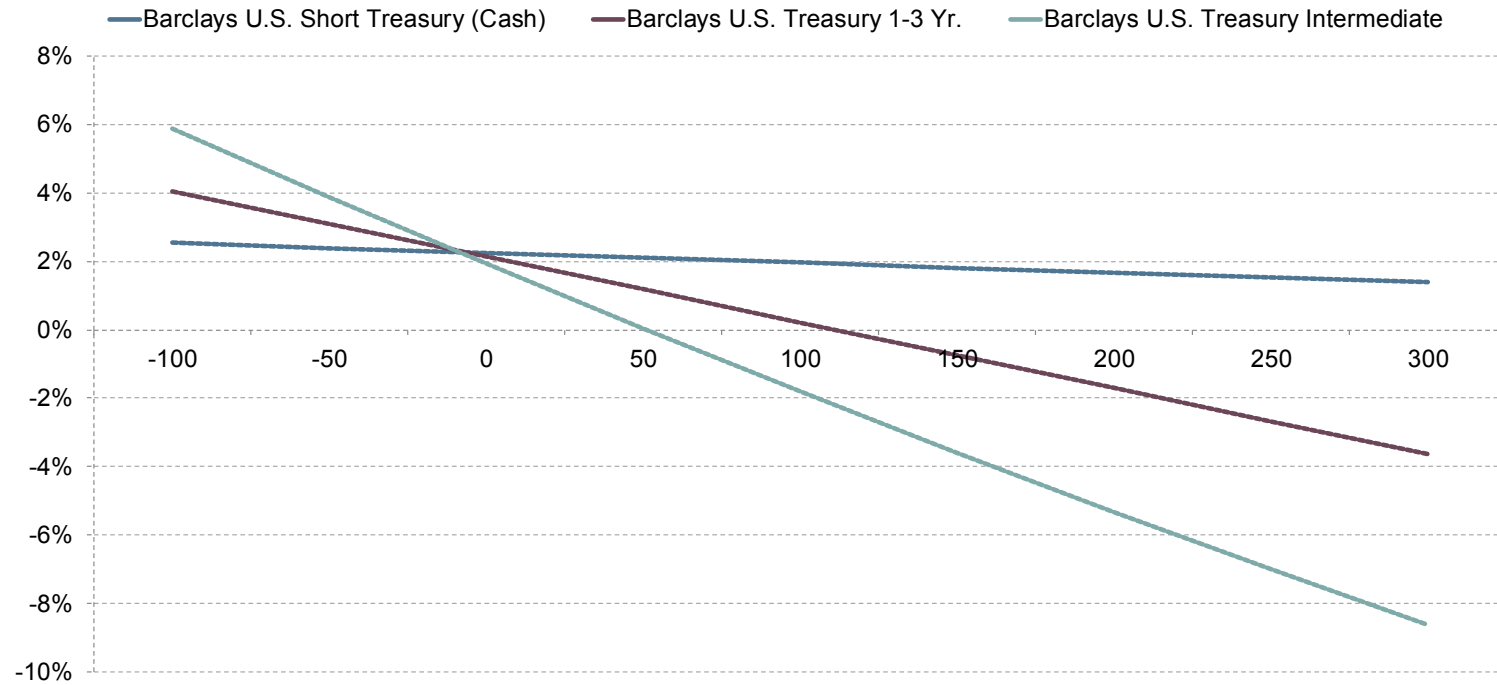
Yield Curve Slope (Ten Minus Two)



Ten-Year Breakeven Inflation



Total Return Given Changes in Interest Rates (bps)¹

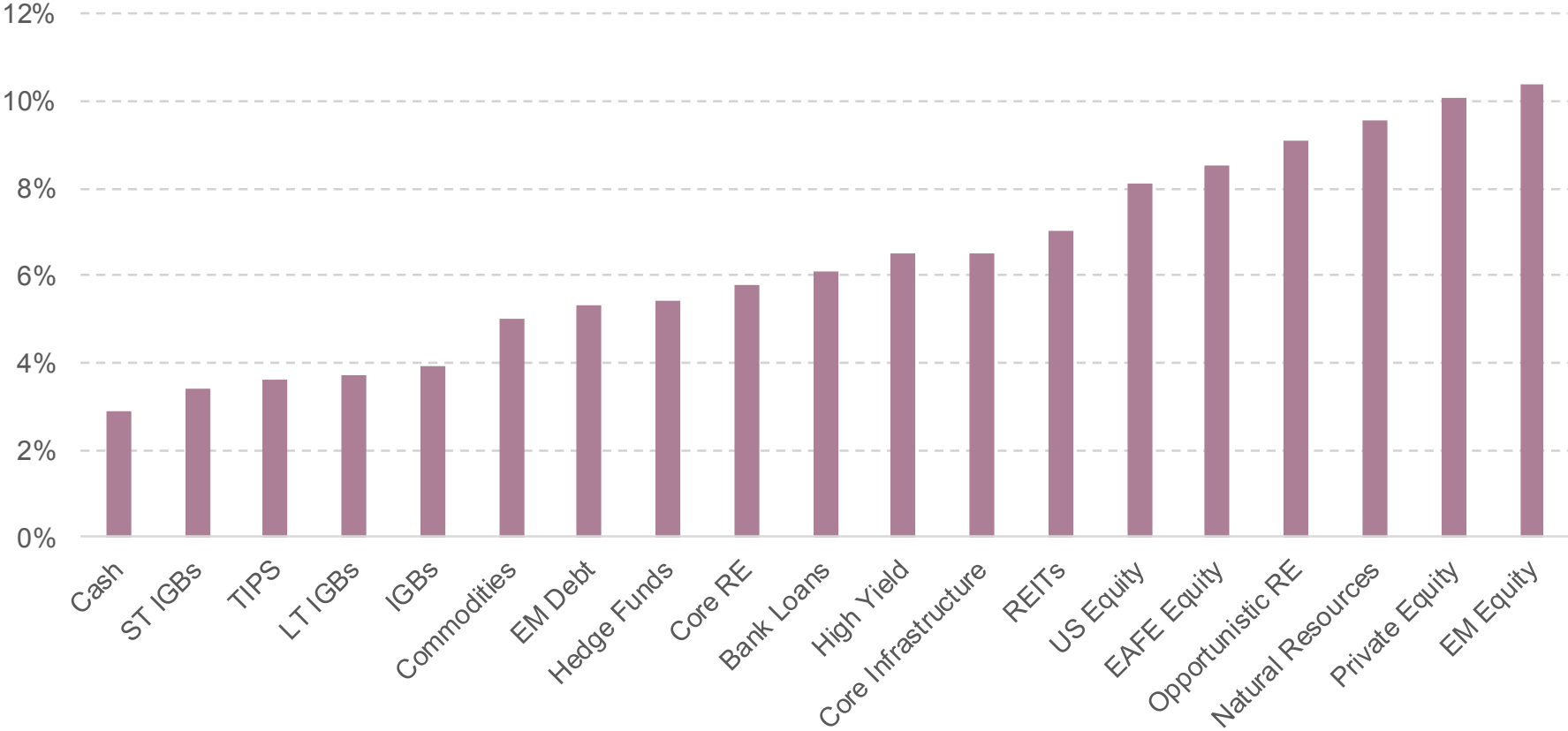


	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)	2.5%	2.4%	2.3%	2.1%	2.0%	1.8%	1.7%	1.5%	1.4%	0.29	2.25%
Barclays U.S. Treasury 1-3 Yr.	4.1%	3.1%	2.1%	1.2%	0.2%	-0.7%	-1.7%	-2.7%	-3.6%	1.92	2.14%
Barclays U.S. Treasury Intermediate	5.9%	3.9%	1.9%	0.0%	-1.8%	-3.6%	-5.3%	-7.0%	-8.6%	3.85	1.94%
Barclays U.S. Treasury Long	22.5%	12.0%	2.6%	-5.9%	-13.3%	-19.7%	-25.0%	-29.4%	-32.7%	17.91	2.56%

¹ Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data is as of May 1, 2019 via Barclays, Bloomberg, and Meketa Investment Group.



Long-Term Outlook¹



¹ Twenty-year expected returns based upon Meketa Investment Group's 2019 Annual Asset Study.



Appendix – Data Sources and Explanations

All Data as of May 31, 2019

- U.S. Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.
- Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month “as reported” earnings.
- Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month “as reported” earnings.
- Developed International Equity (MSCI EAFE ex Japan Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs
- Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, U.S. Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.
- REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index.
- Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index.

Appendix – Data Sources and Explanations (Continued)
All Data as of May 31, 2019

- Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for U.S. equity markets.
- Systemic Risk and Volatile Market Days – Source: Meketa Investment Group, as of April 30, 2019. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.
 - Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.
- Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year U.S. Treasury Yield and 2-Year U.S. Treasury Yield.
- Ten-Year Breakeven Inflation – Source: U.S. Treasury and Federal Reserve. Data is as of May 1, 2019 for TIPS and Treasuries. Inflation is measured by the Consumer Price Index (CPI-U NSA).

Meketa Market Sentiment Indicator

Explanation, Construction and Q&A

Meketa has created the MIG Market Sentiment Indicator (MIG-MSI) to complement our valuation-focused Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

This appendix explores:

- What is the Meketa Market Sentiment Indicator?
- How do I read the indicator graph?
- How is the Meketa Market Sentiment Indicator constructed?
- What do changes in the indicator mean?

Meketa has created a market sentiment indicator for monthly publication (the MIG-MSI – see below) to complement Meketa’s Risk Metrics.

Meketa’s Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market corrections take place. The MIG-MSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation based concerns. Once the MIG-MSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, Meketa believes the Risk Metrics and MIG-MSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the Meketa MIG-MSI:

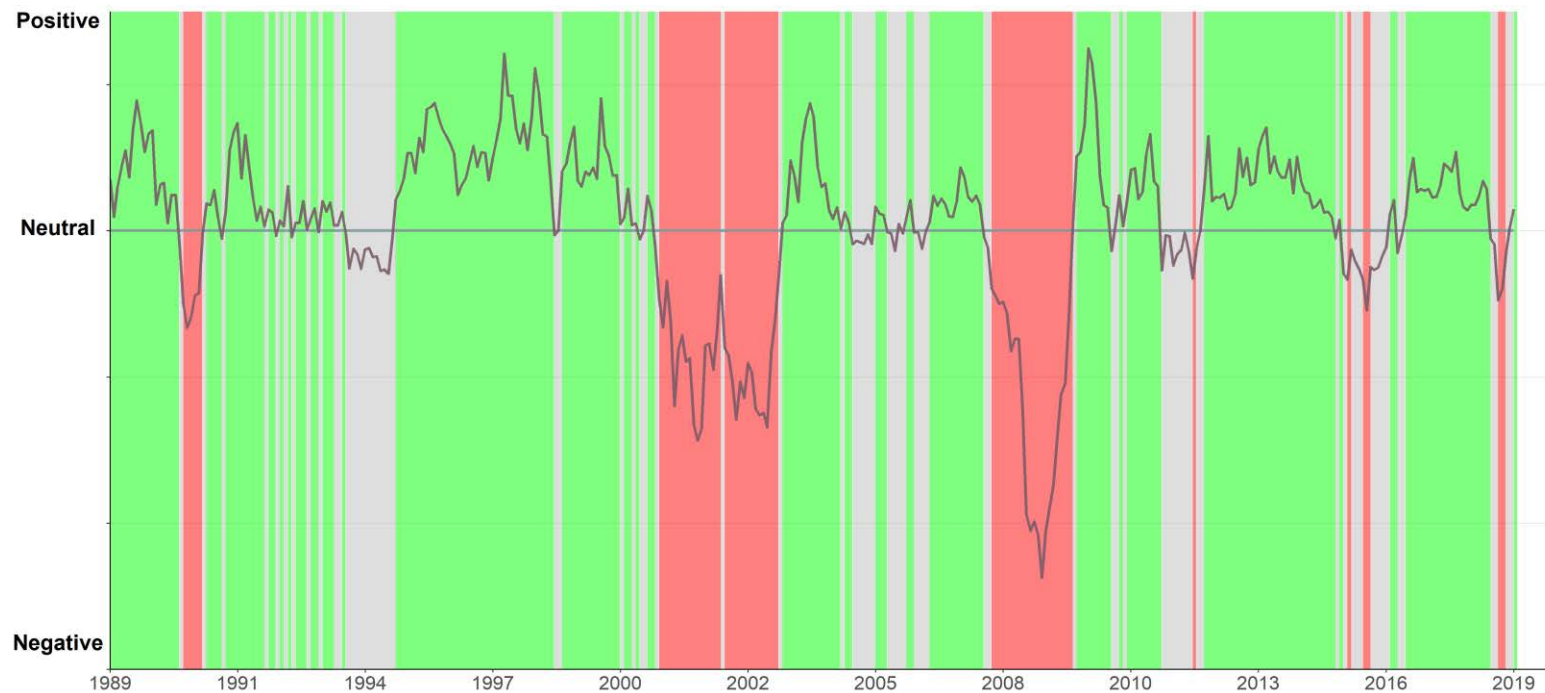
What is the Meketa Market Sentiment Indicator (MIG-MSI)?

The MIG-MSI is a measure meant to gauge the market’s sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The MIG-MSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the Meketa Market Sentiment Indicator graph?

Simply put, the MIG-MSI is a color-coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MIG-MSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MIG-MSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.

Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



How is the Meketa Market Sentiment Indicator (MIG-MSI) Constructed?

The MIG-MSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:

- Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
- Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration U.S. Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight).
- Both measures are converted to Z-scores and then combined to get an “apples to apples” comparison without the need of re-scaling.

The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure.¹ The color reading on the graph is determined as follows:

- If both stock return momentum and bond spread momentum are positive = GREEN (positive)
- If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
- If both stock return momentum and bond spread momentum are negative = RED (negative)

¹ Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.
“Time Series Momentum” Moskowitz, Ooi, Pedersen, August 2010. <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

What does the Meketa Market Sentiment Indicator (MIG-MSI) mean? Why might it be useful?

There is strong evidence that time series momentum is significant and persistent. In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12-month period. The MIG-MSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.



MEMORANDUM

To: Oakland Police and Fire Retirement System (OPFRS)
From: Meketa Investment Group
Date: 6/26/2019
Re: State Street Global Advisors Overview

Manager: State Street Global Advisors

Inception Date: August, 2002 **OPFRS AUM (3/31/2019):** \$13.2 million

Strategy: Passive MSCI EAFE **Firm-wide AUM (3/31/2019):** \$2,805 billion

Benchmark: MSCI EAFE Index **Strategy AUM (3/31/2019):** \$55.4 billion

Summary

At the May 2019 Board meeting, the Board requested a brief overview of State Street Global Advisors (SSgA). SSgA has served as Oakland PFRS's passive developed markets international equity manager since August 2002, which is currently 3.5% of the overall OPFRs portfolio.

Background

History

State Street Global Advisors (SSgA) was founded in 1978 as the Asset Management Division of State Street bank and Trust Company, which has been an incorporated Massachusetts trust company since 1891. SSgA was established to provide institutional investment management services focused on equity indexing and cash. Coincident with SSgA's founding, the firm launched one of the industry's first S&P 500 index funds. In 1995, all of State Street's investment management services were re-organized under SSgA. Since then, SSgA has collaborated with many of the world's largest and most sophisticated investors to become one of the largest asset managers globally with a firm-wide AUM of approximately \$2.8 trillion.

Organizational Changes

There have been minimal changes to SSgA's passive strategy portfolio management team over the past several years. One major change occurred at the end of 2016 when the Co-Head of Passive Equity Strategies at SSgA, John Tucker, left the team for a new role within the firm. Outside of that change, there has been minimal turnover within SSgA passive management team while Michael Feehily, the designated primary manager for the strategy, has been with the portfolio since the beginning of 2009. At the firm level, Jay Hooley, CEO of State Street, retired earlier this year, but will remain in his role as chairman through 2019. Ron O'Hanley was appointed to succeed Mr. Hooley. Lastly,



MEMORANDUM

Cyrus Taraporevala replaced Mr. O'Hanley as president and CEO of State Street Global Advisors.

Investment Process, per manager

The MSCI EAFE index strategy is managed using a "passive" or "indexing" investment approach, by which State Street Global Advisors attempts to replicate, before expenses, the performance of the Index. The Strategy will not necessarily own all of the securities included in the Index.

The Strategy may attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. However, due to the diverse composition of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the Strategy to purchase some of the securities comprising the Index. In such a case, State Street will select securities for the Strategy comprising a portfolio that State Street expects will provide a return comparable to that of the Index.



MEMORANDUM

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



MEMORANDUM

To: Oakland Police and Fire Retirement System (OPFRS)
From: Meketa Investment Group (MIG)
Date: June 26, 2019
Re: Crisis Risk Offset (CRO) Long Duration - Options

Summary and Recommendation:

At the January 2019 OPFRS meeting, the Board approved a recommendation from PCA/MIG to research and utilize one of the plan's current investment managers for its Long Duration component of CRO. Following the review of OPFRS current investment managers, four viable options are available for the OPFRS board to consider, as listed below. MIG recommends that OPFRS utilize one of the options below, rather than conduct a full RFP for the implementation of this mandate. Meketa recommends that OPFRS utilize Northern Trust to manage the Long Duration allocation, specifically the securities lending portfolio.

Discussion:

As part of a recent OPFRS asset-liability study, the Board approved a new long-term strategic allocation policy. A key feature of the new strategic allocation policy is its allocation to a CRO strategic class. When fully structured and funded, the CRO class will be comprised of three components: Long Duration, Systematic Trend Following, and Alternative Risk Premia. The CRO class is expected to (i) have a high probability of producing material appreciation during equity-crisis periods, and (ii) maintain its long-term purchasing power in the intervening market cycles.

As MIG has discussed at prior meetings, one segment of this new class is Long Duration. Long Duration portfolios are those that generally consist of long-dated (maturities in excess of 10 years) high-quality bonds (such as Treasuries and Government-backed high-quality agencies).

Long term Asset Allocation, Period ending 12/31/2018

Asset Class	12/31/2018 Actual	Long- Term Targets
Cash	2	0
Fixed Income	26	21
Credit	2	2
Covered Calls	13	5
Domestic Equity	38	40
International Equity	12	12
CRO	7	20



MEMORANDUM

Unlike the two other components of CRO (Trend Following and Alternative Risk Premia), the Long Duration segment of the asset class can be managed by most reputable fixed income investment firms and is relatively inexpensive to manage. Rather than conduct a full Long Duration manager search, MIG recommends OPFRS utilize one of its current investment managers to run this portion of the asset class.

Long Duration Implementation Options:

Manager	Strategy	Implementation	Fees (bps)
Northern Trust	Long Treasury - NL*	Passive	3
Northern Trust	Long Treasury - SL**	Passive	2
Ramirez	Various	Active	10
Reams	Various	Active	5
SSgA	Long Treasury	Passive	4

*NL - Non Lending

**SL - Securities Lending



DISCLAIMER

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**City of Oakland Police and Fire Retirement System
Cash Flow Recommendation Summary**

Asset Class / Manager / Liquidity July - September 2019 Report		
	Tier	
Domestic Equity	Northern Trust	1
Domestic Equity	R1000 Growth (SSgA)	3
Domestic Equity	R1000 Value (SSgA)	3
Domestic Equity	EARNEST Partners	3
Domestic Equity	NWQ	3
Domestic Equity	Rice Hall James	3
	<i>Total Domestic Equity</i>	
International Equity	Passive/Enhanced (SSgA)	3
International Equity	Fisher	3
International Equity	Hansberger	3
	<i>Total International Equity</i>	
	<i>Total Public Equity</i>	
Covered Calls	Parametric	2
	<i>Total Covered Calls</i>	
Crisis Risk Offset	New/Current Manager	3
Crisis Risk Offset	Parametric Risk Premia	3
	<i>Total Crisis Risk Offset</i>	
Domestic Fixed Income	Reams	2
Domestic Fixed Income	DDJ	2
Domestic Fixed Income	Ramirez	2
	<i>Total Public Fixed</i>	
Cash	Cash	1
	<i>Total Stable</i>	
	<i>Total Portfolio</i>	

Description of Liquidity Tiers

<u>Tier</u>	<u>Description</u>	<u>Amount</u>	<u>in Months</u>
Tier 1	Public, Scheduled Withdrawal Allowances	\$87.9	14.6
Tier 2	Public, Accommodating of Withdrawals	148.9	24.8
Tier 3	Public, Must Plan Withdrawals	112.7	18.8
Tier 4	Closely Held	<u>0.0</u>	-
		\$349.4	

City of Oakland Police and Fire Retirement System Cash Flow Recommendation Summary

PFRS Asset Allocation (May 31st Market Values)*					Actual Cash Flows (For April - June Benefits) Payable the 1st of each month		Suggested Cash Flows (For July - September Benefits) Payable the 1st of each month	
	Market Value (\$mm)	Market Value (%)	Target (%)	\$ Variance (from basic target)	Inflow (\$mm)	Outflow (\$mm)	Inflow \$mm	Outflow (\$mm)
Northern Trust	81.0	21.7%	26.0%	(15,878,340)				
R1000 Growth (SSgA)	9.5	2.5%	0.0%	9,476,000				
R1000 Value (SSgA)	7.9	2.1%	0.0%	7,905,000				
EARNEST Partners	30.3	8.1%	8.0%	491,280				(1.6)
NWQ	8.9	2.4%	3.0%	(2,272,270)				(1.0)
Rice Hall James	11.8	3.2%	3.0%	621,730				(1.6)
Total Domestic Equity	149.4	40.1%	40.0%	343,400				
Passive/Enhanced (SSgA)	12.9	3.5%	3.6%	(496,924)				
Fisher	15.7	4.2%	4.2%	13,422				
Hansberger	15.7	4.2%	4.2%	89,422				
Total International Equity	44.3	11.9%	12.0%	(394,080)				
Total Public Equity	193.7	52.0%	52.0%	(50,680)				
Parametric	44.3	11.9%	5.0%	25,655,550		(3.00)		
Total Covered Calls	44.3	11.9%	5.0%	25,655,550				
Long Duration Manager	0.0	0.0%	3.3%	(12,420,288)				
Parametric Risk Premia	23.0	6.2%	6.7%	(1,823,352)				
Crisis Risk Offset	23.0	6.2%	10.0%	(14,243,639)				
Reams	24.1	6.5%	12.0%	(20,623,080)				
DDJ	8.0	2.1%	2.0%	547,820				
Ramirez	72.5	19.5%	19.0%	1,692,290				
Total Public Fixed	104.6	28.1%	33.0%	(18,382,970)				
Cash with Custodian	0.1	0.0%	0.0%	145,000				
Cash in Treasury**	6.9	1.8%	0.0%	6,877,000	11.20	(11.20)	11.20	(11.20)
Total Stable	111.6	30.0%	33.0%	(11,505,970)				
Total Portfolio	372.6	100.0%	100.0%	---	11.20	(14.20)	11.20	(15.40)

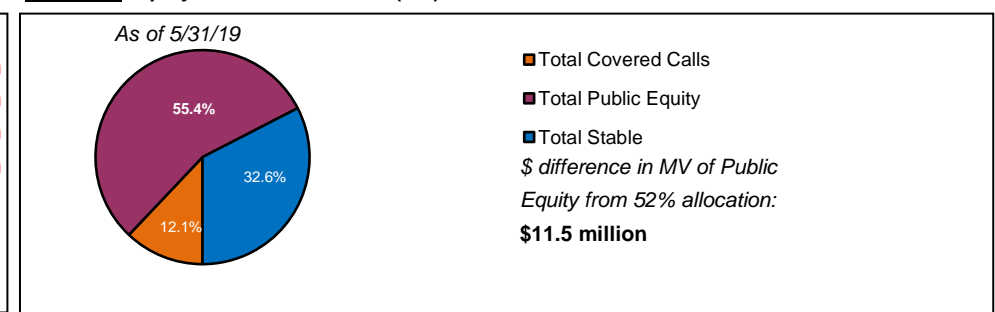
May 31st Market Values by Portfolio Segment

Portfolio Segment	MV (\$mm)
Total Domestic Equity	149.4
Total International Equity	44.3
Total Public Equity	193.7
Total Covered Calls	44.3
Total Crisis Risk Offset	23.0
Total Public Fixed	104.6
Total Stable	111.6
Total Portfolio	372.6

Suggested Cash Withdrawals

Manager	Amount
Cash in Treasury	\$11.20 Million
EARNEST	\$1.6 Million
NWQ	\$1.0 Million
Rice Hall James	\$1.6 Million

Projected Equity to Fixed Allocation (MV)



* Estimated based on PFRS May 31, 2019 Northern Trust statement.

** Preliminary value as of May 31, 2019 per OPFRS staff.

**City of Oakland Police and Fire Retirement System
Cash Flow Recommendation Summary**

Projected PFRS Asset Allocation (As of September 30th)					
	Est Mkt Value (\$mm)	Est Mkt Value (%)	Target (%)	Projected % Variance <i>(from target)</i>	Projected \$ Variance <i>(from target)</i>
Northern Trust	81.0	23.7%	26.0%	-2.3%	(7,984,220)
R1000 Growth (SSgA)	9.5	2.8%	0.0%	2.8%	9,476,000
R1000 Value (SSgA)	7.9	2.3%	0.0%	2.3%	7,905,000
EARNEST Partners	28.7	8.4%	8.0%	0.4%	1,320,240
NWQ	7.9	2.3%	3.0%	-0.7%	(2,361,410)
Rice Hall James	10.2	3.0%	3.0%	0.0%	(67,410)
Total Domestic Equity	145.2	42.4%	40.0%	2.4%	8,288,200
Passive/Enhanced (SSgA)	12.9	3.8%	3.6%	0.2%	596,108
Fisher	15.7	4.6%	4.2%	0.4%	1,288,626
Hansberger	15.7	4.6%	4.2%	0.4%	1,364,626
Total International Equity	44.3	12.9%	12.0%	0.9%	3,249,360
Total Public Equity	189.5	55.4%	52.0%	3.4%	11,537,560
Parametric	41.3	12.1%	5.0%	7.1%	24,173,650
Total Covered Calls	41.3	12.1%	5.0%	7.1%	24,173,650
New/Current Manager	0.0	0.0%	3.3%	-3.3%	(11,408,222)
Parametric Risk Premia	23.0	6.7%	6.7%	0.1%	200,761
Total Crisis Risk Offset	23.0	6.7%	10.0%	-3.3%	(11,207,460)
Reams	24.1	7.0%	12.0%	-5.0%	(16,979,640)
DDJ	8.0	2.3%	2.0%	0.3%	1,155,060
Ramirez	72.5	21.2%	19.0%	2.2%	7,461,070
Total Public Fixed	104.6	30.6%	33.0%	-2.4%	(8,363,510)
Cash with Custodian	0.1	0.0%	0.0%	0.0%	145,000
Cash in Treasury**	6.9	2.0%	0.0%	2.0%	6,877,000
Total Stable	111.5	32.6%	33.0%	-0.4%	(1,486,510)
Total Portfolio	342.2	100.0%	100.0%	---	---

Notes

- May 31st market values are those listed by Northern Trust.
- Report reflects change in asset allocation and beneficiary payments of rebalancing on a quarterly basis. (Estimated at \$14.2 million per OPFRS). Extra \$1.2 million in disbursements reflects Fire retro payments.
- Report reflects monthly City of Oakland contributions of approximately \$3.74 million.
- As of May 31st, the projected public equity portfolio represents 55.4% of the portfolio (\$11.5 million more than the target allocation of 52.0%).
- Target Policy Allocations represent interim-target allocations approved in June 2017.
- Funding of Long Duration (CRO) & SPI (Defensive Equity) managers completed in June 2019 and are not reflected in this report.



MEMORANDUM

To: Oakland Police and Fire Retirement System (OPFRS)

From: David Sancewich, Sean Copus, CFA - Meketa Investment Group

Date: June 26, 2019

Re: Updated Rebalancing Targets and Allocations

Summary:

Following the recent decision by the OPFRS board to utilize ETF's to invest in long-duration treasuries, Meketa was asked to refresh the OPFRS board on the current asset allocation and movement towards its long-term targets. While the overall portfolio is close to its targets, there is a tranche of assets that need to be moved out of equities and into fixed income.

Discussion:

At the May 2019 meeting, the OPFRS board elected to utilize long-duration ETF's as part of the allocation to Crisis Risk offset, while discussions about a long-term solution continue. Following the meeting, Meketa and OPFRS investment staff allocated assets away from covered calls and into the new ETF allocation. In addition, the allocations to both the SSgA R1000 Growth and R1000 Value were eliminated in order to fund the new defensive equity portfolio with SPI.

The table on the following page shows the estimated required rebalancing to the OPFRS portfolio using 5/31/2019 market values. Meketa and OPFRS staff will be updating the board with more recent values at the June 26 board meeting. As shown, the portfolio requires additional capital be withdrawn from U.S. equity and covered calls allocations and moved into the fixed income portfolio to meet the new long-term targets.



MEMORANDUM

OPFRS Portfolio Allocation – 5/31/2019

PFRS Asset Allocation (May 31st Market Values)					Actual Cash Flows for Rebalance		
	Market Value (\$mm)	Market Value (%)	Target (%)	\$ Variance (from basic target)	Inflow (\$mm)	Outflow (\$mm)	
Northern Trust	81.0	21.7%	20.0%	6,483,200	18.57		
R1000 Growth (SSgA)	9.5	2.5%	0.0%	9,476,000			(10.12)
R1000 Value (SSgA)	7.9	2.1%	0.0%	7,905,000			(8.45)
SPI (Defensive Equity)	0.0	0.0%	6.0%	(22,355,040)			
EARNEST Partners	30.3	8.1%	8.0%	493,280			
NWQ	8.9	2.4%	3.0%	(2,271,520)			
Rice Hall James	11.8	3.2%	3.0%	622,480			
Total Domestic Equity	149.4	40.1%	40.0%	353,400			
Passive/Enhanced (SSgA)	12.9	3.5%	3.6%	(496,024)			
Fisher	15.7	4.2%	4.2%	14,472			
Hansberger	15.7	4.2%	4.2%	90,472			
Total International Equity	44.3	11.9%	12.0%	(391,080)			
Total Public Equity	193.7	52.0%	52.0%	(37,680)			
Parametric ¹	44.3	11.9%	5.0%	25,670,800		(13.00)	
Total Covered Calls	44.3	11.9%	5.0%	25,670,800			
Long Duration (VGLT) ²	0.0	0.0%	3.3%	(12,419,454)	13.0		
Parametric Risk Premia	23.0	6.2%	6.7%	(1,838,685)			
Crisis Risk Offset	23.0	6.2%	10.0%	(14,258,139)			
Reams	24.1	6.5%	12.0%	(20,620,080)			
DDJ	8.0	2.1%	2.0%	548,320			
Ramirez	72.5	19.5%	19.0%	1,697,040			
Total Public Fixed	104.6	28.1%	33.0%	(18,374,720)			
Cash in Treasury	7.0	1.9%	0.0%	7,000,000			
Total Stable	111.6	29.9%	33.0%	(11,374,720)			
Total Portfolio	372.6	100.0%	100.0%	---	31.57	(31.57)	

1 Withdrawl approximately \$6.5 million from each Parametric portfolio (50/50 split)

2 ETF Ticker = VGLT / Vanguard Long-Term Treasury ETF



MEMORANDUM

Date: May 26, 2019

To: Oakland Police and Fire Retirement System (OPFRS)

From: Meketa Investment Group (MIG)

CC: David Sancewich – MIG, Sean Copus, CFA – MIG, Brandon Ross - MIG

RE: Active International Equity Manager Search – Semi-Finalist Update

Meketa Investment Group issued a Request for Proposal (“RFP”) for this search and received responses from fifty-seven International Market Equity Managers. Each of the responses was evaluated in detail to determine the most appropriate fit for OPFRS. The results of our review are listed on the following pages. A short list of managers were selected based on manager-specific attributes, both qualitative and quantitative.

Recommendation

Meketa Investment Group recommends the following International Equity Managers as semi-finalists to be considered by OPFRS Investment Committee, based on our review of **the managers’** RFP responses.

Recommended Short List¹

Manager	Headquarters	Strategy
Acadian Asset Management	Boston, MA	All Country World ex-U.S. Equity
Brandywine Global Investment Management	Philadelphia, PA	International Opportunistic Equity
Blackcrane Capital	Bellevue, WA	Blackcrane Overseas Alpha
Hardman Johnston Global Advisors	Stamford, CT	International Equity
GQG Partners	Fort Lauderdale, FL	GQG International Equity
Kopernik Global Investors	Tampa, FL	Kopernik International
Lazard Asset Management	New York, NY	ACW ex-U.S. Equity Advantage
Nikko Asset Management America	Tokyo, Japan	Nikko AM International Select Equity
Strategic Global Advisors (SGA)	Newport Beach, CA	International ACWI ex-US Equity
William Blair Investment Management	Chicago, IL	International Leaders

¹ In alphabetical order.



MEMORANDUM

Summary

Upon completion of the search process, Meketa Investment Group recommends the OPFRS Investment Committee to consider interviewing several from the recommended short list.

Background

In the second quarter of 2019, an RFP was issued on behalf of OPFRS. As a result of the RFP, Meketa Investment Group received a total of 57 responses from 54 firms for the International Equity mandate. Meketa Investment Group evaluated the RFPs and analyzed performance, risk data, and other qualitative factors from each of the responding firms. Based on both qualitative and quantitative analysis, Meketa Investment Group narrowed the field to a shortlist of ten managers.

Manager Search Process

Meketa Investment Group received responses from the 54 firms listed in the table below.

OPFRS International Equity Manager Search Respondents		
Acadian Asset Management	First Eagle	Morgan Stanley
Addenda Capital	Fisher Investments	Neuberger Berman
Affinity Investment Advisors	Foresight Global Investors	Nikko Asset Management
Allianz Global Investors	Franklin Resources	Parametric Portfolio Associates
Ariel Investments	GOG Partners	Polen Capital Management
Artisan Partners	GW&K Investment Management	Pyrford International
Attucks Asset Management	Hansberger Growth Investors	QMA
Axiom Investors	Harding Loevner	Rockefeller & Co
Baillie Gifford & Co	Hardman Johnston Global Advisors	Schroder Investment Management
Barings	Hexavest	Smith Asset Management Group
Blackcrane Capital	HighVista Strategies	Sprucegrove Investment Management
BMO Global Asset Management	Janus Henderson Investors	Strategic Global Advisors (SGA)
Boston Partners Global Investors	Jennison Associates	Sustainable Growth Advisers
Brandywine	Kopernik Global Investors	Tocqueville Asset Management
Capital Group	Landry Investment Management	Vanguard
Dimensional Fund Advisors	Lazard Asset Management	Vontobel Asset Management
Dundas Partners	Martin Investment Management	Westwood Global Investments
Fiera Capital	Metis Global Partners	William Blair Investment Management



MEMORANDUM

To narrow the list to the ten managers in the table below, respondents were removed for the following reasons:

- o Consistency with scope of manager search
- o Material personnel turnover
- o Organizational risk
- o Level of conviction in manager strategy/process.
- o Track record and consistency of risk-adjusted returns

Manager Candidates

<i>As of March 2019</i>	Acadian	Blackcrane	Brandywine	Hardman Johnston	GQG
Firm Location	Boston, MA	Bellevue, WA	Philadelphia, PA	Stamford, CT	Fort Lauderdale, FL
Firm Inception	1986	2012	1986	1985	2016
Ownership Structure	100% Owned by BrightSphere Investment Group (NYSE:BSIG)	69% Employee Owned, 25% held by Pacific Capital Group, 6% Non-Employee Owners	100% Owned by Legg Mason (NYSE: LM)	100% Employee-Owned	100% Employee-Owned
% of Firm Owned by Minority or Women Employees	Undisclosed	63%	0%	>50%	86%
Strategy Name	All Country World ex-U.S. Equity	Overseas Alpha	International Opportunistic Equity	International Equity	International Equity
Strategy Inception	November 1998	January 2013	January 2013	October 1993	June 2016
AUM (Firm)	\$95.0 billion	\$728 million	\$72.0 billion	\$5.9 billion	\$21.4 billion
AUM (Strategy)	\$8.8 billion	\$728 million	\$29.5 million	\$4.0 billion	\$5.6 billion



MEMORANDUM

Manager Candidates (continued)

As of March 2019	Kopernik	Lazard	Nikko	SGA	William Blair
Firm Location	Tampa, FL	New York, NY	New York, NY	Newport Beach, CA	Chicago, IL
Firm Inception	2013	1970	1959	2005	1935
Ownership Structure	100% Employee-Owned	100% Owned by Lazard Frères & Co. (NYSE:LAZ)	Majority Owned (91%) by Sumitomo Mitsui Trust Bank (TYO: 8309)	57% Employee-Owned, 43% Owned by Nile Capital Fund	100% Employee-Owned
% of Firm Owned by Minority or Women Employees	Undisclosed	Undisclosed	Undisclosed	>39%	12%
Strategy Name	International Equity	ACW ex-US Equity Advantage	Nikko AM International Select Equity	International ACWI ex-US Equity	International Leaders
Strategy Inception	July 2015	January 2009	April 2011	July 2015	February 2003
AUM (Firm)	\$3.3 billion	\$211.5 billion	\$202.9 billion	\$4.8 billion	\$54.5 billion
AUM (Strategy)	\$153 million	\$3.7 billion	\$11.3 million	\$464 million	\$5.1 billion

- Acadian, Brandywine, and Lazard are large global equity asset management firms with \$95 billion, \$72 billion, and \$211 billion in assets under management as of March 2019, respectively. All three firms are wholly owned subsidiaries of publically traded companies listed in the NYSE.
- Nikkko is a large investment management firm with \$202.9 billion in assets under management. The firm is a majority-owned subsidiary of Sumitomo Mitsui Trust bank, a publically listed Japanese financial holding company. As of March 2019, the firm's strategy, Nikko AM International Equity, managed \$11.3 million in assets.
- Blackcrane, Hardman Johnston, GQG, and SGA are minority-owned global equity investment boutiques with \$728 million, \$5.9 billion, \$21.4 billion, and \$4.8 billion in assets under management, respectively.
- William Blair is a large financial services firm based in Chicago, IL. The firm was founded in 1935 and is currently 100% employee owned by 187 partners.



MEMORANDUM

To: Oakland Police and Fire Retirement System (OPFRS)
From: David Sancewich, Sean Copus, CFA – Meketa Inv. Group
Date: June 26, 2019
Re: 2019 Ongoing Strategic Investment Agenda

On an ongoing (monthly) basis, Meketa develops a list of projects that we expect to work closely with OPFRS to complete over throughout the calendar year (see table below). In an attempt to coordinate the scheduling of these tasks, this memo details a Preliminary Investment Project Agenda by calendaring and prioritizing the expected tasks and deliverables that would be required to fulfill the Agenda. Meketa welcomes any suggestions and/or modifications to the proposed timeline.

2019 Preliminary Investment Project Agenda

Expected Completion Date	Task
July 2019	<ul style="list-style-type: none">Flash Performance Report (2Q2019)International Equity Search: Finalists selectionManager Update: ReamsAsset Class Review: Fixed Income
August 2019	<ul style="list-style-type: none">PCA Performance Report (2Q 2019)International Equity Search: Finalist Interviews
September 2019	<ul style="list-style-type: none">TBD: Educational TopicManager Update: RamirezCash Flow Report (4Q2019)Thermal Coal List Report - Update
October 2019	<ul style="list-style-type: none">Flash Performance Report (3Q 2019)Manager Update: ParametricService Contract Extension - Parametric
November 2019	<ul style="list-style-type: none">PCA Performance report (3Q2019)Manager Update: Earnest Partners



MEMORANDUM

Expected Completion Date	Task
December 2019	<ul style="list-style-type: none">• TBD: Depends on meeting schedule• Cash Flow Report (1Q2020)

Bold are priority strategic items.

This agenda includes only major strategic items. PCA also expects to work with the Staff and Board to complete more routine tasks and projects, as expected.

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.

Oakland Police and Fire Retirement Board meetings are held in wheelchair accessible facilities. Contact the Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



Retirement Unit
150 Frank H. Ogawa Plaza
Oakland, California 94612

AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
 President

Jaime T. Godfrey
 Vice President

Katano Kasaine
 Member

Martin J. Melia
 Member

Robert J. Muszar
 Member

John C. Speakman
 Member

Steven Wilkinson
 Member

**REGULAR MEETING of the BOARD OF ADMINISTRATION
 of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")**

Wednesday, June 26, 2019 – 11:00 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

- - - ORDER OF BUSINESS - - -

A. Adjourn to Closed Session of the PFRS Board

B. Report of Board Action from Closed Session (if any)

C. Subject: PFRS Board Meeting Minutes
From: Staff of the PFRS Board

Recommendation: APPROVE May 29, 2019 PFRS Board meeting minutes.

D. AUDIT AND OPERATIONS COMMITTEE AGENDA – JUNE 26, 2019

D1. Subject: Administrative Expenses Report
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report regarding PFRS administrative expenses from July 1, 2018 through April 30, 2019.

D2. Subject: Development of Hearing Procedures for PFRS Members
From: Member Robert Muszar

Recommendation: ACCEPT an informational report regarding the development of hearing procedures for PFRS members.

ORDER OF BUSINESS, continued

E. **INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA –
JUNE 26, 2019**

- E1. **Subject:** **Investment Market Overview**
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an informational report on the global investment markets through June 2019.
- E2. **Subject:** **Procedures to Review Replacing State Street Global Advisors as PFRS Investment Manager, and Provide Staff with Direction to Reallocate Investment Funds**
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an informational report regarding the procedures to Review Replacing State Street Global Advisors as PFRS Investment Manager, and Provide Staff with Direction to Reallocate Investment Funds.
- E3. **Subject:** **Investment Manager Selection for PFRS Crisis Risk Offset (Long Duration Treasury) Investments**
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an informational report regarding investment manager selection for PFRS Crisis Risk Offset (Long Duration Treasury) Investments, and **APPROVE** (1) selection of a new PFRS investment manager for the Crisis Risk Offset (Long Duration Treasury) account, or (2) alternative direction to staff on selection of a new CRO investment manager.
- E4. **Subject:** **\$15.4 million 3rd Quarter 2019 Member Benefits Drawdown**
From: Staff of the PFRS Board & Meketa Investment Group
-
- Recommendation:** **APPROVE** the PCA recommendation of \$15.4 million drawdown, which includes an \$11.2 million contribution from the City of Oakland and a \$4.2 million contribution from the PFRS Investment Fund, to be used to pay for July 2019 through September 2019 member retirement allowances.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
JUNE 26, 2019

ORDER OF BUSINESS, continued

- E5. Subject:** Asset Allocation Review and Update of the PFRS Fund
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an Informational Report regarding the asset allocation review and update of the PFRS Fund.
- E6. Subject:** Informational Report on the status of the Request for Proposal (RFP) for the new PFRS Active International Equity Asset Class Investment Manager
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an Informational Report on the status of the Request for Proposal (RFP) for the new PFRS Active International Equity Asset Class Investment Manager.
- F. Subject:** Member Resolution(s) No. 7063
From: Staff of the PFRS Board
-
- Recommendation:** **APPROVE** Member Resolution(s) No. 7063
- F1. Resolution No. 7063** Resolution Fixing the Monthly Allowance of (1) Karen L. Teich, Spouse of Terrance L. Teich, Retired Member of the police and Fire Retirement System, in the Amount of \$2,366.79; of (2) Donna J. Williams, Spouse of Robert A. Williams, Retired Member of the Police and Fire Retirement System, in the amount of \$4,713.87.
- G. Subject:** Mailing of PFRS Member June 1 Pay Advices and Checks
From: Staff of the PFRS Board
-
- Recommendation:** **ACCEPT** an informational report regarding the mailing of PFRS Member June 1 Pay Advices and Checks.
- H. NEW BUSINESS**
- I. OPEN FORUM**
- J. FUTURE SCHEDULING**

A BOARD MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on May 29, 2019 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California.

- Board Members Present:
- Katano Kasaine, Member
 - R. Steven Wilkinson, Member
 - John C. Speakman, Member
 - Robert J. Muszar, Member
 - Martin J. Melia, Member

- Board Members Absent:
- Walter L. Johnson, President
 - Jaime T. Godfrey, Vice President

- Additional Attendees:
- David Jones, PFRS Plan Administrator
 - Jennifer Logue, PFRS Legal Counsel
 - David Low & Teir Jenkins, Staff Member
 - David Sancewich, Meketa Investment Group
 - Brandon Ross, Meketa Investment Group

The meeting was called to order at 11:45 am. John Speakman acted as Chairman Pro Tem in the absence of President Johnson and Vice President Godfrey. Additionally, the order of the agenda was reorganized.

E. PFRS INVESTMENT COMMITTEE MEETING – MAY 29, 2019

E1. Investment Manager Performance Review – Rice Hall James and Associates, LLC – David Sancewich From Meketa Investment Group (Meketa) reported that Rice Hall James (RHJ) presented their investment performance overview for the Investment Committee. Member Melia made a motion to accept the informational report, second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAIN – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E2. Investment Manager Overview – Rice Hall James and Associates, LLC – Mr. Sancewich presented Meketa’s overview of RHJ. Mr. Sancewich reported that Meketa recommended placing RHJ onto watch status for six to nine months, after which a follow-up review will determine the Board’s next step with this investment manager. Member Melia made a motion to place Rice Hall James on watch status six to nine months, second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAIN – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E3. Investment Manager Overview – DDJ Capital Management, LLC – Mr. Sancewich reported that Meketa recommended placing DDJ Capital Management (DDJ) onto watch status for six to nine months, after which a follow-up review will determine the Board’s next step with this investment manager. Member Melia made a motion to place DDJ Capital Management, LLC on watch status for six to nine months, second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAIN – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E4. Investment Market Overview – Mr. Sancewich reported on the global economic factors affecting the PFRS Fund. Member Kasaine made a motion accept the Informational Report from PCA, second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E5. Investment Fund Performance for the Quarter Ended March 31, 2019 – Mr. Sancewich presented a detailed report of the investment portfolio performance of the PFRS Investment Fund for the quarter ended March 31, 2019. Following Board discussion, Member Melia made a motion to accept the investment fund performance report, second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E6. Status of the Request for Proposal (RFP) for the new PFRS Active International Equity Asset Class Investment Manager – Brandon Ross from Meketa presented an update of the RFP for a new International Equity Asset Class Investment Manager. Following some Board discussion, Member Melia made a motion to accept the informational report from Meketa, second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E7. Informational Report on the diversity of the Board of Directors for each Investment Manager of the PFRS Investment Fund – Mr. Sancewich reported on the diversity of the Boards of Directors and staffing for each Investment Manager of the PFRS Investment Fund. Following some Board discussion, Member Kasaine made a motion to accept the informational report from Meketa, and directed the Investment Committee to review the process of replacing SSgA as PFRS Investment Manager, second by Member Melia. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E8. Approval of Resolution No. 7052 authorizing the professional service agreement with State Street Global Advisors, or Approval of the temporary investment of PFRS investment funds to be transferred into Exchange Traded Funds instead of a Crisis Risk Offset Account (Long Duration) – Member Wilkinson reported the Investment Committee discussion on this matter and explained the recommendation to place the investments funds initially scheduled to be place in SSgA Long Duration Investment fund into an Exchange Traded Fund (ETF) until a more suitable Investment Manager can be found. Following some Board discussion, no action was made on Resolution No. 7052, and Member Melia made a motion to place the investments funds initially scheduled to be invested in the SSgA Long Duration Investment fund into an Exchange Traded Fund (ETF), second by Member Wilkinson. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

- A. PFRS Board Meeting Minutes** – Member Kasaine made a motion to approve the April 24, 2019 PFRS Board meeting minutes, second by Member Melia. Member Muszar asked that two items on the April 24, 2019 Board Meeting Minutes include more reporting of what was reported on their respective matters, especially in cases where Board direction is given. Following Board discussion, Member Muszar made a substitute motion.

SUBSTITUTE MOTION: Member Muszar made a motion recommending staff review the recording of the Board meeting and include the reporting as explained by Member Muszar, as needed. There was no second to this motion and the substitute motion failed.

The Board voted on the approval of the meeting minutes as made with the original motion. Motion Passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – N / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 4 / NOES: 1 / ABSTAIN: 0)

- B. Resolution No. 7060 – Approve creation of the Policy Governing the Overpayment and Underpayment of Member Retirement Allowances** – Plan Administrator David Jones reported the submission of Resolution No. 7060 to approve the Policy Governing the Overpayment and Underpayment of Member Retirement Allowances. Mr. Jones reported the completion of the Policy by the Audit Committee and request the Board approve Resolution No. 7060 enacting this policy. Member Kasaine made a motion to approve Resolution No. 7060, second by Member Wilkinson. Discussion continued.

The Board discussed how the submitted language on this matter addressed member protection. **SUBSTITUTE MOTION:** Member Muszar made a substitute motion directing this matter be returned to the Audit Committee for discussion and clarification. There was no second to this motion and the substitute motion failed. Following Board discussion, a vote on the original motion was made. Motion passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – N / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 4 / NOES: 1 / ABSTAIN: 0)

- C. Election of a new 3-Year Alternating Police/Fire Board Position** – Staff Member David Low reported the status of the 3-Year Alternating Police/Fire Board Position and the ending of Member Melia’s tenure in this position. He explained the timeline for the upcoming election for the next 3-year Alternating Police/Fire Board member. Member Melia made a motion to approve the agenda report, second by Member Wilkinson. Motion Passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – Y / MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

D. PFRS AUDIT COMMITTEE MEETING – MAY 29, 2019

Member Melia departed the Board Meeting at 12:42 pm.

D1. Administrative Expenses Report – Teir Jenkins presented the status of the administrative expenditures of the PFRS plan through March 31, 2019. Member Muszar made a motion to accept the informational report from staff, second by Member Kasaine. Motion passed

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – ABSENT /
MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 4/ NOES: 0 / ABSTAIN: 0)

D2. 2006 Management Audit of the PFRS System – Member Muszar reported that the Audit Committee directed staff to bring additional information for further committee review and held this matter in committee. Plan Administrator David Jones presented a brief summary his report that he made to the Audit Committee.

E. Approval of PFRS Member Resolutions – Member Kasaine made a motion to approve Resolution No. 7061, second by Member Wilkinson. Motion Passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – ABSENT /
MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 4/ NOES: 0 / ABSTAIN: 0)

Member Kasaine made a motion to approve Resolution No. 7062, second by Member Muszar. Motion Passed.

[GODFREY – ABSENT / JOHNSON – ABSENT / KASAINÉ – Y / MELIA – ABSENT /
MUSZAR – Y / SPEAKMAN – Y / WILKINSON – Y]
(AYES: 4/ NOES: 0 / ABSTAIN: 0)

F. NEW BUSINESS – No Report.

G. OPEN FORUM –The Board discussed the delivery of correspondence received by staff addressed to the Board, and had discussion about the omission of certain agenda items from the agenda.

I. FUTURE SCHEDULING – The next PFRS Board meeting was scheduled for Wednesday, June 26, 2019.

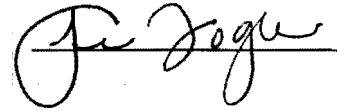
The meeting adjourned at 12:47 pm.

DAVID JONES, BOARD SECRETARY

DATE

OAKLAND POLICE AND FIRE RETIREMENT BOARD *Approved to Form and Legality*
CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 7063



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION FIXING THE MONTHLY ALLOWANCE OF KAREN L. TEICH, SPOUSE OF TERRANCE L. TEICH, RETIRED MEMBER OF THE POLICE AND FIRE RETIREMENT SYSTEM, IN THE AMOUNT OF \$2,366.79; OF DONNA J. WILLIAMS, SPOUSE OF ROBERT A. WILLIAMS, RETIRED MEMBER OF THE POLICE AND FIRE RETIREMENT SYSTEM, IN THE AMOUNT OF \$4,713.87

WHEREAS, the retired members of the Police and Fire Retirement System, whose names appears below in Column (1), died on the dates shown below in Column (2); and

WHEREAS, the surviving spouses, whose names appear below in Column (3), do not claim that the member's death was by reason of an injury received in, or illness caused by or arising out of the performance of duty; and

WHEREAS, there is now presented to this Board, the monthly allowance shown below in Column (7) and as calculated by the Actuary in accordance with Article XXVI of the Charter of the City of Oakland; now, therefore, be it

RESOLVED: That the Police and Fire Retirement Board fixes, and it does hereby fix, the amount in Column (7), as the monthly allowance to which said surviving spouses are entitled, effective on the date shown in Column (4):

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name of Deceased Member	Date of Death	Name of Surviving Spouse	Effective Date of Allowance	Form of Retirement	% of Compensation Attached to Avg. Rank Held	Monthly Allowance
Terrance L. Teich (P)	04/13/2019	Karen L. Teich	04/14/2019	Service	20.22133%	\$2,366.79
Robert A. Williams (P)	04/17/2019	Donna J. Williams	04/18/2019	Service	26.828%	\$4,713.87

IN BOARD MEETING, CITY HALL, OAKLAND, CA JUNE 26, 2019

PASSED BY THE FOLLOWING VOTE:

AYES: KASAINÉ, GODFREY, MELIA, MUSZAR, SPEAKMAN, WILKINSON,
AND PRESIDENT JOHNSON

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones

SUBJECT: Informational Report regarding the
Mailing of PFRS members June 1
Payroll checks

DATE: June 18, 2019

BACKGROUND

Staff was made aware that some retiree payroll advices and checks had not yet been received by PFRS Retirees for the June 01, 2019 payroll. Staff researched the item and discovered that there was an oversight in the Mailroom and some of the checks were unintentionally left behind in the initial mailing. As soon as it was discovered, the mailroom immediately mailed out the checks. Direct Deposits were not impacted or delayed in any way and of the 20 physical checks that were issued for the June 1 payroll, none were requested to be reissued.

RECOMMENDATION

Staff recommends that going forward, PFRS Staff will follow up with the Mailroom to ensure the mailings have taken place with no issues.

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

For questions please contact Teir Jenkins, Investment Officer, at 510-238-6481.

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.

Oakland Police and Fire Retirement Board meetings are held in wheelchair accessible facilities. Contact Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



Retirement Unit
150 Frank H. Ogawa Plaza
Oakland, California 94612

AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President

Jaime T. Godfrey
Vice President

Katano Kasaine
Member

Martin J. Melia
Member

Robert J. Muszar
Member

John C. Speakman
Member

R. Steven Wilkinson
Member

**CLOSED SESSION of the BOARD OF ADMINISTRATION
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")**

Wednesday, June 26, 2019 – during regular meeting starting at 11:00 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

- - - ORDER OF BUSINESS - - -

THE PFRS BOARD WILL MEET IN CLOSED SESSION DURING ITS SCHEDULED BOARD MEETING

Please see the meeting agenda for open session items. The board will convene in open session prior to the closed session. Speakers may address the items of business on the closed session agenda prior to closed session. All speakers must fill out a speaker's card and submit it to the Secretary to the Board. The Board will reconvene in open session following the closed session to report any final decisions that the board makes in closed session.

Pursuant to California Government Code Section 54956.9(a); 54956.9(d)(2) and (3); and 54956.9(e)(3):

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

One Item of Anticipated Litigation.