

Pursuant to California +Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-7295.



#### AUDIT COMMITTEE MEMBERS

**John C. Speakman**  
Chairperson

**R. Steven Wilkinson**  
Member

**Kevin Traylor**  
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, JULY 27, 2022

10:00 AM

TELE-CONFERENCE BOARD MEETING  
VIA ZOOM WEBINAR

### OBSERVE

- To observe the meeting by video conference, please click on this link: <https://us02web.zoom.us/j/82880493983> at the noticed meeting time.
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):
- iPhone one-tap: US: +16699006833, 82880493983# or +13462487799, 82880493983#
- US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
- International numbers available: <https://us02web.zoom.us/j/82880493983>
- Webinar ID: 828 8049 3983.  
If asked for a participant ID or code, press #.

### PUBLIC COMMENTS

There are three ways to submit public comments.

- eComment. To send your comment directly to staff BEFORE the meeting starts, please email to [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov) with “PFRS Board Meeting” in the subject line for the corresponding meeting. Please note that eComment submission **closes two (2) hours before posted meeting time.**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR AUDIT COMMITTEE MEETING  
JULY 27, 2022**

- To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Instructions on how to “Raise Your Hand” is available at: [https://support.zoom.us/hc/en-us/articles/205566129 - Raise-Hand-In-Webinar](https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar).
- To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing “\*9” to speak when Public Comment is taken. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Please unmute yourself by pressing “\*6.”

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov)

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## ORDER OF BUSINESS

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- 1. Subject: Oakland Police and Fire Retirement System (“PFRS”) Audit Committee Meeting Minutes**  
**From:** Staff of the PFRS Board  

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**Recommendation:** **APPROVE** the June 29, 2022 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, 2022**  
**From:** Macias Gini & O’Connell, LLP  

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**Recommendation:** **RECOMMEND BOARD APPROVAL** for the scope of services and initiation of the Financial Audit of the PFRS Fund for the Fiscal Year Ending June 30, 2022.
- 3. Subject: Administrative Expenses Report**  
**From:** Staff of the PFRS Board  

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**Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of May 31, 2022
- 4. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS**
- 5. OPEN FORUM**
- 6. FUTURE SCHEDULING**
- 7. ADJOURNMENT**

**A REGULAR MEETING OF THE AUDIT/OPERATIONS COMMITTEE** of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, June 29, 2022 via Zoom Webinar.

- |                      |                       |                                     |
|----------------------|-----------------------|-------------------------------------|
| Committee Members    | ▪ John C. Speakman    | Chairperson                         |
|                      | ▪ Kevin R. Traylor    | Member                              |
|                      | ▪ R. Steven Wilkinson | Member                              |
| Additional Attendees | ▪ David Jones         | PFRS Secretary & Plan Administrator |
|                      | ▪ Téir Jenkins        | PFRS Staff Member                   |
|                      | ▪ Maxine Visaya       | PFRS Staff Member                   |
|                      | ▪ Mitesh Bhakta       | PFRS Legal Counsel                  |

The meeting was called to order at 10:01 a.m. PST

- 1. PFRS Audit Committee Meeting Minutes** – Member Traylor made a motion to approve the May 25, 2022 Audit Committee Regular Meeting minutes, second by Member Wilkinson. Motion passed.

[SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 0)

- 2. Administrative Expenses Report** – Staff Member Jenkins presented an informational report on PFRS’ administrative expenditures as of April 30, 2022. PFRS has an approved annual budget of approximately \$3.5 million and have expensed approximately \$2.2 million fiscal year-to-date. Membership consisted of 691 retired members, which included 426 Police Members and 265 Fire Members.

**MOTION:** Member Traylor made a motion to accept the administrative expenses report as of April 30, 2022 and forward to the Board, second by Member Wilkinson. Motion passed.

[SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 0)

- 3. Resolution No. 8054** – Resolution Ratifying the Board President’s approval Of Oakland Police and Fire Retirement System Trustee R. Steven Wilkinson’s request to attend the National Association of Securities Professionals (NASP) 33<sup>rd</sup> Annual Financial Services Conference in Chicago, IL. from June 27, 2022 through June 29, 2022 and authorizing reimbursement of the costs for attendance in an amount not to exceed Two Thousand Two Hundred Fifty Dollars (\$2,250.00)

**MOTION:** Member Traylor made a motion to accept the informational report and recommend Board Approval of Resolution No. 8054, second by Chairperson Speakman. Motion passed.

[SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – ABSTAIN]  
(AYES: 2 / NOES: 0 / ABSTAIN: 1 / EXCUSED: 0)

4. **Resolution No. 8055** – Resolution Ratifying the Board President’s approval Of Oakland Police and Fire Retirement System Board Plan Administrator David F. Jones’ request to attend the National Association of Securities Professionals (NASP) 33<sup>rd</sup> Annual Financial Services Conference in Chicago, IL. Plan Administrator Jones indicated he did not attend the conference and requested the item be removed from the agenda.

**MOTION:** Agenda item was removed; no action was taken.

5. **Review of Pending Audit Committee Meeting Agenda Items** – Plan Administrator Jones reported on the two (2) pending items on the Audit Committee Agenda. Item 1) Staff Review of the 2006 Management Audit: Staff will provide an update report to the Audit Committee at the August 2022 meeting that will highlight changes implemented to streamline processes based upon suggestions as a result from the 2006 Management Audit. Item 2) Monitoring & Updates regarding upcoming City Council Agendas with scheduled discussions of the 2026 Actuarial Funding Date continues to be ongoing to provide for the 2026 Ad-Hoc Committee to take any necessary action. There are no updates at this time. Chairperson Speakman suggested Staff & the Board begin work regarding the 2026 Funding Date and the Property Tax Override and would like to place an item on the July 2022 agenda for discussion. Legal Counsel Bhakta advised Finance Staff has begun work and recommended to place an item on the August 2022 agenda for discussion when more information will be available. Chairperson Speakman agreed to the August 2022 meeting to discuss the topic.

**MOTION:** Chairperson Speakman made a motion to accept the update, second by Member Traylor. Motion passed.

[SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 0)

6. **Open Forum** – No Report.

7. **Future Scheduling** – The next regular Audit Committee meeting is tentatively scheduled to occur July 27, 2022.

8. **Adjournment** – Member Traylor made a motion to adjourn, second by Member Wilkinson. Motion passed.

[SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 0)

The meeting adjourned at 10:11 a.m. PST



July 7, 2022

To the Board of Administration of the  
Oakland Police and Fire Retirement System  
Oakland, California

The following represents our understanding of the services we will provide Oakland Police and Fire Retirement System (the Retirement System).

You have requested that we audit the financial statements of the Retirement System, a pension trust fund of the City of Oakland, as of June 30, 2022, and for the year then ended and the related notes, which collectively comprise the Retirement System's basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
- 3) Schedule of Employer Contributions
- 4) Schedule of Investment Returns

The Retirement System's annual report will also include introductory, investment, and actuarial sections prepared by the Retirement System that will not be subjected to the auditing procedures applied in our audit of the basic financial statements and we will not provide an opinion or any assurance on that other information.

## **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS. As part of an audit in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.<sup>2</sup> However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Retirement System's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

## **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Retirement System's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## **Management Responsibilities**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due

- to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
    - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
    - ii. Additional information that we may request from management for the purpose of the audit;
    - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
  - d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
  - e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
  - f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
  - g. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
  - h. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
  - i. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

## **Reporting**

We will issue a written report upon completion of our audit of the Retirement System's basic financial statements. Our report will be addressed to the Board of Administration of the Retirement System. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinion on the basic financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will provide copies of our reports to the Retirement System; however, management is responsible for distribution of the reports and the basic financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

## **Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

## **Provisions of Engagement Administration, Timing and Fees**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent. Therefore, you hereby waive any liability whatsoever for any unintended interception or unintentional disclosure of email transmissions in connection with the performance of our professional services. MGO uses cloud-based computing services, including the storage of data and files, at third party, offsite, secure facilities. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions and cloud-based computing, including any direct or indirect damages that may result from any inadvertent or unanticipated disclosure of confidential or proprietary information, or disclosure through third party criminal conduct (e.g., hackers or hacking activities).

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.



We expect to begin our audit receipt of a signed engagement letter and to issue our reports no later than October 31, 2022. Annie Louie is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees will be billed in accordance with our professional service agreement with the City of Oakland dated May 1, 2020, as amended. Invoices will be rendered monthly and are payable upon presentation. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Retirement System's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period required by the Retirement System's cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. Upon expiration of the seven-year period, Macias Gini & O'Connell, LLP (MGO) will be free to destroy our records related to this engagement. However, MGO does not keep any original client records, so we will return those to management at the completion of the services rendered under this engagement. When records are returned to management, it is management's responsibility to retain and protect the records for possible future use, including potential examination by any government or regulatory agencies.

At the conclusion of our audit engagement, we will communicate to the Board of Administration the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of MGO and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to them by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of MGO's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to them. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We have attached a copy of our latest external peer review report of our firm for your consideration and files.

## **MGO India**

Some services outlined within this engagement letter that we are to perform will be performed and provided to you by MGO India Private Limited (“MGO-India”), an affiliate located outside of the United States. In order for MGO-India to provide these services, we may need to disclose certain nonpublic information, audit information or other personal related information. We can only do so with your affirmative consent and with adequate data protection safeguards in place to protect your information from misuse, unauthorized access, or disclosure. Your signature to this engagement letter is your authorization and consent for us to use MGO India and its related personnel to perform various services under this engagement letter.

## **Engagement with MGO Affiliates**

If you have or expect to engage an affiliate of MGO (see list of affiliates below) to perform services during the audit and professional engagement period (as defined below), you must notify MGO prior to entering into such engagement with the MGO affiliate. In addition, prior to signing this engagement letter, you must notify MGO of any service an MGO affiliate has performed prior to the audit and professional engagement period in order for MGO to ensure our independence in relation to this engagement. You will also be required to provide such representation within the management representation letter prior to the issuance of our report.

Audit and professional engagement period includes both:

- i. The period covered by any financial statements being audited or reviewed (the “audit period”); and
- ii. The period of the engagement to audit or review the audit client's financial statements or to prepare a report to be issued (the “professional engagement period”):
  - a. The professional engagement period begins when MGO either signs an initial engagement letter (or other agreement to review or audit a client's financial statements) or begins audit, review, or attest procedures, whichever is first; and
  - b. The professional engagement period ends when the audit client or MGO terminate the engagement and the audit client is no longer a client of MGO.

MGO Affiliates:

- MGO Group LLC
- MGO Realty Advisors, Inc.
- MGO India Private Limited
- MGO Private Wealth, LLC
- MGO Technology Group, LLC
- MGO Insurance Services, LLC
- Cresta Management Services, LLC
- IntelliBridge Partners LLC

## **Independence**

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the client in the performance of our services. Any discussions that your representatives have with professional personnel of MGO regarding employment could pose a threat to our independence. This may include not only current employees of MGO, but also former employees and employees of other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Moreover, to the extent that you have engaged a company affiliated with MGO to provide services related to your efforts to identify, interview, and hire officers, directors, or management, or related human resource efforts on your behalf, you agree to inform MGO so that MGO can evaluate whether there are any potential or actual independence considerations that may preclude, or otherwise limit the services MGO is able to perform. Therefore, you agree to inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

**Non-CPA Owner Notice Requirement**

MGO is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Therefore, depending on the nature of the services being provided, non-CPA owners may be involved in providing certain services hereunder.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



Macias Gini and O'Connell LLP

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**RESPONSE:**

This letter correctly sets forth the understanding of the Oakland Police and Fire Retirement System. Management acknowledge and agree with the arrangements for the audit of the basic financial statements, including our respective responsibilities.

Acknowledged and agreed on behalf of the Retirement System by:

Signed: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Attachment – MGO Peer Review Report



6025 SOUTH QUEBEC STREET, SUITE 260  
CENTENNIAL, COLORADO 80111  
303-792-3020 (o) | 303-232-7237 (f)  
WWW.WCRCPA.COM

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### Report on the Firm's System of Quality Control

September 2, 2021

To the Partners of Macias Gini & O'Connell, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Macias Gini & O'Connell, LLP has received a peer review rating of *pass*.

*Watson Coon Ryan, LLC*

Centennial, Colorado

**Table 1**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**Administrative Budget Spent to Date (Preliminary)**

As of May 31, 2022

	Approved Budget		May 2022		FYTD		Remaining		Percent Remaining	
<b>Internal Administrative Costs</b>										
PFRS Staff Salaries	\$	1,212,000	\$	83,426	\$	989,265	\$	222,735		18.4%
Board Travel Expenditures		52,500		-		1,711		50,789		96.7%
Staff Training		20,000		-		-		20,000		100.0%
Staff Training - Tuition Reimbursement		7,500		-		-		7,500		100.0%
Board Hospitality		3,600		-		-		3,600		100.0%
Payroll Processing Fees		40,000		-		-		40,000		100.0%
Miscellaneous Expenditures		40,000		1,053		10,316		29,684		74.2%
Internal Service Fees (ISF)		88,000		-		53,814		34,186		38.8%
Contract Services Contingency		50,000		-		1,200		48,800		97.6%
<b>Internal Administrative Costs Subtotal :</b>	<b>\$</b>	<b>1,513,600</b>	<b>\$</b>	<b>84,478</b>	<b>\$</b>	<b>1,056,306</b>	<b>\$</b>	<b>457,294</b>		<b>30.2%</b>
<b>Actuary and Accounting Services</b>										
Audit	\$	49,000	\$	-	\$	48,300	\$	700		1.4%
Actuary		46,500		-		23,896		22,604		48.6%
<b>Actuary and Accounting Subtotal:</b>	<b>\$</b>	<b>95,500</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>72,196</b>	<b>\$</b>	<b>23,304</b>		<b>24.4%</b>
<b>Legal Services</b>										
City Attorney Salaries	\$	188,000	\$	16,842	\$	122,765	\$	65,235		34.7%
Legal Contingency		150,000		-		-		150,000		100.0%
<b>Legal Services Subtotal:</b>	<b>\$</b>	<b>338,000</b>	<b>\$</b>	<b>16,842</b>	<b>\$</b>	<b>122,765</b>	<b>\$</b>	<b>215,235</b>		<b>63.7%</b>
<b>Investment Services</b>										
Money Manager Fees	\$	1,353,000	\$	30,277	\$	987,604	\$	365,396		27.0%
Custodial Fee		124,000		-		87,375		36,625		29.5%
Investment Consultant		100,000		-		75,000		25,000		25.0%
<b>Investment Subtotal:</b>	<b>\$</b>	<b>1,577,000</b>	<b>\$</b>	<b>30,277</b>	<b>\$</b>	<b>1,149,979</b>	<b>\$</b>	<b>427,021</b>		<b>27.1%</b>
<b>Total Operating Budget</b>	<b>\$</b>	<b>3,524,100</b>	<b>\$</b>	<b>131,598</b>	<b>\$</b>	<b>2,401,246</b>	<b>\$</b>	<b>1,122,854</b>		<b>31.86%</b>

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of May 31, 2022

	May 2022
<b>Beginning Cash as of 4/30/2022</b>	\$ 7,083,428
<b>Additions:</b>	
City Pension Contribution - May	\$ 3,651,667
Investment Draw	\$ 1,000,000
Misc. Receipts	803
<b>Total Additions:</b>	\$ 4,652,469
<b>Deductions:</b>	
Pension Payment (April Pension Paid on 5/1/2022)	(4,223,172)
Expenditures Paid	(198,270)
<b>Total Deductions</b>	\$ (4,421,442)
 <b>Ending Cash Balance as of 5/31/2022*</b>	 \$ 7,314,456

\* On 6/1/2022, April pension payment of appx \$4,197,100 will be made leaving a cash balance of \$3,117,000.

**Table 3**  
**CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

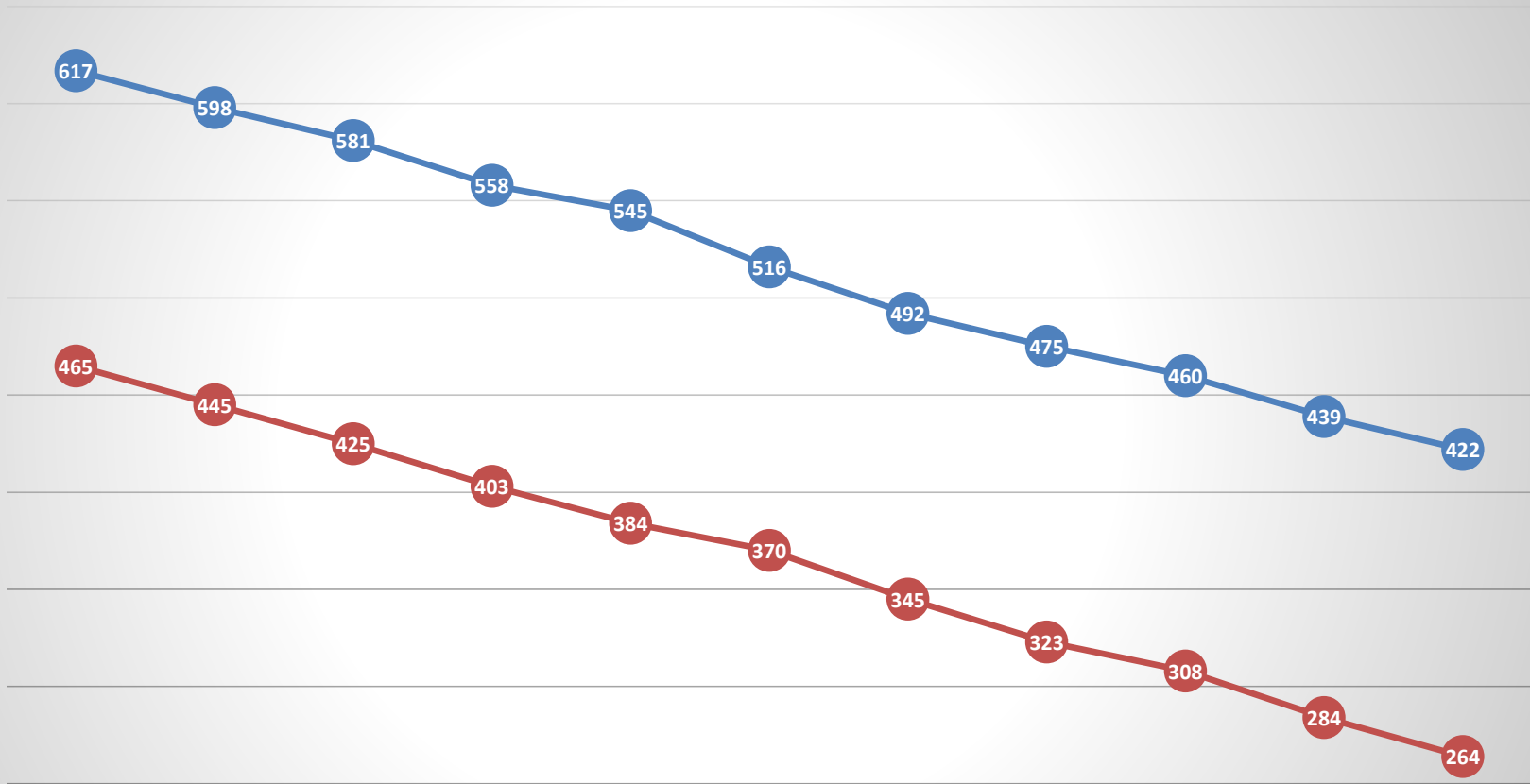
Census  
As of May 31, 2022

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Retiree	300	171	471
Beneficiary	122	93	215
<b><i>Total Retired Members</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Total Membership:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Service Retirement	283	133	416
Disability Retirement	130	119	249
Death Allowance	9	12	21
<b><i>Total Retired Members:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Total Membership as of May 31, 2022:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Total Membership as of June 30, 2021:</i></b>	<b>439</b>	<b>284</b>	<b>723</b>
<b><i>Annual Difference:</i></b>	<b>-17</b>	<b>-20</b>	<b>-37</b>



## Oakland Police and Fire Retirement System Pension Plan Membership Count As of May 31, 2022 (FY 2012 - FY 2022)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 FYTD
Police	617	598	581	558	545	516	492	475	460	439	422
Fire	465	445	425	403	384	370	345	323	308	284	264
Total	1082	1043	1006	961	929	886	837	798	768	723	686



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System Board (PFRS)      **FROM:** David F. Jones  
PFRS Plan Administrator & Secretary

**SUBJECT:** Audit Committee Agenda Pending List      **DATE:** July 27, 2022

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Staff Review of the 2006 Management Audit	TBD	Ongoing
2	Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the 2026 Actuarial Funding Date	Ongoing	Ongoing

Respectfully submitted,

David F. Jones  
Plan Administrator & Secretary  
Oakland Police & Fire Retirement Systems

Pursuant to California Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-7295.



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

**AGENDA**  
**CANCELLED**

INVESTMENT COMMITTEE MEMBERS

- Jaime T. Godfrey**  
Chairperson
- R. Steven Wilkinson**  
Member
- Robert W. Nichelini**  
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, JULY 27, 2022**  
**10:30 AM**

**TELE-CONFERENCE BOARD MEETING**  
**VIA ZOOM WEBINAR**

**OBSERVE**

- To observe the meeting by video conference, please click on this link: <https://us02web.zoom.us/j/82880493983> at the noticed meeting time.
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):
- iPhone one-tap: US: +16699006833, 82880493983# or +13462487799, 82880493983#
- US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
- International numbers available: <https://us02web.zoom.us/j/82880493983>
- Webinar ID: 828 8049 3983.  
If asked for a participant ID or code, press #.

**PUBLIC COMMENTS**

There are three ways to submit public comments.

- To send your comment directly to staff BEFORE the meeting starts, please email to [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov) with “PFRS Board Meeting” in the subject line for the corresponding meeting. Please note that eComment submission **closes two (2) hours before posted meeting time.**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR INVESTMENT COMMITTEE MEETING  
JULY 27, 2022**

- To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Instructions on how to “Raise Your Hand” is available at: [https://support.zoom.us/hc/en-us/articles/205566129 - Raise-Hand-In-Webinar](https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar).
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If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov)

## ORDER OF BUSINESS

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- 1. Subject:** Police and Fire Retirement System (“PFRS”) Investment Committee Meeting Minutes

**From:** Staff of the PFRS Board

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**Recommendation:** **APPROVE** June 29, 2022 Investment Committee Meeting Minutes
  
- 2. Subject:** Investment Manager Performance Update – Reams Asset Management

**From:** Reams Asset Management

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**Recommendation:** **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; and investment portfolio performance of Reams Asset Management, a PFRS’ Core Plus Fixed Income Investment Strategy Manager
  
- 3. Subject:** Investment Manager Performance Review – Reams Asset Management

**From:** Meketa Investment Group

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**Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation of managerial assessment; diversity and inclusion policy and practices; and investment portfolio performance of Reams Asset Management, a PFRS’ Core Plus Fixed Income Investment Strategy Manager

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR INVESTMENT COMMITTEE MEETING  
JULY 27, 2022**

**4. Subject: Investment Market Overview as of June 30, 2022**  
**From: Meketa Investment Group**

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**Recommendation: ACCEPT** informational report regarding the Global Investment Markets as of June 30, 2022

**5. Subject: Preliminary Investment Fund Performance Update as of June 30, 2022**  
**From: Meketa Investment Group**

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**Recommendation: ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of June 30, 2022

**6. Subject: Investment Manager Diversity, Equity, and Inclusion Annual Survey**  
**From: Meketa Investment Group**

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**Recommendation: ACCEPT** informational report regarding the results of the annual Investment Manager Diversity, Equity, and Inclusion Survey

**7. Schedule of Pending Investment Committee Meeting Agenda Items**

**8. Open Forum**

**9. Future Scheduling**

**10. Adjournment**

Pursuant to California Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

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

# AGENDA

## RETIREMENT BOARD MEMBERS

**Walter L. Johnson, Sr.**  
President

**Jaime T. Godfrey**  
Vice President

**Robert W. Nichelini**  
Member

**Kevin R. Traylor**  
Member

**John C. Speakman**  
Member

**R. Steven Wilkinson**  
Member

**Erin Roseman**  
Member

## REGULAR MEETING of the BOARD OF ADMINISTRATION of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

**WEDNESDAY, JULY 27, 2022**

**11:30 AM**

**TELE-CONFERENCE BOARD MEETING  
VIA ZOOM WEBINAR**

### **OBSERVE**

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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JULY 27, 2022**

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If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov).

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## ORDER OF BUSINESS

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- A. Subject: Police and Fire Retirement System (“PFRS”) Board of Administration Meeting Minutes**  
**From:** Staff of the PFRS Board
- 
- Recommendation:** **APPROVE** the June 29, 2022 PFRS Board of Administration Meeting Minutes
- 
- B. AUDIT & OPERATIONS COMMITTEE AGENDA – JULY 27, 2022**
- 
- B1. Subject: Scope of Services and Initiation of the Financial Audit of the PFRS Fund for the Fiscal Year Ending June 30, 2022**  
**From:** Staff of the PFRS Board
- 
- Recommendation:** **APPROVE** scope of services and initiation of the Financial Audit of the PFRS Fund for the Fiscal Year Ending June 30, 2022
- 
- B2. Subject: Administrative Expenses Report**  
**From:** Staff of the PFRS Board
- 
- Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of May 31, 2022

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JULY 27, 2022

C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – JULY 27, 2022

- C1. **Subject:** Investment Manager Performance Update – Reams Asset Management  
**From:** Reams Asset Management  
**Recommendation:** **ACCEPT** a firm overview and managerial assessment; diversity and inclusion policy and practices; and investment portfolio performance of Reams Asset Management, a PFRS’ Core Plus Fixed Income Investment Strategy Manager
- C2. **Subject:** Investment Manager Performance Review – Reams Asset Management  
**From:** Meketa Investment Group  
**Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation of managerial assessment; diversity and inclusion policy and practices; and investment portfolio performance of Reams Asset Management, a PFRS’ Core Plus Fixed Income Investment Strategy Manager
- C3. **Subject:** Investment Market Overview as of June 30, 2022  
**From:** Meketa Investment Group  
**Recommendation:** **ACCEPT** informational report regarding the Global Investment Markets as of June 30, 2022
- C4. **Subject:** Preliminary Investment Fund Performance Update as of June 30, 2022  
**From:** Meketa Investment Group  
**Recommendation:** **ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of June 30, 2022
- C5. **Subject:** Investment Manager Diversity, Equity, and Inclusion Annual Survey Results  
**From:** Meketa Investment Group  
**Recommendation:** **ACCEPT** informational report regarding the results of the annual Investment Manager Diversity, Equity, and Inclusion Survey



**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
 REGULAR BOARD MEETING  
 JULY 27, 2022**

**D. Subject: Member Resolution 8057 – 8058**  
**From: Staff of the PFRS Board**

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**Recommendation: APPROVE** Member Resolution Nos. 8057 – 8058

**D1. Resolution No. 8057** Resolution fixing the monthly allowance of surviving spouse of the following retired member of the Oakland Police and Fire Retirement System in the amount indicated:

<u>Deceased Member</u>	<u>Surviving Spouse</u>	<u>Monthly Allowance</u>
▪ William W. Foskett	Jean Foskett	\$ 4,418.74
▪ James O. Mahanay, Jr.	Aladean Mahanay	\$ 3,396.63
▪ William Moore	Vonna Moore	\$ 8,263.82
▪ Roy Nason	Beverly Nason	\$ 5,067.19
▪ James M. Wiley	Sally Wiley	\$ 4,605.38
▪ Marvin Young	Janice Young	\$ 8,566.13

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**D2. Resolution No. 8058** Resolution approving death benefit payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiary of the following deceased members of the Oakland Police and Fire Retirement System:

- Jerry T. Jahn
- Williard E. Rodman
- Don J. Williams

**E. Subject: Resolution No. 8059 – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E).**

**From: Staff of the PFRS Board**

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**Recommendation: APPROVE** Resolution No. 8059 – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E)

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JULY 27, 2022**

**F. Subject: Proposed City Charter Amendment to be Presented to Voters on the November 8, 2022 General Election Ballot to Replace Gender-Specific Language with Gender-Inclusive Language per Oakland City Council Resolution 89280 C.M.S.**

**From:** PFRS Legal Counsel

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**Recommendation:** **RECEIVE** informational update regarding proposed City Charter amendment to replace gender-specific language with gender-inclusive language per Oakland City Council Resolution 89280 C.M.S.

**G. PENDING ITEMS**

**H. NEW BUSINESS**

**I. OPEN FORUM**

**J. FUTURE SCHEDULING**

**K. ADJOURNMENT**

**A REGULAR MEETING** of the Oakland Police and Fire Retirement System (“PFRS”) Board of Administration was held on Wednesday, June 29, 2022 via Zoom Webinar.

- |                       |                        |                                     |
|-----------------------|------------------------|-------------------------------------|
| Board Members:        | ▪ Walter L. Johnson    | President                           |
|                       | ▪ Jaime T. Godfrey     | Vice President                      |
|                       | ▪ Robert W. Nichelini  | Member (Excused)                    |
|                       | ▪ Erin Roseman         | Member                              |
|                       | ▪ John C. Speakman     | Member                              |
|                       | ▪ Kevin R. Traylor     | Member                              |
|                       | ▪ R. Steven Wilkinson  | Member                              |
| Additional Attendees: | ▪ David F. Jones       | PFRS Secretary & Plan Administrator |
|                       | ▪ Mitesh Bhakta        | PFRS Legal Counsel                  |
|                       | ▪ Téir Jenkins         | PFRS Staff Member                   |
|                       | ▪ Maxine Visaya        | PFRS Staff Member                   |
|                       | ▪ David Sancewich      | Meketa Investment Group             |
|                       | ▪ Jason Leong Campbell | Meketa Investment Group             |

The meeting was called to order at 11:36 a.m. PST

- A. PFRS Board Meeting Minutes** – Member Speakman made a motion to approve the May 25, 2022 Board of Administration Regular Meeting Minutes, second by Member Traylor. Motion passed.

[JOHNSON: Y / GODFREY: Y / NICHELINI: EXCUSED / ROSEMAN: ABSTAIN / SPEAKMAN: Y / TRAYLOR: Y / WILKINSON: Y]  
(AYES: 5 / NOES: 0 / ABSTAIN: 1 / EXCUSED: 1)

**B. AUDIT AND OPERATIONS COMMITTEE AGENDA – JUNE 29, 2022**

- B1. Administrative Expenses Report** – Staff Member Jenkins presented an informational report on PFRS’ administrative expenditures as of April 30, 2022. PFRS has an approved annual budget of approximately \$3.5 million and have expensed approximately \$2.2 million fiscal year-to-date. Membership consisted of 691 retired members, which included 426 Police Members and 265 Fire Members.

**MOTION:** Member Speakman made a motion to accept the administrative expenses report as of April 30, 2022, second by Member Traylor. Motion passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- B2. Resolution No. 8054** – Resolution Ratifying the Board President’s approval Of Oakland Police and Fire Retirement System Trustee R. Steven Wilkinson’s request to attend the National Association of Securities Professionals (NASP) 33<sup>rd</sup> Annual Financial Services Conference in Chicago, IL.

**MOTION:** Member Speakman made a motion to approve Resolution No. 8054, second by Member Traylor. Motion passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – ABSTAINED]  
(AYES: 5 / NOES: 0 / ABSTAIN: 1 / EXCUSED: 1)

- B3. **Resolution No. 8055** – Resolution Ratifying the Board President’s approval Of Oakland Police and Fire Retirement System Board Plan Administrator David F. Jones’ request to attend the National Association of Securities Professionals (NASP) 33<sup>rd</sup> Annual Financial Services Conference in Chicago, IL. Member Speakman notified the Board that Plan Administrator Jones indicated he did not attend the conference and requested the item be removed from the agenda.

**MOTION:** Agenda item was removed at the Audit & Operation Committee Meeting; no action was taken.

C. **INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – JUNE 29, 2022**

- c1. **Investment Manager Performance Update – Wellington Management Company, LLP** – Vice President Godfrey provided an overview of the presentation by Wellington Management Company, LLC, (“Wellington”) a PFRS Core Bond Fixed Income Investment Manager. Vice President Godfrey highlighted portfolio strategy and performance. Plan Administrator Jones highlighted the firm’s actions regarding Diversity, Equity, & Inclusion, notably recent hires and upward mobility programs for people of color into upper management roles.

**MOTION:** Vice President Godfrey made a motion to accept the informational report regarding the Investment Manager Performance Update regarding Wellington, a PFRS Core Bond Fixed Income Investment Manager, second by Member Wilkinson. Motion Passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- c2. **Investment Manager Performance Review – Wellington Management Company, LLP** – David Sancewich of Meketa Investment Group (“Meketa”) provided an overview memo regarding Wellington, a PFRS Core Bond Fixed Income Investment Manager and noted the firm has been with PFRS for a little over a year. Meketa continues to have confidence in Wellington; does not have any concerns; and does not recommend any action be taken at this time.

**MOTION:** Vice President Godfrey made a motion to accept the informational report from Meketa regarding an overview of Wellington, second by Member Wilkinson. Motion Passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- c3. **Investment Market Overview as of May 31, 2022** – Paola Nealon of Meketa presented an informational report regarding the Investment Market Overview as of May 31, 2022 and highlighted Index Returns and the current factors impacting outcomes.

**MOTION:** Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Investment Market Overview as of May 31, 2022, second by Member Traylor. Motion passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- c4. **Preliminary Investment Fund Performance Update as of May 31, 2022** Paola Nealon of Meketa provided a summary of the Preliminary Investment Fund Performance Update as of May 31, 2022 and highlighted the Asset Class Performance Summary.

**MOTION:** Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Preliminary Investment Fund Performance Update as of May 31, 2022, second by Member Speakman. Motion Passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- c5. **\$14.2 Million Drawdown for Member Retirement Allowances Fiscal Year 2022/2023 (Quarter Ending September 30, 2022)** – David Sancewich of Meketa Investment Group presented an informational report and recommendation regarding a \$14.2 million drawdown, which includes a \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the PFRS Investment Fund from the Parametric Covered Calls portfolio, to be used to pay the July 1, 2022 through September 30, 2022 Member Retirement Allowances.

**MOTION:** Vice President Godfrey made a motion to approve Meketa’s recommendation regarding the \$14.2 million drawdown, which includes a \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the PFRS Investment Fund, second by Member Speakman. Motion Passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- c6. **Client Update – Parametric Portfolio Associates, LLC Organizational Changes** – David Sancewich of Meketa presented an informational memo provided by Parametric Portfolio Associates, LLC (“Parametric”) regarding recent organizational changes at the firm. Meketa has no concerns with the recent organization changes.

**MOTION:** Vice President Godfrey made a motion to accept the informational report regarding recent organizational changes at Parametric, second by Member Traylor. Motion Passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- D. **Resolution No. 8056** – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E). Plan Administrator Jones noted the originally posted agenda was corrected to reflect the accurate Resolution Number.

**MOTION:** Member Nichelini made a motion to approve Resolution No. 8056, second by Member Speakman. Motion passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

- E. **Pending Items** – No Report
- F. **New Business** – Vice President Godfrey inquired if there is a need to commence strategic planning for PFRS as we approach the 2026 actuarial funding date and what happens thereafter. Plan Administrator Jones advised the topic was discussed at this morning’s Audit & Operations Committee meeting where Counsel Bhakta indicated there could be some movement at the city level. Member Speakman advised staff will provide an update at the August 2022 meeting.
- G. **Open Forum** – No Report
- H. **Future Scheduling** – The next regular Board meeting is tentatively scheduled to occur Wednesday, July 27, 2022.
- I. **Adjournment** – Vice President Godfrey made a motion to adjourn, second by Member Speakman. Motion passed.

[JOHNSON – Y / GODFREY – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / TRAYLOR – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSTAIN: 0 / EXCUSED: 1)

The meeting adjourned at 12:03 p.m. PST

---

DAVID F. JONES  
PLAN ADMINISTRATOR & SECRETARY

---

DATE



July 7, 2022

To the Board of Administration of the  
Oakland Police and Fire Retirement System  
Oakland, California

The following represents our understanding of the services we will provide Oakland Police and Fire Retirement System (the Retirement System).

You have requested that we audit the financial statements of the Retirement System, a pension trust fund of the City of Oakland, as of June 30, 2022, and for the year then ended and the related notes, which collectively comprise the Retirement System's basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Changes in the Employer's Net Pension Liability and Related Ratios
- 3) Schedule of Employer Contributions
- 4) Schedule of Investment Returns

The Retirement System's annual report will also include introductory, investment, and actuarial sections prepared by the Retirement System that will not be subjected to the auditing procedures applied in our audit of the basic financial statements and we will not provide an opinion or any assurance on that other information.

## **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS. As part of an audit in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.<sup>2</sup> However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Retirement System's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

## **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Retirement System's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## **Management Responsibilities**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due



- to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
    - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
    - ii. Additional information that we may request from management for the purpose of the audit;
    - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
    - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
  - d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
  - e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
  - f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
  - g. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
  - h. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
  - i. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

## **Reporting**

We will issue a written report upon completion of our audit of the Retirement System's basic financial statements. Our report will be addressed to the Board of Administration of the Retirement System. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinion on the basic financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will provide copies of our reports to the Retirement System; however, management is responsible for distribution of the reports and the basic financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

## **Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

## **Provisions of Engagement Administration, Timing and Fees**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent. Therefore, you hereby waive any liability whatsoever for any unintended interception or unintentional disclosure of email transmissions in connection with the performance of our professional services. MGO uses cloud-based computing services, including the storage of data and files, at third party, offsite, secure facilities. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions and cloud-based computing, including any direct or indirect damages that may result from any inadvertent or unanticipated disclosure of confidential or proprietary information, or disclosure through third party criminal conduct (e.g., hackers or hacking activities).

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

We expect to begin our audit receipt of a signed engagement letter and to issue our reports no later than October 31, 2022. Annie Louie is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees will be billed in accordance with our professional service agreement with the City of Oakland dated May 1, 2020, as amended. Invoices will be rendered monthly and are payable upon presentation. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Retirement System's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period required by the Retirement System's cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. Upon expiration of the seven-year period, Macias Gini & O'Connell, LLP (MGO) will be free to destroy our records related to this engagement. However, MGO does not keep any original client records, so we will return those to management at the completion of the services rendered under this engagement. When records are returned to management, it is management's responsibility to retain and protect the records for possible future use, including potential examination by any government or regulatory agencies.

At the conclusion of our audit engagement, we will communicate to the Board of Administration the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of MGO and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to them by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of MGO's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to them. They may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

We have attached a copy of our latest external peer review report of our firm for your consideration and files.

## **MGO India**

Some services outlined within this engagement letter that we are to perform will be performed and provided to you by MGO India Private Limited (“MGO-India”), an affiliate located outside of the United States. In order for MGO-India to provide these services, we may need to disclose certain nonpublic information, audit information or other personal related information. We can only do so with your affirmative consent and with adequate data protection safeguards in place to protect your information from misuse, unauthorized access, or disclosure. Your signature to this engagement letter is your authorization and consent for us to use MGO India and its related personnel to perform various services under this engagement letter.

## **Engagement with MGO Affiliates**

If you have or expect to engage an affiliate of MGO (see list of affiliates below) to perform services during the audit and professional engagement period (as defined below), you must notify MGO prior to entering into such engagement with the MGO affiliate. In addition, prior to signing this engagement letter, you must notify MGO of any service an MGO affiliate has performed prior to the audit and professional engagement period in order for MGO to ensure our independence in relation to this engagement. You will also be required to provide such representation within the management representation letter prior to the issuance of our report.

Audit and professional engagement period includes both:

- i. The period covered by any financial statements being audited or reviewed (the “audit period”); and
- ii. The period of the engagement to audit or review the audit client's financial statements or to prepare a report to be issued (the “professional engagement period”):
  - a. The professional engagement period begins when MGO either signs an initial engagement letter (or other agreement to review or audit a client's financial statements) or begins audit, review, or attest procedures, whichever is first; and
  - b. The professional engagement period ends when the audit client or MGO terminate the engagement and the audit client is no longer a client of MGO.

MGO Affiliates:

- MGO Group LLC
- MGO Realty Advisors, Inc.
- MGO India Private Limited
- MGO Private Wealth, LLC
- MGO Technology Group, LLC
- MGO Insurance Services, LLC
- Cresta Management Services, LLC
- IntelliBridge Partners LLC

## **Independence**

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the client in the performance of our services. Any discussions that your representatives have with professional personnel of MGO regarding employment could pose a threat to our independence. This may include not only current employees of MGO, but also former employees and employees of other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Moreover, to the extent that you have engaged a company affiliated with MGO to provide services related to your efforts to identify, interview, and hire officers, directors, or management, or related human resource efforts on your behalf, you agree to inform MGO so that MGO can evaluate whether there are any potential or actual independence considerations that may preclude, or otherwise limit the services MGO is able to perform. Therefore, you agree to inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

**Non-CPA Owner Notice Requirement**

MGO is owned by professionals who hold CPA licenses as well as by professionals who are not licensed CPAs. Therefore, depending on the nature of the services being provided, non-CPA owners may be involved in providing certain services hereunder.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



Macias Gini and O'Connell LLP

\*\*\*\*\*

**RESPONSE:**

This letter correctly sets forth the understanding of the Oakland Police and Fire Retirement System. Management acknowledge and agree with the arrangements for the audit of the basic financial statements, including our respective responsibilities.

Acknowledged and agreed on behalf of the Retirement System by:

Signed: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Attachment – MGO Peer Review Report



6025 SOUTH QUEBEC STREET, SUITE 260  
CENTENNIAL, COLORADO 80111  
303-792-3020 (o) | 303-232-7237 (f)  
WWW.WCRCPA.COM

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### Report on the Firm's System of Quality Control

September 2, 2021

To the Partners of Macias Gini & O'Connell, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Macias Gini & O'Connell, LLP has received a peer review rating of *pass*.

*Watson Coon Ryan, LLC*

Centennial, Colorado

**Table 1**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**Administrative Budget Spent to Date (Preliminary)**

As of May 31, 2022

	Approved Budget					Percent Remaining
		May 2022	FYTD	Remaining		
<b>Internal Administrative Costs</b>						
PFRS Staff Salaries	\$ 1,212,000	\$ 83,426	\$ 989,265	\$ 222,735		18.4%
Board Travel Expenditures	52,500	-	1,711	50,789		96.7%
Staff Training	20,000	-	-	20,000		100.0%
Staff Training - Tuition Reimbursement	7,500	-	-	7,500		100.0%
Board Hospitality	3,600	-	-	3,600		100.0%
Payroll Processing Fees	40,000	-	-	40,000		100.0%
Miscellaneous Expenditures	40,000	1,053	10,316	29,684		74.2%
Internal Service Fees (ISF)	88,000	-	53,814	34,186		38.8%
Contract Services Contingency	50,000	-	1,200	48,800		97.6%
<b>Internal Administrative Costs Subtotal :</b>	<b>\$ 1,513,600</b>	<b>\$ 84,478</b>	<b>\$ 1,056,306</b>	<b>\$ 457,294</b>		<b>30.2%</b>
<b>Actuary and Accounting Services</b>						
Audit	\$ 49,000	\$ -	\$ 48,300	\$ 700		1.4%
Actuary	46,500	-	23,896	22,604		48.6%
<b>Actuary and Accounting Subtotal:</b>	<b>\$ 95,500</b>	<b>\$ -</b>	<b>\$ 72,196</b>	<b>\$ 23,304</b>		<b>24.4%</b>
<b>Legal Services</b>						
City Attorney Salaries	\$ 188,000	\$ 16,842	\$ 122,765	\$ 65,235		34.7%
Legal Contingency	150,000	-	-	150,000		100.0%
<b>Legal Services Subtotal:</b>	<b>\$ 338,000</b>	<b>\$ 16,842</b>	<b>\$ 122,765</b>	<b>\$ 215,235</b>		<b>63.7%</b>
<b>Investment Services</b>						
Money Manager Fees	\$ 1,353,000	\$ 30,277	\$ 987,604	\$ 365,396		27.0%
Custodial Fee	124,000	-	87,375	36,625		29.5%
Investment Consultant	100,000	-	75,000	25,000		25.0%
<b>Investment Subtotal:</b>	<b>\$ 1,577,000</b>	<b>\$ 30,277</b>	<b>\$ 1,149,979</b>	<b>\$ 427,021</b>		<b>27.1%</b>
<b>Total Operating Budget</b>	<b>\$ 3,524,100</b>	<b>\$ 131,598</b>	<b>\$ 2,401,246</b>	<b>\$ 1,122,854</b>		<b>31.86%</b>



Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of May 31, 2022

	May 2022
<b>Beginning Cash as of 4/30/2022</b>	\$ 7,083,428
<b>Additions:</b>	
City Pension Contribution - May	\$ 3,651,667
Investment Draw	\$ 1,000,000
Misc. Receipts	803
<b>Total Additions:</b>	\$ 4,652,469
<b>Deductions:</b>	
Pension Payment (April Pension Paid on 5/1/2022)	(4,223,172)
Expenditures Paid	(198,270)
<b>Total Deductions</b>	\$ (4,421,442)
 <b>Ending Cash Balance as of 5/31/2022*</b>	 \$ 7,314,456

\* On 6/1/2022, April pension payment of appx \$4,197,100 will be made leaving a cash balance of \$3,117,000.

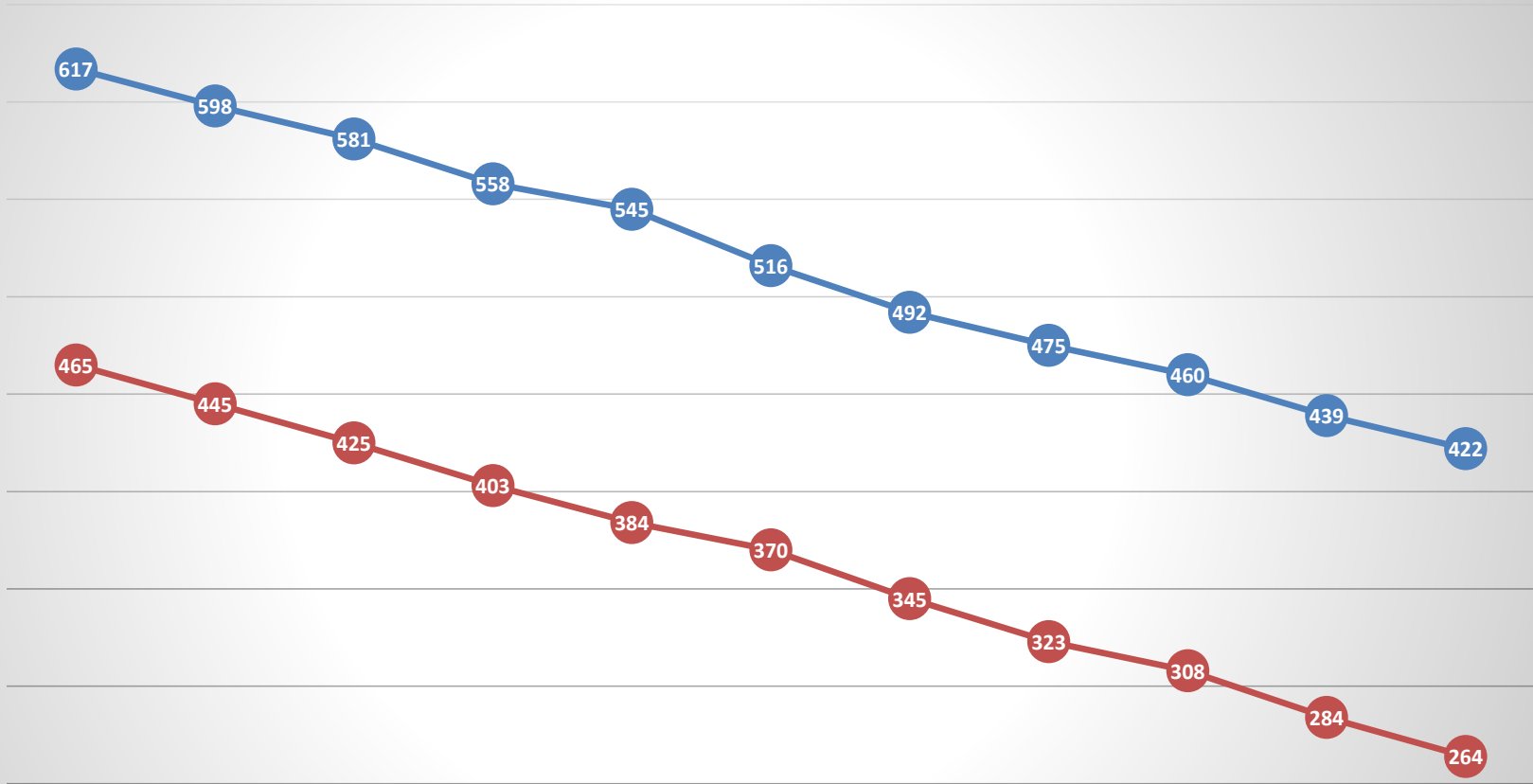
**Table 3**  
**CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

Census  
As of May 31, 2022

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Retiree	300	171	471
Beneficiary	122	93	215
<b><i>Total Retired Members</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Total Membership:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Service Retirement	283	133	416
Disability Retirement	130	119	249
Death Allowance	9	12	21
<b><i>Total Retired Members:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Total Membership as of May 31, 2022:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Total Membership as of June 30, 2021:</i></b>	<b>439</b>	<b>284</b>	<b>723</b>
<b><i>Annual Difference:</i></b>	<b>-17</b>	<b>-20</b>	<b>-37</b>

## Oakland Police and Fire Retirement System Pension Plan Membership Count As of May 31, 2022 (FY 2012 - FY 2022)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 FYTD
Police	617	598	581	558	545	516	492	475	460	439	422
Fire	465	445	425	403	384	370	345	323	308	284	264
Total	1082	1043	1006	961	929	886	837	798	768	723	686



Presented to:

# City of Oakland Police and Fire Retirement System

Conference Call:

July 27, 2022

Presented by:

Clark Holland, CFA  
Portfolio Manager

## Presenter Biography



**Clark Holland, CFA**  
Portfolio Manager

Clark Holland is a portfolio manager at Reams Asset Management. Clark has over 25 years of experience as a portfolio manager, analyst, and client service specialist. Prior to joining Reams in 2002, Clark was a portfolio manager and investment product specialist at Wells Fargo Investment Management Group. Mr. Holland earned his master's in business administration from Rice University and his bachelor's degree from Taylor University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



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- 2 Current Views & Investment Themes
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- 4 Performance Review
- 5 Portfolio Characteristics
- 6 Diversity at Reams
- 7 Brokerage Summary
- 8 Disclosures



# Firm Overview

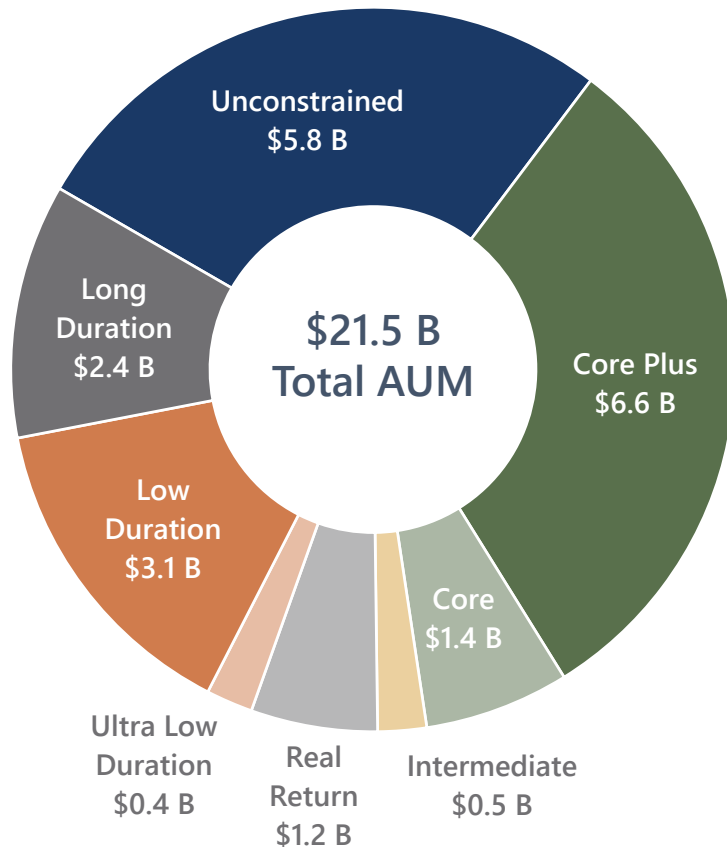
## Reams at a Glance

- Founded in 1981
- Headquartered in Indianapolis, Indiana
- \$21.5 billion in assets under management
- 8 fixed income strategies along with extensive custom separate account capabilities
- Affiliate of Carillon Tower Advisers, Inc., a subsidiary of Raymond James Financial, Inc., since November 2017

Data as of  
June 30, 2022

# Firm Overview

## Strategy Lineup



### Available Investment Vehicles

#### Separate Accounts

- All Strategies

#### U.S. Institutional Commingled Funds:

- Columbus Core Plus Bond Fund
- Columbus Unconstrained Bond Fund

#### U.S. Institutional Mutual Funds (sub-advised):

- Core Strategy
- Core Plus Strategy
- Unconstrained Strategy

#### Non-U.S. Commingled Fund (sub-advised):

- Raymond James Funds Reams Unconstrained Bond SICAV (Class A USD | SCUCBDA LX)

Data as of  
June 30, 2022



# Firm Overview

## Representative Client List

### Corporate

American Honda Motor Company  
Cummins Inc.  
Electric Energy, Inc. Employee Benefit Fund  
Emerson Electric Company  
Omaha Public Power District  
S.C. Johnson & Son, Inc.  
Southern California Rock Products

### Health Care

University of Colorado Health  
NorthShore University HealthSystem  
Northwestern Memorial HealthCare  
OhioHealth Corporation  
Shirley Ryan AbilityLab

### Non-Profit

American Heart Association  
Archdiocese of Miami  
Board of Pensions/Presbyterian Church, USA  
Chicago Symphony Orchestra  
Cleveland Museum of Art  
Veterans of Foreign Wars of the U.S.

### Sub-Advisory

Prudential Retirement Insurance & Annuity Co.  
Russell Investment Management Company

### Public

Arkansas Teacher Retirement System  
Employees' Retirement System of Baltimore County  
Indiana State Police Pension Trust  
Los Angeles Fire & Police Pensions  
City of Milwaukee Employees' Retirement System  
Montana Board of Investments  
City of Oakland Police & Fire Retirement System  
Sacramento County Employees Retirement System  
San Francisco Bay Area Rapid Transit District  
Sonoma County Employees' Retirement Association  
Spokane Firefighters' Pension Fund  
Ventura County Employees' Retirement Association

### Taft-Hartley

Carpenters District Council of Kansas City Pension Fund  
Carpenters Pension Fund of Illinois  
Gulf Coast Carpenters and Millwrights Health Trust  
IBEW 8th District Electrical Pension Trust  
Teamster Members Retirement Plan  
Ohio Operating Engineers Pension Plan

### University/Endowment/Foundation

Trustees of Indiana University  
University of Kentucky  
Purdue University  
Regents of the University of Minnesota

Data as of  
June 30, 2022

This Representative Client List includes institutional clients whose permission has been received for inclusion. No specific selection criteria were used. It is not known whether or not the listed clients approve of the advisory services provided by Reams Asset Management or Scout Investments.

# Firm Overview

## Investment Team

### Investment Committee

**Mark Egan, CFA**

Chief Investment Officer  
Managing Director  
(36 years / 32 years)

**Todd Thompson, CFA**

Portfolio Manager  
Credit Team Leader  
Managing Director  
(28 years / 21 years)

**Bob Crider, CFA**

Co-Founder  
Managing Director  
(45 years / 41 years)

### Credit Team

**Todd Thompson, CFA**

**Jason Hoyer, CFA**

Portfolio Manager  
(19 years / 7 years)

**Clark Holland, CFA**

Portfolio Manager  
(28 years / 21 years)

**Scott Rosener, CFA**

Fixed Income Analyst  
(25 years / 17 years)

**Trey Harrison, CFA, ASA**

Fixed Income Analyst/Actuary  
(28 years / 12 years)

**Reed Clark**

Fixed Income Analyst  
(3 years / 1 year)

**Sydney Buck, CFA**

Fixed Income Analyst  
(4 years / <1 year)

### Securitized Team

**Steve Vincent, CFA**

Portfolio Manager  
Securitized Team Leader  
(31 years / 28 years)

**Kevin Salsbery, CFA**

Fixed Income Analyst  
(21 years / 17 years)

**Patrick Laughlin**

Fixed Income Analyst  
(27 years / 18 years)

**Taylor Harris, CFA**

Fixed Income Analyst  
(5 years / 5 years)

### Global Rates & Currencies Team

**Dimitri Silva, CFA**

Portfolio Manager  
(15 years / 1 year)

**Antonina Tarassiouk**

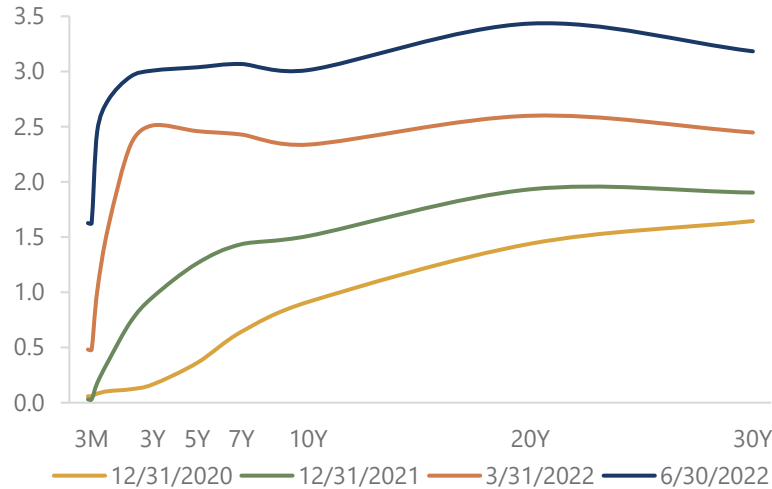
Fixed Income Analyst  
(8 years / <1 year)

(Years of Industry Experience / Reams Tenure)

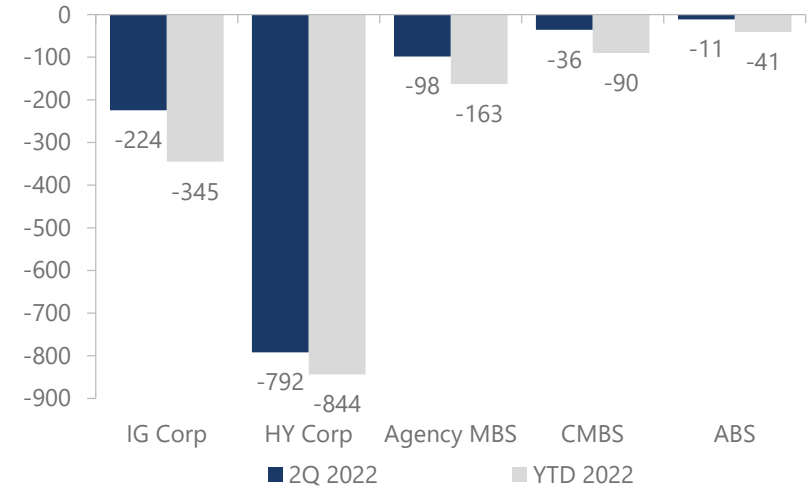
Please see Investment Professional Biographies section for detailed biographies

# Fixed Income Dashboard

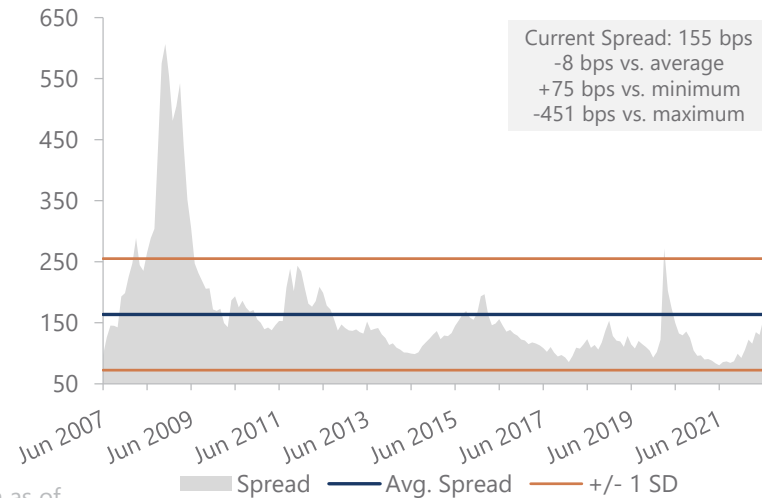
## U.S. Treasury Yield Curves, Percent



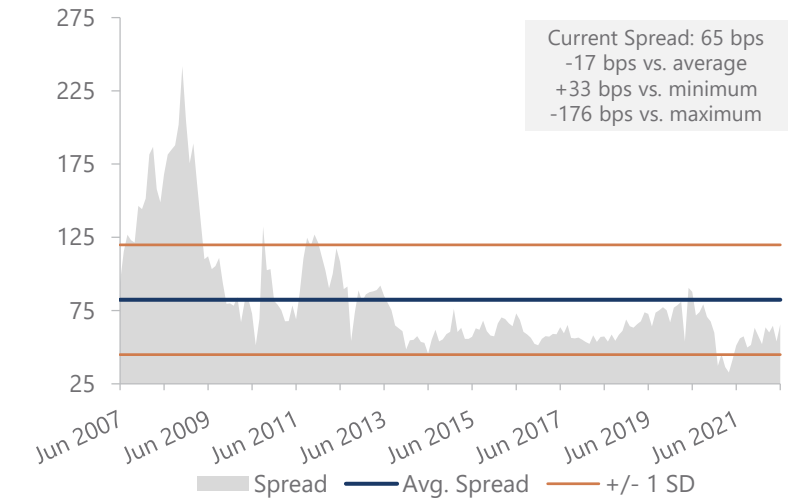
## Sector Excess Returns vs. U.S. Treasuries, Basis Points



## Investment Grade Corporate OAS, Basis Points



## Agency MBS Zero-Volatility Spread, Basis Points

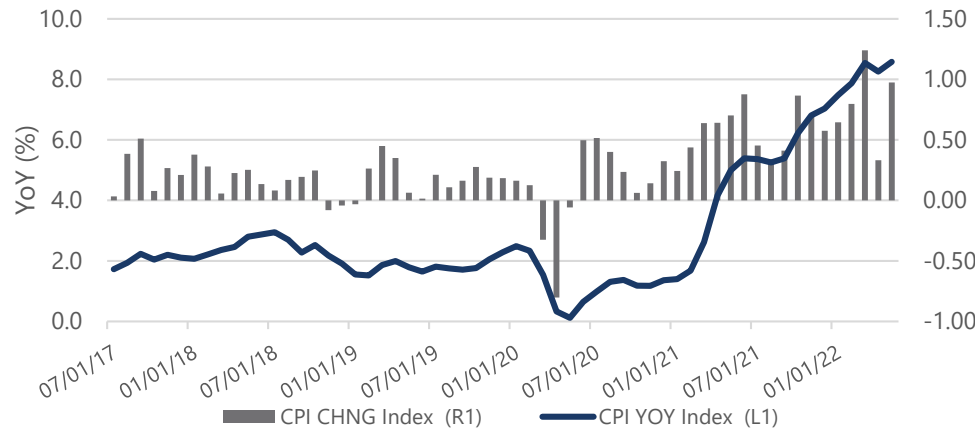


Data as of June 30, 2022

Source: Bloomberg Index Services Limited; Bloomberg L.P.

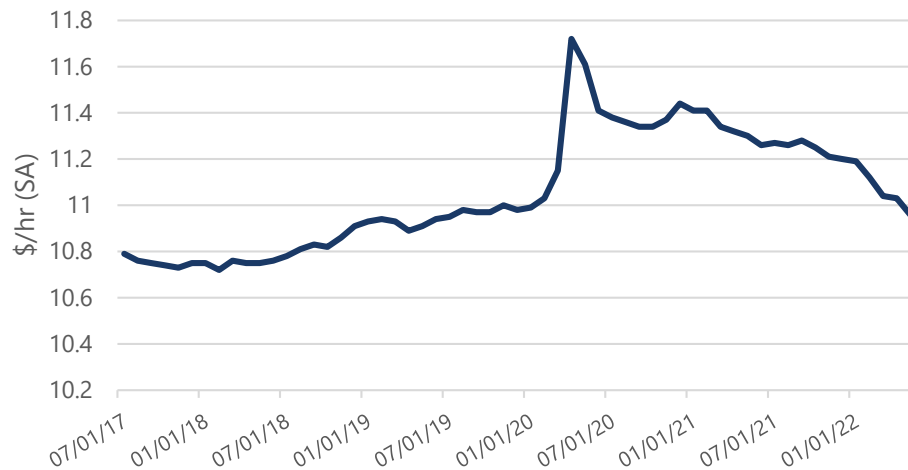
# Market Insights

## U.S. Consumer Price Index



Year/year inflation hit multi-decade highs in June. Monthly increases indicate no signs that the annual number will reverse. The Fed's challenge is to return this to the stated 2% annual target without driving the economy into recession.

## Real Average Hourly Wages



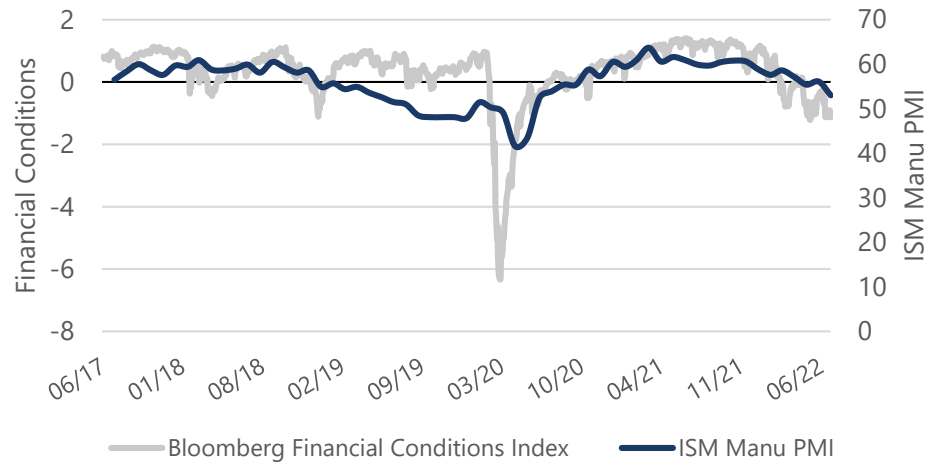
Although wages have increased post pandemic, inflation has risen faster, leading to falling real wages. This is at the heart of rising frustration in the populace, particularly in the lower income brackets, which feel this effect most acutely.

Data as of  
June 30, 2022

Source: Bloomberg, Bureau of Labor Statistics

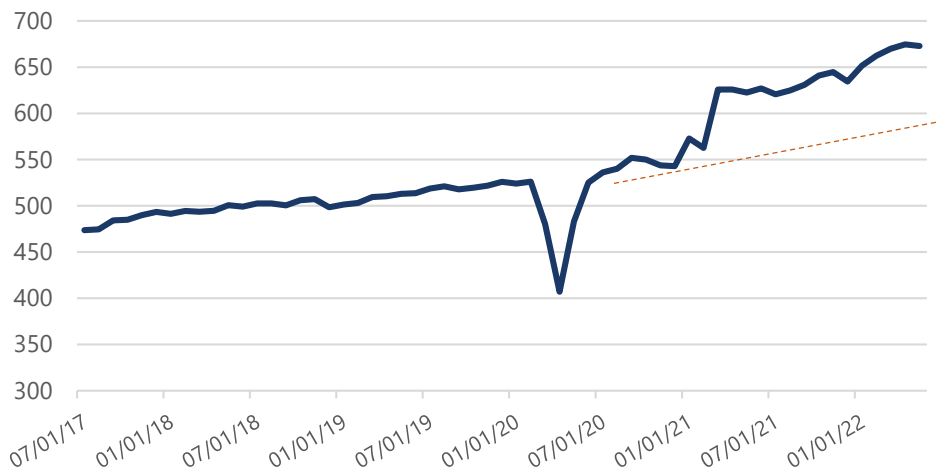
# Market Insights

## Financial Conditions vs. Manufacturing Conditions



Financial conditions have trended lower as the Fed has tightened monetary policy (from extremely loose levels) in the last nine months. Both financial and manufacturing conditions are flashing warning signs of economic weakness ahead, while the Fed appears to be just getting started tightening monetary policy.

## Retail Sales, Monthly



Retail sales have been heavily influenced by both the pandemic (decline) as well as the Federal stimulus (increase) aimed at combating the pandemic's economic impacts. Sales had been running well above long-term trends, so the weakness reported by major retailers in the second quarter could be simply a return to trend, or more concerning, may be a sign that the deterioration in real wages is beginning to bite.

Data as of  
June 30, 2022

Source: Bloomberg, Institute for Supply Management, Census Bureau

# Investment Themes

## What happened

- Persistent elevated inflation with no sign of abating prompted a “mea culpa” from Federal Reserve (Fed) officials due to their previous insistence that above target levels were merely “transitory.”
- As a result, the Fed was forced to play “catch up” via higher than anticipated hikes and larger than expected quantitative tightening. Rates quickly adjusted upward in response.
- Poor retail sales and nascent indicators of an economy losing steam led risk markets to consider recession a more likely near-term event.

## What we think

- Overheated demand has been the primary cause of multi-decade high inflation. Cooling that demand will be required to bring inflation under control. Even the Fed reluctantly admitted a recession may be unavoidable.
- Excessive current inflation has led rates markets to price in aggressive future rate hikes, which we believe may not be fully realized. Inflation will likely moderate as demand destruction from the Fed’s actions may short-circuit its planned course to higher rates.
- Risk markets have moved swiftly lower reacting to an aggressive Fed and deterioration of financial conditions.

## What we did

- As valuations became increasingly attractive, we added positions in spread sectors, but retain flexibility to respond further.
- In response to the flattening yield curve, we have concentrated positions in the intermediate portion of the curve.
- Our duration stance is largely neutral overall and reflective of the current high degree of uncertainty regarding the future path of interest rates.



# Investment Objective and Guidelines

## Objective

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- To exceed the Bloomberg Universal Index, net of fees, over a complete market cycle.

## Investment Guidelines

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- Maximum average portfolio duration is 10 years with a targeted average portfolio duration in the range of 3 to 8 years.
- Maximum remaining term to maturity (per single issue) is 31 years at purchase.
- No single issue shall exceed 10% of the portfolio, excluding government and agency issues.
- No single issue shall account for more than 10% of the outstanding issue, excluding government and agency issuers.
- The portfolio must have an overall weighted average quality of at least BBB-.
- All securities must have a rating of B- or higher (S&P, Moody's or Fitch), using the middle of three or lower of two ratings.
- Credit default swaps are limited to a notional value of 10% of the portfolio.
- Coal-Related Companies are restricted from purchase in the portfolio.

Source: OPFRS Investment Guidelines (Rev. 9/1/2016)



# Relationship Summary

## City of Oakland Police and Fire Retirement System

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Relationship Inception	February 1, 1998
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Investment Style	Core Plus Fixed Income
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Performance Benchmark	Bloomberg Universal Index
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**Financial Data as of June 30, 2022**

Initial Investment	\$97.5 million
Contributions	\$146.0 million
(Withdrawals)	(\$338.2 million)
Portfolio Gains	\$121.2 million
Portfolio Value	\$26.5 million

---





# Performance Review

For Periods Ending June 30, 2022

	Percent Gain or Loss						
	Quarter Ending	Year To Date	Last 12 Months	Two Years (annualized)	Three Years (annualized)	Five Years (annualized)	Since Inception* (annualized)
City of Oakland Police and Fire Retirement System (a)	(5.11)	(10.35)	(9.98)	(4.10)	2.87	3.43	5.29
City of Oakland Police and Fire Retirement System (b)	(5.16)	(10.44)	(10.16)	(4.28)	2.68	3.24	5.08
Benchmark**	(5.13)	(10.94)	(10.89)	(5.08)	(0.94)	0.94	4.28

\* Inception Date: 2/1/1998

\*\*The benchmark consists of the Bloomberg Barclays U.S. Aggregate Index from 2/1/1998 - 6/30/2006 and the Bloomberg Universal Index as of 7/1/2006.

(a) Gross of Investment Management Fees

(b) Net of Investment Management Fees (recorded on cash basis)



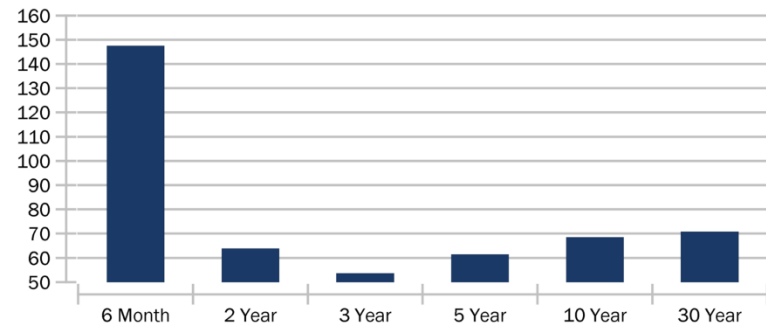
# Excess Return Detail

City of Oakland Police and Fire Retirement System: 4/1/2022 - 6/30/2022

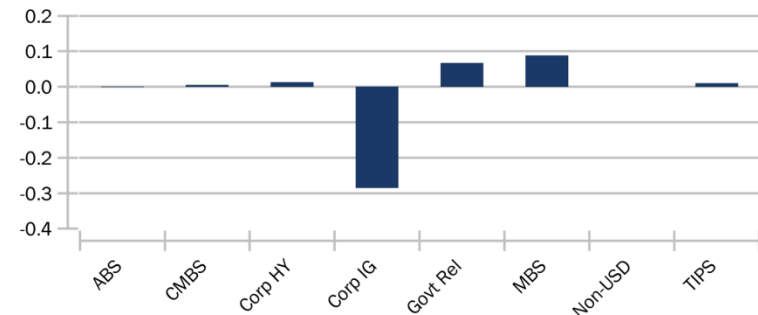
	Portfolio (%)
Total Return	-5.11
Index Return	-5.13
Excess Return	<u>0.02</u>
Duration	-0.13
Curve	0.27
Total Macro	<u>0.13</u>
Sector Selection	0.14
Security Selection	-0.25
Total Selection	<u>-0.10</u>

Sector	Sector Impact	Security Impact	Total Impact
ABS	0.00	-0.00	-0.00
CMBS	-0.00	0.01	0.00
Corp HY	0.06	-0.05	0.01
Corp IG	-0.14	-0.15	-0.28
Govt Rel	0.04	0.03	0.07
MBS	0.18	-0.09	0.09
Non-USD	0.00	0.00	0.00
TIPS	0.01	0.00	0.01
	0.14	-0.25	-0.10

U.S. Treasury Curve Yield Change, Basis Points



Total Sector and Security Impact, Percent



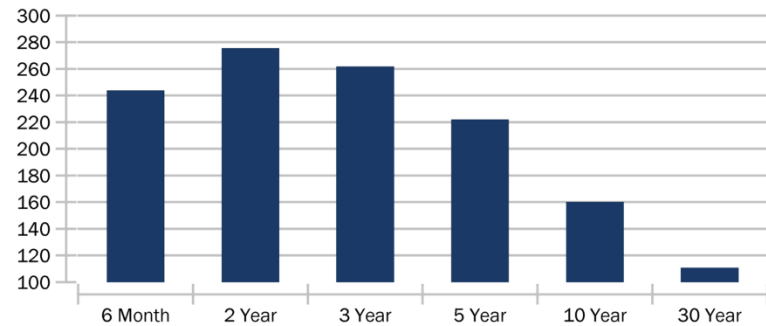
# Excess Return Detail

City of Oakland Police and Fire Retirement System: 7/1/2021 - 6/30/2022

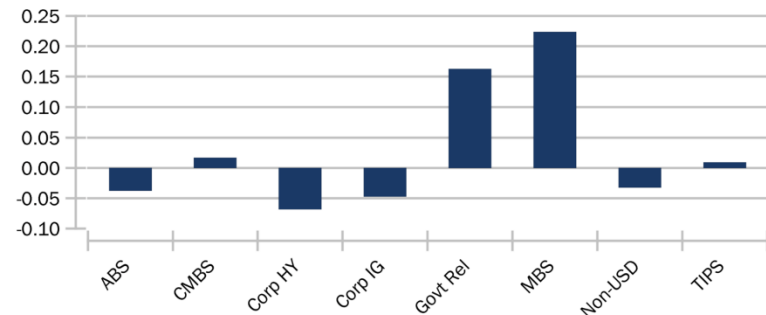
	Portfolio (%)
Total Return	-9.98
Index Return	-10.89
Excess Return	<u>0.91</u>
Duration	0.26
Curve	0.43
Total Macro	<u>0.69</u>
Sector Selection	0.19
Security Selection	0.03
Total Selection	<u>0.23</u>

Sector	Sector Impact	Security Impact	Total Impact
ABS	-0.02	-0.02	-0.04
CMBS	-0.01	0.03	0.02
Corp HY	-0.09	0.02	-0.07
Corp IG	-0.08	0.03	-0.05
Govt Rel	0.13	0.03	0.16
MBS	0.28	-0.05	0.22
Non-USD	-0.03	0.00	-0.03
TIPS	0.01	0.00	0.01
	0.19	0.03	0.23

U.S. Treasury Curve Yield Change, Basis Points



Total Sector and Security Impact, Percent



# Portfolio Characteristics

City of Oakland Police and Fire Retirement System: 6/30/2022

	Portfolio	Index
Total Market Value (\$)	26,501,928	29,359 billion
Avg. Duration (Years)	6.6	6.2
Avg. Convexity	0.63	0.61
Avg. Yield to Worst (%)	4.6	4.2
Avg. Maturity (Years)	8.5	8.4
Avg. Quality	Aa3	Aa3

Quality Structure (% of Portfolio)	Portfolio *	Index
AAA	56.4	62.8
AA	0.4	4.0
A	16.4	12.0
BBB	16.0	14.4
Other	10.7	6.7
Total	100.0	100.0

\* The methodology used is consistent with client investment guidelines.

Duration Distribution (Years)	Portfolio	Index
0 - 1 yr.	0.1	0.0
1 - 3	0.2	0.5
3 - 4	0.3	0.4
4 - 6	1.3	1.3
6 - 8	2.4	1.5
8 +	2.3	2.7
Total	6.6	6.2

Sector Structure (% of Portfolio)	Portfolio	Index
Treasury	32.8	34.3
Govt Related	0.3	9.9
Mortgage-Backed	17.7	25.4
Asset-Backed	2.9	0.3
Corporate	43.4	30.1
Non-US Dollar	0.0	0.0
Cash and Equivalents	3.0	0.0
Total	100.0	100.0

Spread Duration (Years)	Portfolio	Index
Govt Related	0.0	0.6
Mortgage-Backed	1.1	1.5
Asset-Backed	0.1	0.0
Corporate	2.8	2.0
Non-US Dollar	0.0	0.0



# Diversity at Reams

## Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 06/30/2022

<b>Firm Name</b>	Reams Asset Management, a Division of Scout Investments, Inc.
<b>Product Name</b>	Core Plus Fixed Income
<b>Total Number of Employees</b>	35

<b>Race and Ethnicity*</b>	<b>Percentage (%) of Board of Directors / Managing Members</b>	<b>Percentage (%) of Firm (Entire Staff)</b>	<b>Percentage (%) of Firm (Investment Professionals)</b>
African American/Black	0.00%	0%	0%
Asian/Hawaiian/Pacific Islander	20.00%	6%	7%
Latino/Hispanic	0.00%	0%	0%
White	80.00%	94%	93%
American Indian/Alaska Native	0.00%	0%	0%
Other	0.00%	0%	0%
<b>Gender</b>			
Male	80%	57%	87%
Female	20%	43%	13%
Non-Identified/Other	N/A	N/A	N/A

\* Racial/ethnic categories appear as defined by EEOC guidance.



## Diversity at Reams

- As an affiliate of Carillon Tower Advisers, a division of Raymond James, Reams Asset Management is committed to fostering a diverse and inclusive workplace, welcoming to all cultures and backgrounds. This is consistent with our values-based culture upon which the firm was founded.
  
- For more information on the extensive inclusion efforts of our parent firm, including outreach, career development and recruitment, and community efforts, please visit:
  - <https://www.raymondjames.com/careers/diversity-and-inclusion>
  
- Reams Asset Management currently has 35 employees, of which 15 (43%) are female, including key leadership positions:
  - Head of Operations
  - Head of Client Service
  - Head of Portfolio Accounting
  
- Reams has several employees in various minority groups, and has taken concrete steps to address historical lack of diversity on its long-tenured investment team.



## Diversity at Reams – Hiring Action Plan

- Office Relocation – Indianapolis, IN
  - Completed – February 2022
  - New location has been major influence in recent hiring
  
- Currently utilizing the Hiring Resources of the Larger Raymond James organization
  - Directly resulted in progress of diverse hiring
  - Improved cooperation with Reams to influence future hiring
  
- Increased Development and Recruitment of Minorities via Summer Intern Program:
  - Formalized intern program has been expanded over the last five years, with increased participation (record 5 interns in 2019, currently 3 interns in 2022)
  - Reams has cultivated both females and other minorities in the intern program which we utilize to further boost our diversity goals in full time employment



## Diversity at Reams – Recent Hires

- Significant New Hires for Investment Team:
  - **Dimitri Silva** - In March 2021, Reams Asset Management hired Senior Portfolio Manager Dimitri Silva who leads the Global Rates and Currencies Team. Originally from Sri Lanka, he earned his Bachelor's degree from the University of Idaho. Dimitri has extensive capital markets experience and focuses on macro-economic positioning and international trades. Prior to joining Reams, Dimitri was a member of the investment team at AllianceBernstein.
  - **Antonina Tarassiouk** - In January 2022, Antonina Tarassiouk joined the Global Rates and Currencies Team as an investment analyst. Previously, Antonina was a vice president of sales for Barclays Capital plc, covering institutional accounts for both currency and precious metals transactions. Prior to Barclays, she was a portfolio manager and trader for the Central Bank of Mexico, managing a portion of the bank's foreign currency reserves. Antonina holds a Bachelor of Science in Economics from the Instituto Tecnológico Autónomo de México, as well as an M.B.A. from the Yale School of Management.
  - **Sydney Buck** - In January 2022, Sydney Buck joined the firm as a fixed income analyst. She is responsible for security research and trading for the Reams credit team. Prior to joining the investment team, Sydney earned her Bachelor's degree from Butler University and was a senior analyst at the Indiana Public Retirement System covering the fixed income and private credit portfolios.





## Diversity at Reams – Office Location Action Plan

- Reams has relocated its primary office from Columbus, IN to Indianapolis, IN:
  - Office is located in downtown Indianapolis, the hub of business in the state of Indiana
  - New location provides easier access for clients, consultants, management teams, and other guests/visitors
  - New location also raises the Reams profile and stature within the city and the investment community
  - Reams is committed to being a good neighbor and continuing a history of outreach, charity, and community engagement
  
- Most critically, the new office location will aid recruitment and retention of professionals for a first-class investment firm:
  - Reams has a 5 year staffing plan that intends to build out investment and support teams, primarily via internship program and recruitment of young, entry-level candidates
  - Indianapolis location is projected to increase applicant pool in similar fashion as that of an existing Reams client who recently moved their in-house financial team to Indianapolis from a smaller location and successfully added staff



# Oakland-Based Brokerage Summary

- There was no activity during the first half of 2022.
- There was no activity during 2021.



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## MEMORANDUM

**TO:** Oakland Police and Fire Retirement System (“OPFRS”)  
**FROM:** Meketa Investment Group (“Meketa”)  
**DATE:** July 27, 2022  
**RE:** Reams Core Plus Fixed Income – Manager Update

### Manager: Reams Asset Management

<b>Inception Date:</b>	February 1998	<b>OPFRS AUM (6/30/2022):</b>	\$26.5 million
<b>Strategy:</b>	Core Plus Fixed Income	<b>Firm-wide AUM (3/31/2022):</b>	\$21.5 billion
<b>Benchmark:</b>	Bloomberg US Universal (Blend)	<b>Strategy AUM (3/31/2022):</b>	\$6.6 billion

### Summary & Recommendation

Reams Asset Management is a long-term manager in the OPFRS’s portfolio managing the plan’s core plus fixed income since February 1998. It is now approximately \$26.5 million or about 7.0% of OPFRS’s total allocation. Over this period, Reams has performed within expectations and guidelines for an active fixed income manager and has experienced no major organizational changes. ***Meketa therefore does not have any major concerns with Reams and does not recommend any action be taken at this time.***

### Investment Performance Review Summary

As of 6/30/2022, Reams Core Plus Fixed Income portfolio has outperformed its benchmark across all time periods measured on net-of-fees basis. In comparison with other core plus fixed income strategies, Reams has maintained an above average ranking for all periods measured. Over the 1-, 3-, and 5-year trailing periods, the strategy ranks in the top quartile amongst its peers. The portfolio has performed within expectations and passes the manager monitoring tests for short-, medium-, and long-term periods.

### OPFRS Portfolio Annualized Returns (as of 6/30/2022)

Manager	Market Value (\$000)	YTD	1 YR	3 YR	5 YR	Since Inception	Inception Date
Reams (Gross)	26,507.5	(10.3)	(10.0)	2.9	3.4	5.3	2/1998
Reams (Net)	26,507.5	(10.4)	(10.1)	2.7	3.2	5.0	---
<i>Bloomberg US Universal (Blend)<sup>1</sup></i>	---	<i>(10.9)</i>	<i>(10.9)</i>	<i>(0.9)</i>	<i>0.9</i>	<i>4.3</i>	---
Excess Return (Net)	---	0.5	0.8	3.6	2.3	0.8	---
Peer Group Percentile Rank <sup>1</sup>	---	28	24	3	3	---	---

<sup>1</sup> Bloomberg US Universal (Blend) is composed of Bloomberg US Aggregate Bond Index since inception through 03/2006; Bloomberg US Universal Index thereafter. Peer group is eVestment US Core Plus Fixed Income (Gross) universe.



### Product and Organization Review Summary

Reams Asset Management	Areas of Potential Impact				
	Level of Concern	Investment process (Client Portfolio)	Investment Team	Performance Track Record	Team/Firm Culture
<b>Product</b>					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
<b>Organization</b>					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
<b>Recommended Action</b>	<b>None - X</b>		<b>Watch Status</b>	<b>Termination</b>	

A review of Reams Asset Management and the Core Plus Fixed Income strategy revealed no significant organizational issues or changes.

### Investment Philosophy & Process, per Manager

Reams' investment philosophy is based on the premise that volatility is a key driver of performance in the fixed income market. Volatility is usually higher than commonly perceived and is often mispriced in the marketplace. This core belief leads us to: focus on long-term value and "total return," employ macro and bottom-up strategies to uncover unique opportunities, and react opportunistically to valuation discrepancies and volatility in the bond market.

Reams manages fixed income portfolios using three basic steps, which are best described as a combination of top-down and bottom-up. The first step is the duration decision, which is based on a comparison of current inflation-adjusted interest rates relative to historical norms. With this step, the portfolio's overall duration and yield curve characteristics are established. The second step of the investment process is to consider sector exposures. A bottom-up issue selection process is the major determinant of sector exposure, as the availability of attractive securities in each sector determines their underweighting or overweighting in the portfolio subject to sector exposure constraints. However, for the more generic parts of the portfolio, such as agency notes and mortgage pass-throughs, top-down considerations will drive the sector allocation process on the basis of overall measurements of sector value such as yield spreads or price levels. The third step in the investment process is individual security selection. Bottom-up issue selection is based on a scenario analysis to identify which bonds might perform best under possible interest rate and credit scenarios. The investment team then compares investment opportunities and the portfolio is assembled from the best values.

DS/PN/JLC/mn



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# Economic and Market Update

June 2022 Report



### Commentary

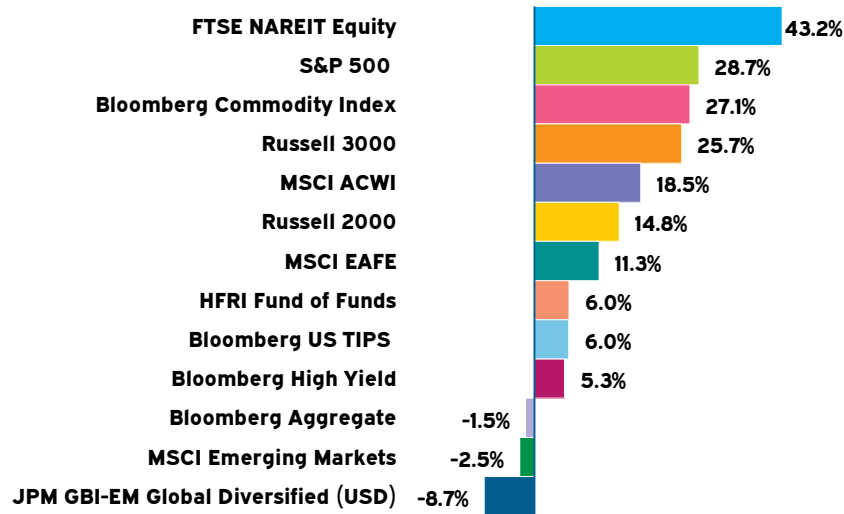
→ Global markets resumed their sell-off in June as inflation surged in the US and Europe.

- In response, the US Federal Reserve increased interest rates 75 basis points (above prior expectations). Markets also repriced the growth outlook downward.
- All major equity indices suffered steep declines in June. Emerging markets proved slightly more resilient than developed markets on a partial re-opening in China from pandemic related lockdowns.
- In a reversal of the prior trend growth stocks outperformed value stocks in June.
- The global bond selloff resumed, as inflation fears, and policy expectations weighed on all major bond markets.

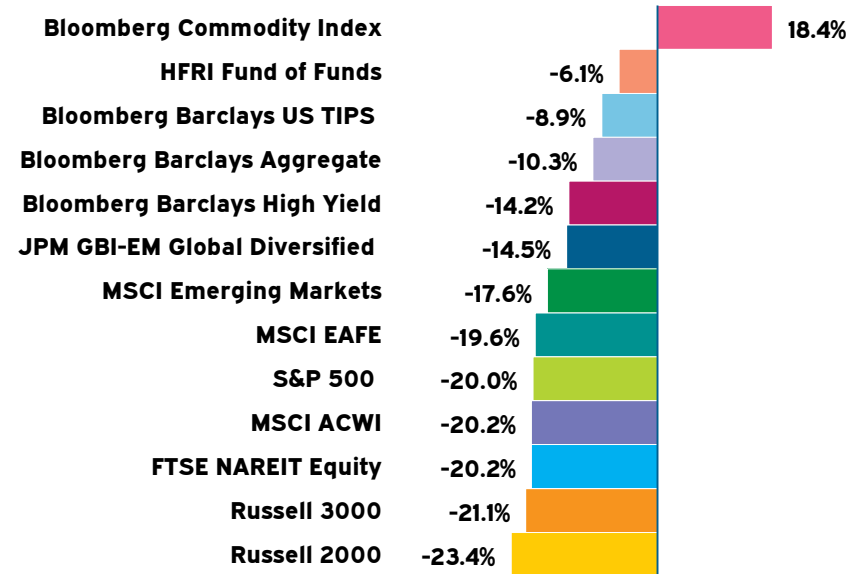
→ Persistently high inflation and the expected policy response, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China will all have considerable economic and financial consequences for the global economy.

### Index Returns<sup>1</sup>

#### 2021



#### 2022 Through June



→ Outside of emerging markets and the broad US investment grade bond market (Bloomberg Aggregate), most asset classes appreciated in 2021.

→ In June all major asset classes posted negative returns on renewed inflation and economic growth fears, with equities experiencing the largest declines.

<sup>1</sup> Source: Bloomberg and FactSet. Data is as of June 30, 2022.

### Domestic Equity Returns<sup>1</sup>

Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-8.3	-16.1	-20.0	-10.6	10.6	11.3	12.9
Russell 3000	-8.4	-16.7	-21.1	-13.9	9.8	10.6	12.6
Russell 1000	-8.4	-16.7	-20.9	-13.0	10.2	11.0	12.8
Russell 1000 Growth	-7.9	-20.9	-28.1	-18.8	12.6	14.3	14.8
Russell 1000 Value	-8.7	-12.2	-12.9	-6.8	6.9	7.2	10.5
Russell MidCap	-10.0	-16.8	-21.6	-17.3	6.6	8.0	11.3
Russell MidCap Growth	-7.5	-21.1	-31.0	-29.6	4.3	8.9	11.5
Russell MidCap Value	-11.0	-14.7	-16.2	-10.0	6.7	6.3	10.6
Russell 2000	-8.2	-17.2	-23.4	-25.2	4.2	5.2	9.4
Russell 2000 Growth	-6.2	-19.3	-29.5	-33.4	1.4	4.8	9.3
Russell 2000 Value	-9.9	-15.3	-17.3	-16.3	6.2	4.9	9.0

#### US Equities: Russell 3000 Index declined 8.3%, and growth indices outperformed value in June.

- US stocks experienced steep losses for the month, led by the energy and materials sectors.
- Growth indices outperformed their value counterparts for the month but remain well behind for the year-to-date period.
- Small company stocks slightly outperformed large company stocks in June but remain behind their larger peers year-to-date.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2022.

### Foreign Equity Returns<sup>1</sup>

Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-8.6	-13.7	-18.4	-19.4	1.3	2.5	4.8
MSCI EAFE	-9.3	-14.5	-19.6	-17.8	1.1	2.2	5.4
MSCI EAFE (Local Currency)	-6.3	-7.8	-11.3	-6.6	4.4	4.3	8.3
MSCI EAFE Small Cap	-11.0	-17.7	-24.7	-24.0	1.1	1.7	7.2
MSCI Emerging Markets	-6.6	-11.5	-17.6	-25.3	0.6	2.2	3.1
MSCI Emerging Markets (Local Currency)	-4.6	-8.1	-13.7	-20.2	3.3	4.4	6.0
MSCI China	6.6	3.4	-11.3	-31.8	-0.6	2.1	5.5

#### International Equities (MSCI EAFE) declined 9.3% and Emerging Markets (MSCI EM) declined 6.6% in June.

- Non-US developed market stocks slightly trailed the US for the month, while emerging markets stocks had better results due to China gaining 6.6%. Both remain notably negative for the year-to-date period, but ahead of the US.
- The war in Ukraine, high inflation and the likely monetary policy response, and slowing growth continue to weigh on sentiment.
- As in the US, growth stocks outperformed value stocks across developed and emerging markets.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2022.

### Fixed Income Returns<sup>1</sup>

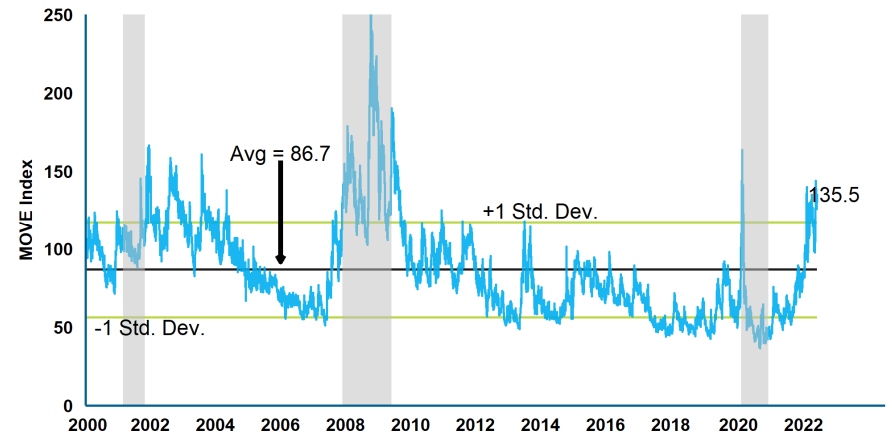
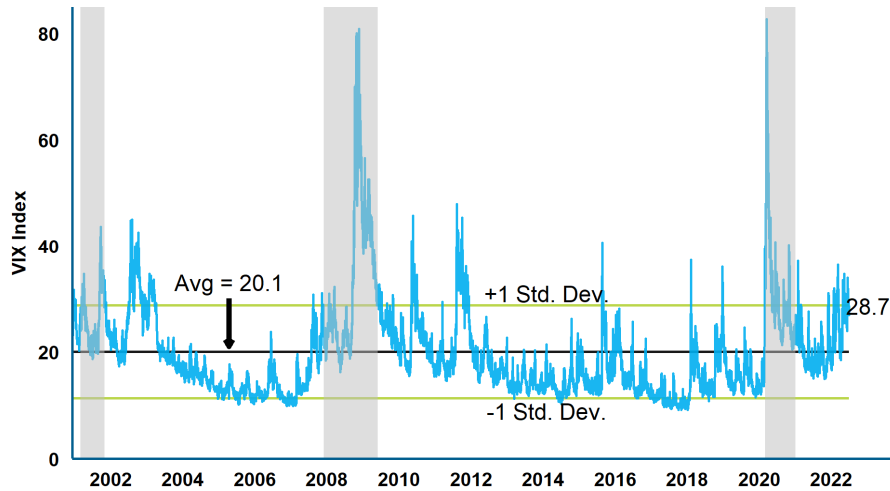
Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-2.0	-5.1	-10.9	-10.9	-0.9	0.9	1.8	4.2	6.4
Bloomberg Aggregate	-1.6	-4.7	-10.3	-10.3	-0.9	0.9	1.5	3.7	6.6
Bloomberg US TIPS	-3.2	-6.1	-8.9	-5.1	3.0	3.2	1.7	3.4	7.0
Bloomberg High Yield	-6.7	-9.8	-14.2	-12.8	0.2	2.1	4.5	8.9	4.8
JPM GBI-EM Global Diversified (USD)	-4.5	-8.6	-14.5	-19.3	-5.8	-2.3	-1.5	7.4	4.9

#### Fixed Income: The Bloomberg Universal declined 2.0% in June.

- The above expectations CPI print led to renewed inflation fears driving interest rates higher and weighing on the broad US investment grade bond market (Bloomberg Aggregate).
- Despite the above expectation CPI prints, breakeven inflation rates have continued to move down driven by the decline in nominal rates. The nominal 10-year Treasury yield peaked at 3.47% before declining to 3.01% by month-end, while the 2-year Treasury yield declined from 3.43% to 2.95%.
- US credit spreads widened, particularly for high yield debt, leading to it having the worst results among bonds for the month.
- Emerging market debt also declined for the month.

<sup>1</sup> Source: Bloomberg. JPM GBI-EM is from InvestorForce. Data is as of June 30, 2022.

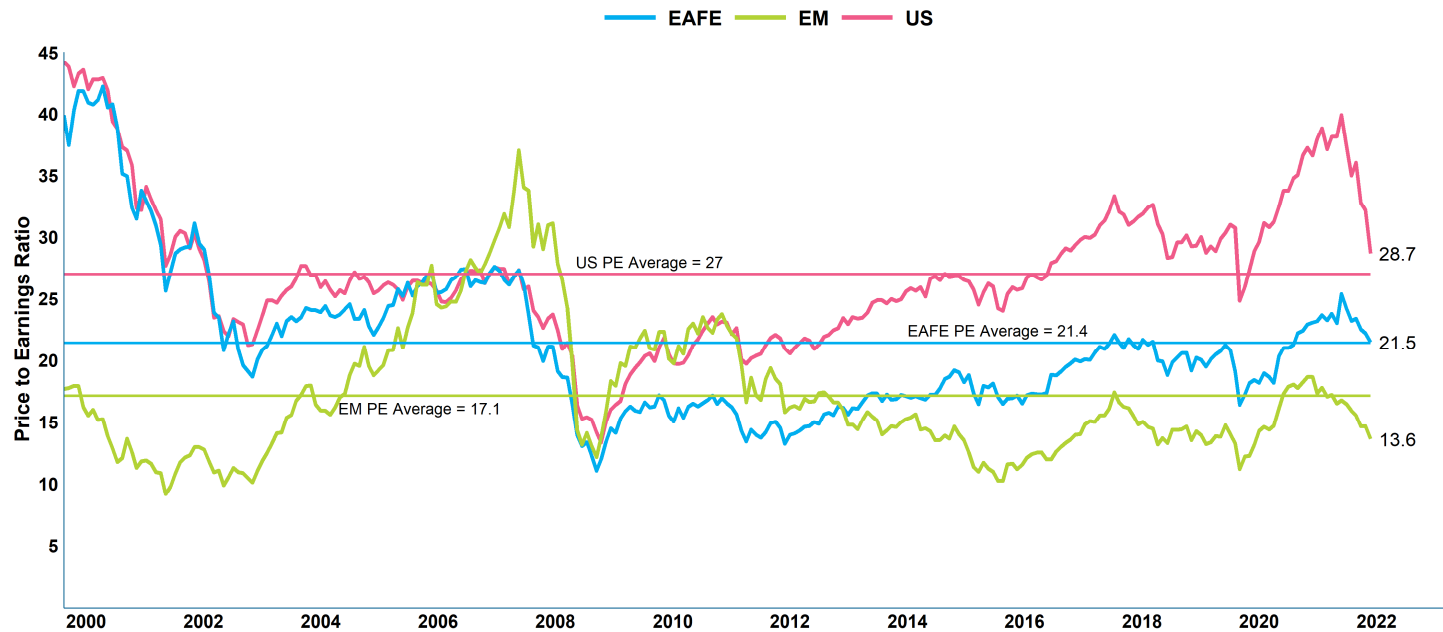
**Equity and Fixed Income Volatility<sup>1</sup>**



- Volatility in equities (VIX) and fixed income (MOVE) rose in June on renewed inflation fears and on building signs of weakness in economic growth.
- Fixed income volatility remains particularly high due to the uncertain path of short-term interest rates.

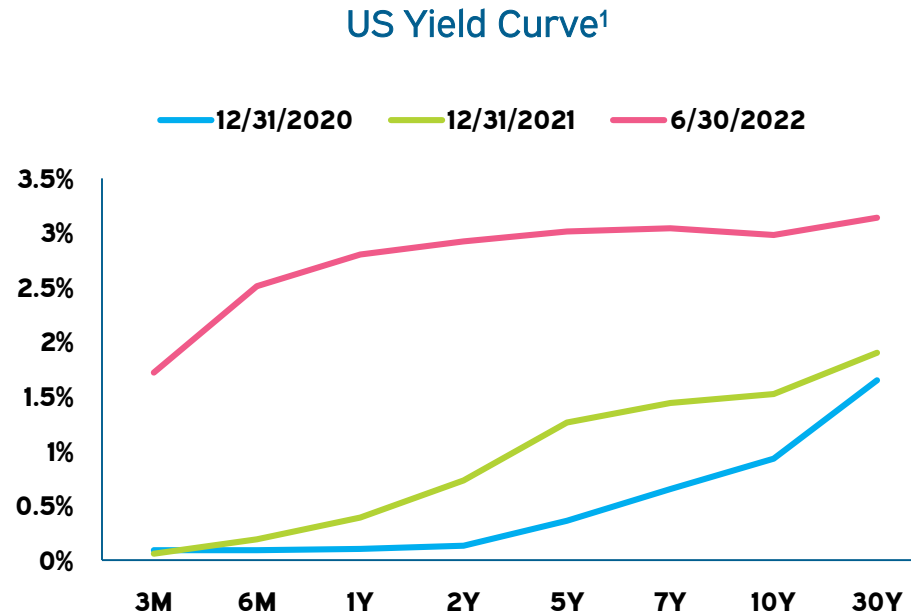
<sup>1</sup> Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of June 2022. The average line indicated is the average of the VIX and MOVE values between January 2000 and the recent month-end respectively.

**Equity Cyclically Adjusted P/E Ratios<sup>1</sup>**



- The steep decline in June in US equities pushed valuations lower, approaching the level of the long-term (post-2000) average.
- International developed market valuations remain below the US and are slightly above their own long-term average, with those for emerging markets the lowest and under the long-term average.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of June 30, 2022. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.

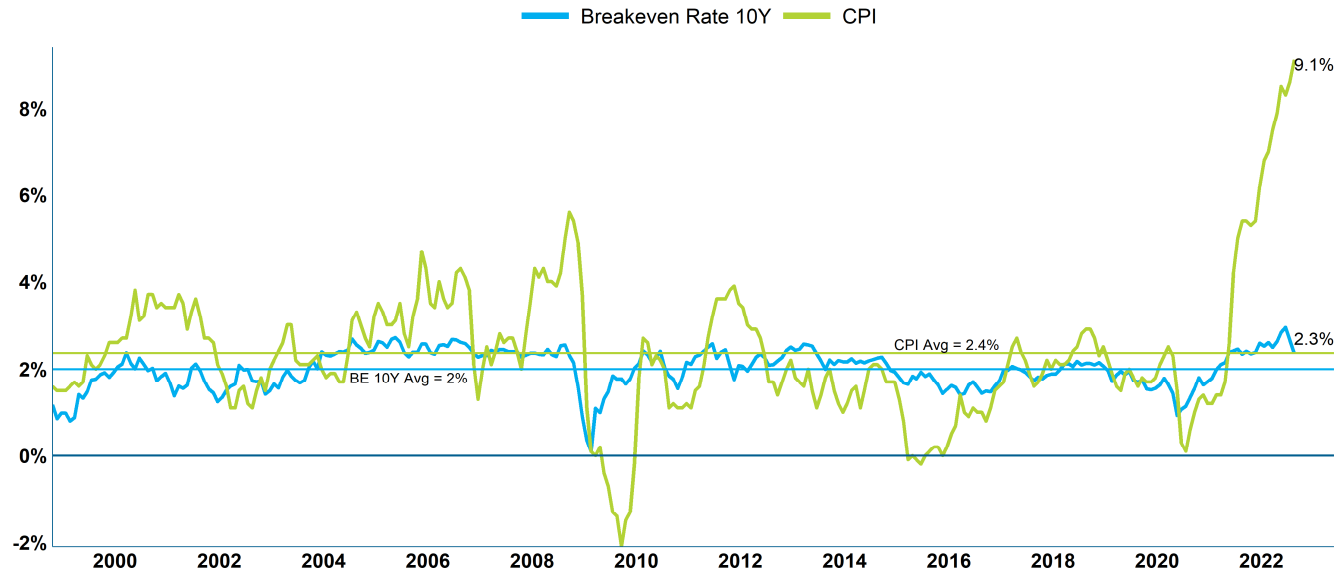


- Rates across the yield curve remain much higher than at the start of the year.
- In June, rates rose across maturities (particularly short-dated), as markets continue to reflect elevated inflation and rate expectations.
- The curve continued to flatten in June with the spread between two-year and ten-year Treasuries falling from 30 basis points at the end of May to just 5 basis points by the end of June.
- Since month-end, the spread between two-year and ten-year Treasuries became negative which historically has often signaled a coming recession.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2022.



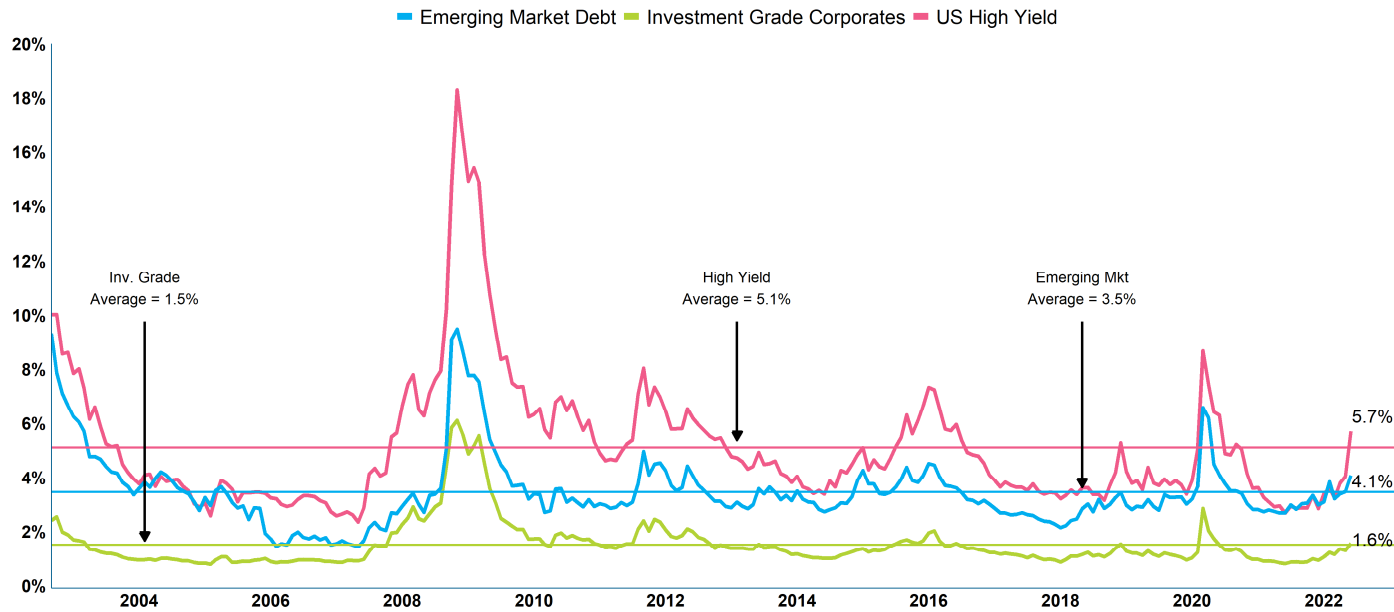
**Ten-Year Breakeven Inflation and CPI<sup>1</sup>**



- Inflation expectations (breakevens) fell further in June on declining growth expectations and anticipated tighter monetary policy.
- Trailing twelve-month CPI rose in June (9.1% versus 8.6%) and notably came in above expectations. Inflation levels in the US remain well above the long-term average of 2.4%.
- Rising prices for energy (particularly oil), food, housing, and for new and used cars, remain key drivers of higher inflation.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2022. The CPI and 10 Year Breakeven average lines denote the average values from August 1998 to the present month-end respectively. Breakeven values represent month-end values for comparative purposes.

**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**



- Credit spreads (the spread above a comparable maturity Treasury) rose in June with high yield and investment grade corporate bonds breaking above their long-run averages.
- In the US, spreads for high yield significantly increased from 4.0% to 5.7% in the risk-off environment, while investment grade spreads experienced a more modest increase (1.3% to 1.6%). Emerging market spreads also rose (3.5% to 4.1% during the month) but finished much lower than US high yield spreads.

<sup>1</sup> Sources: Bloomberg. Data is as of June 30, 2022. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end respectively.

### Global Economic Outlook

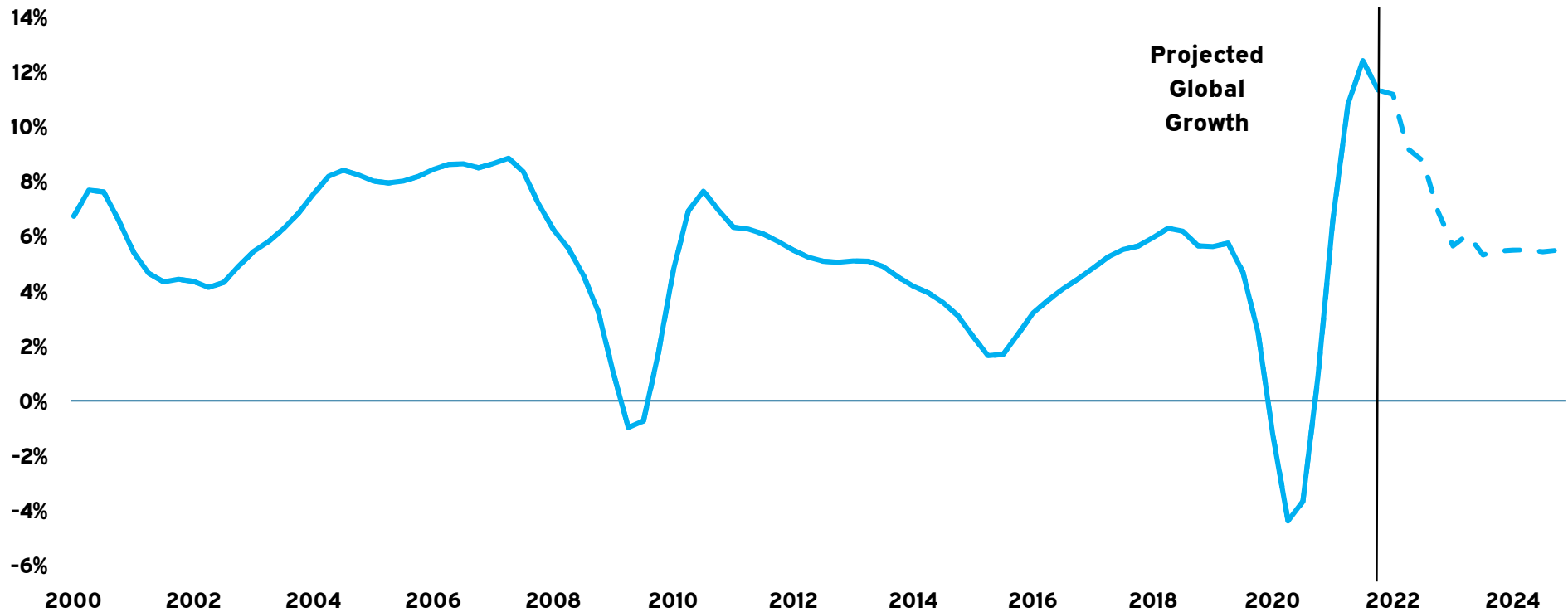
The IMF significantly lowered global growth forecasts in their latest projections, driven by the economic impacts of the war in Ukraine.

- The IMF forecasts final global GDP growth to come in at 6.1% in 2021 and 3.6% in 2022 (0.8% below the prior 2022 estimate), both still above the past ten-year 3.0% average.
- In advanced economies, GDP is projected to increase 3.3% in 2022 and 2.4% in 2023. The US has limited economic ties with Russia but saw another downgrade in the 2022 growth forecast (3.7% versus 4.0%) largely due to policy tightening happening faster than previously expected. The euro area saw a significant downgrade in expected growth (2.8% versus 3.9%) in 2022 as rising energy prices particularly weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 2.4% this year.
- Growth projections for emerging markets are higher than developed markets, at 3.8% in 2022 and 4.4% in 2023. China's growth was downgraded (4.4% versus 4.8%) for 2022 given tight COVID-19 restrictions and continued property sector problems.
- The global inflation forecast was significantly increased for 2022 (7.4% versus 3.8%).

	Real GDP (%) <sup>1</sup>			Inflation (%) <sup>1</sup>		
	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average
World	3.6	3.6	3.0	7.4	4.8	3.5
Advanced Economies	3.3	2.4	1.6	5.7	2.5	1.5
US	3.7	2.3	2.1	7.7	2.9	1.9
Euro Area	2.8	2.3	0.9	5.3	2.3	1.2
Japan	2.4	2.3	0.5	1.0	0.8	0.5
Emerging Economies	3.8	4.4	4.2	8.7	6.5	5.1
China	4.4	5.1	6.7	2.1	1.8	2.1

<sup>1</sup> Source: IMF World Economic Outlook. Real GDP forecasts from April WEO Update. Inflation forecasts are as of the April 2022 Update. "Actual 10 Year Average" represents data from 2012 to 2021.

### Global Nominal Gross Domestic Product (GDP) Growth<sup>1</sup>

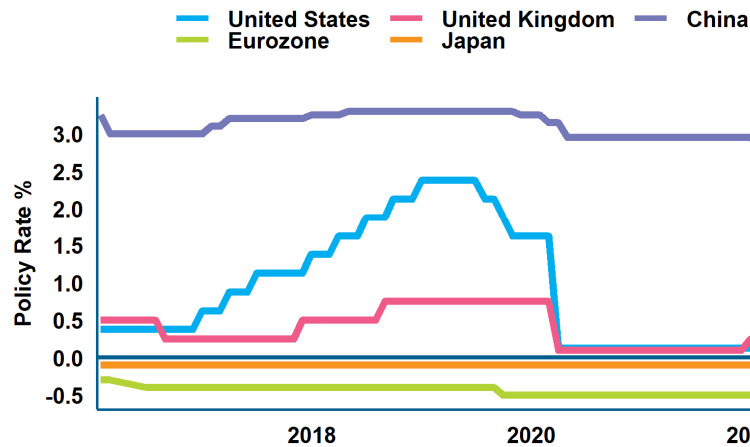


- Global economies are expected to slow in 2022 compared to 2021 with fears of potential recessions in areas increasing recently given persistently high inflation and related tighter monetary policy.
- Looking forward, the delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

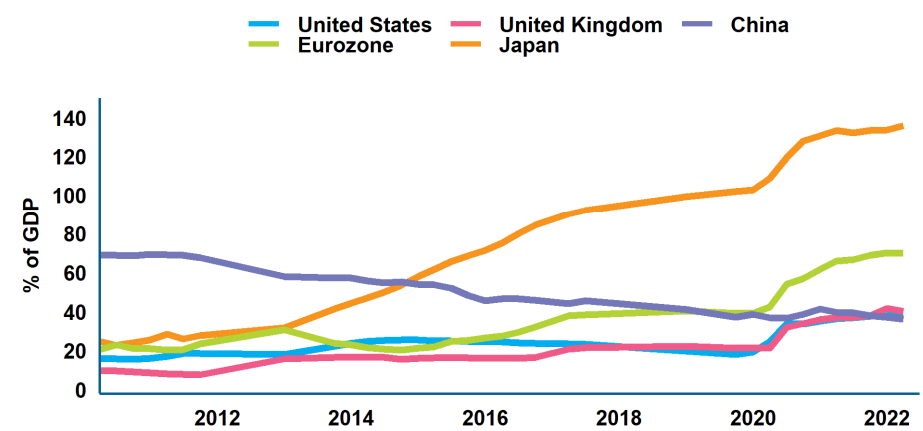
<sup>1</sup> Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY). Updated June 2022.

### Central Bank Response<sup>1</sup>

#### Policy Rates



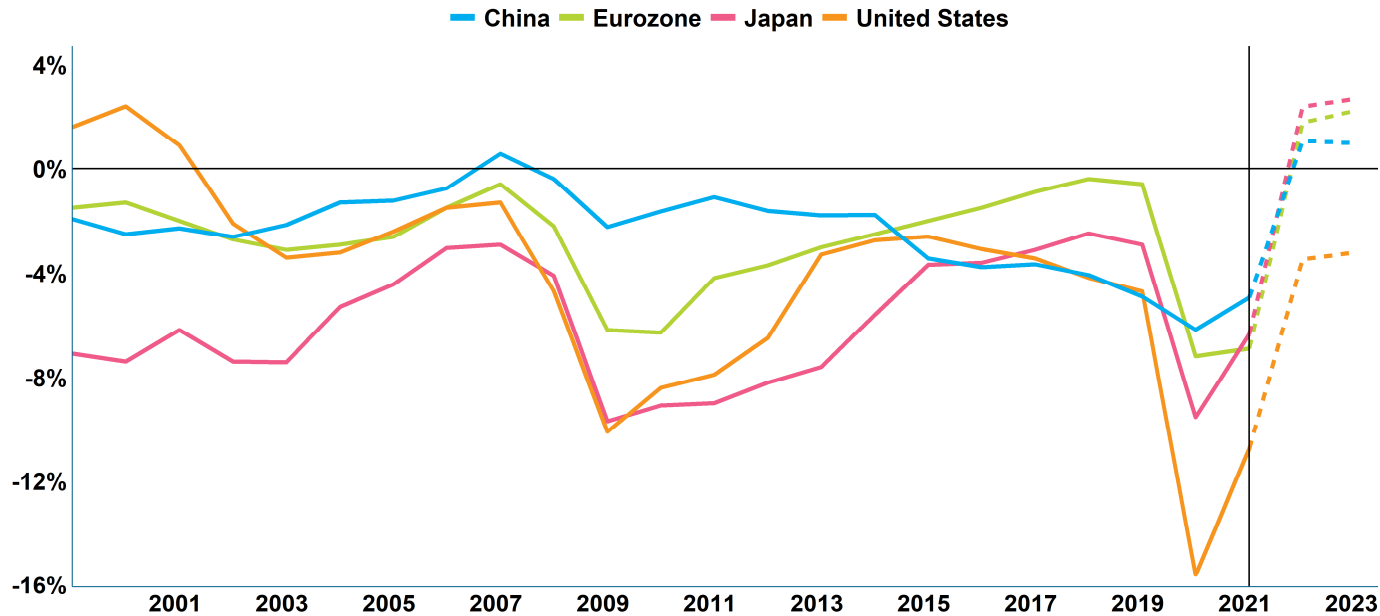
#### Balance Sheet as % of GDP



- After global central banks took extraordinary action to support economies during the pandemic, including policy rate cuts and emergency stimulus through quantitative easing (QE), many are reducing or considering reducing support, in the face of high inflation.
- The pace of withdrawing support will likely vary across central banks with the US expected to take a more aggressive approach. The risk remains for a policy error, particularly overtightening, as record inflation, the war in Ukraine, and a tough COVID-19 policy in China could suppress global growth.
- The one notable central bank outlier is China, where the central bank recently lowered rates and reserve requirements in response to slowing growth.

<sup>1</sup> Source: Bloomberg. Policy rate data is as of June 30, 2022. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of June 30, 2022.

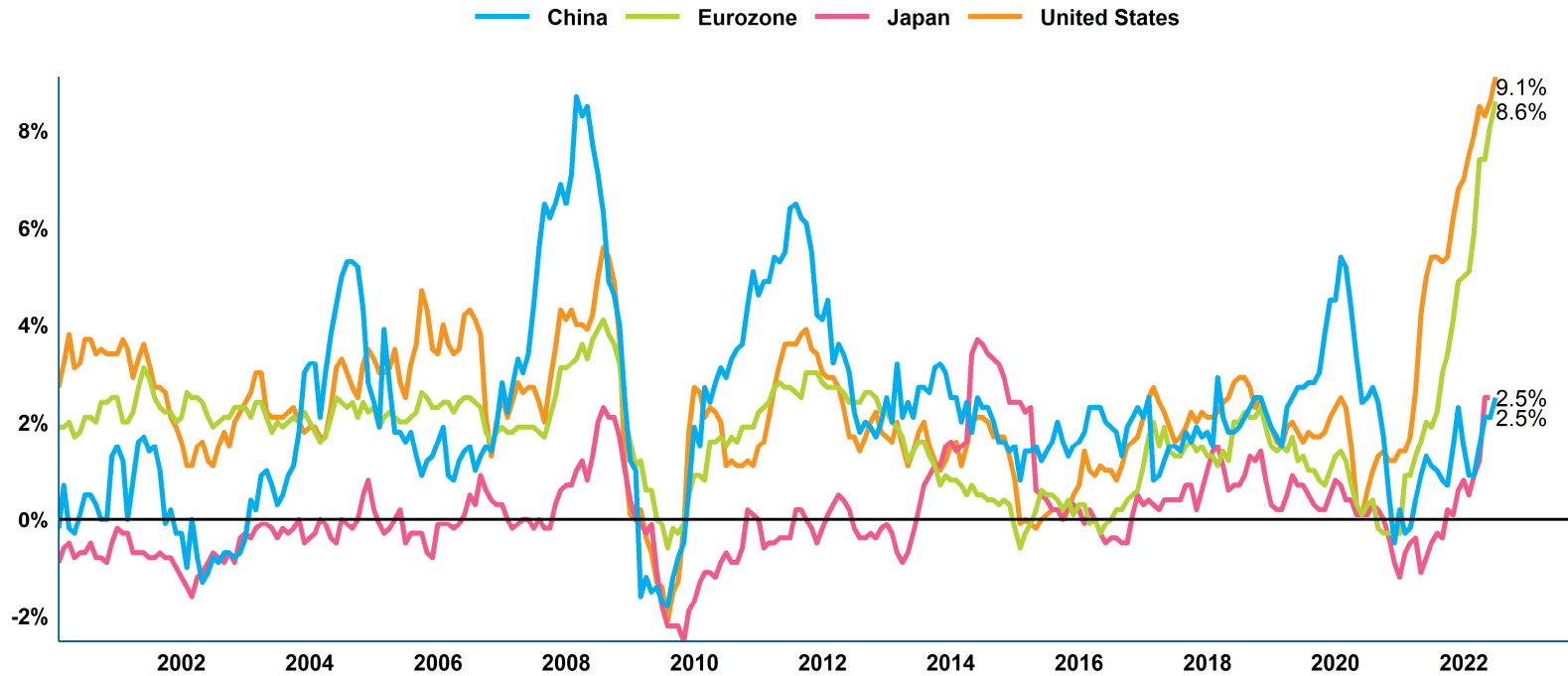
**Budget Surplus / Deficit as a Percentage of GDP<sup>1</sup>**



- Budget deficits as a percentage of GDP drastically increased for major world economies, particularly the US, due to massive fiscal support and the severe economic contraction's effect on tax revenue in 2020 and 2021.
- As fiscal stimulus programs end, and economic recoveries continue, deficits should improve in the coming years.

<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2022. Projections via IMF Forecasts from April 2022 Report. Dotted lines represent 2022 and 2023 forecasts.

**Inflation (CPI Trailing Twelve Months)<sup>1</sup>**

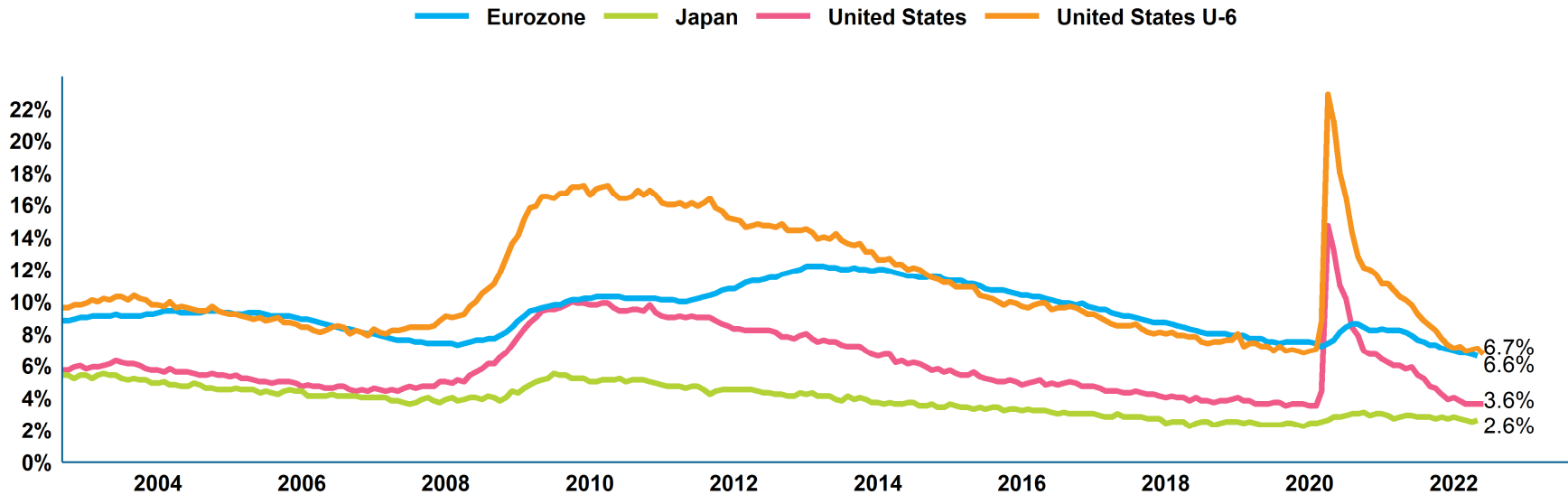


→ Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it has reached levels not seen in many decades.

→ Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher prices in many commodities driven by the war in Ukraine have been key drivers of inflation globally.

<sup>1</sup> Source: Bloomberg. Data is as of June 2022, except for Japan, where the most recent data available is as of May 31, 2022.

### Unemployment<sup>1</sup>

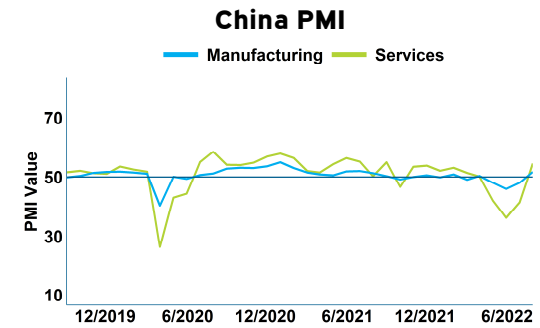
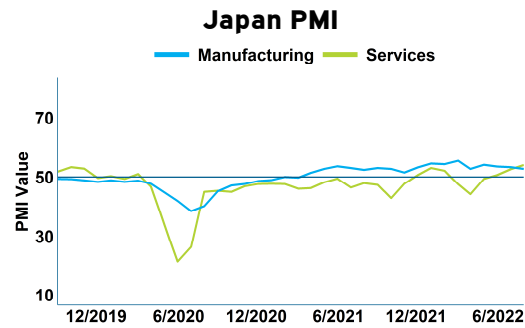
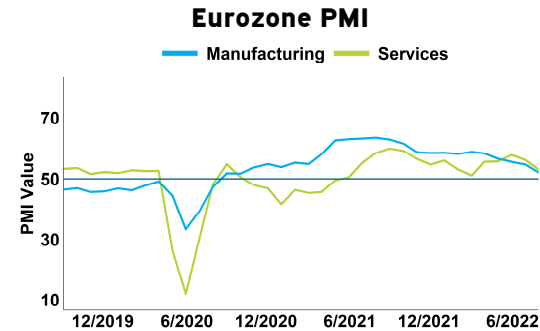
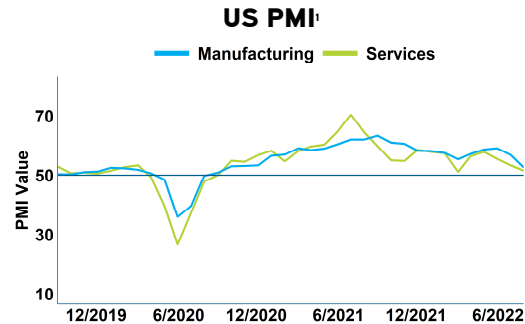


- As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market.
- US unemployment, which experienced the steepest rise from the pandemic, declined back to pre-pandemic levels. The broader measure (U-6) that includes discouraged and underemployed workers declined but is much higher at 6.7%.

<sup>1</sup> Source: Bloomberg. Data is as of June 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of May 31, 2022.



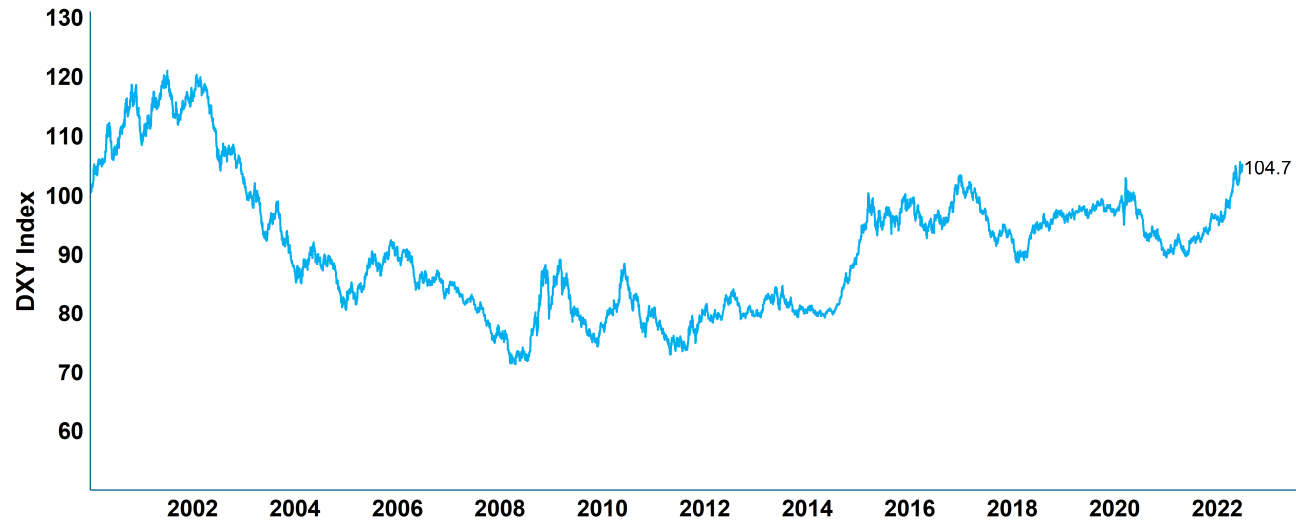
### Global PMIs



- After improvements from the lows of the pandemic, Purchasing Managers Indices (PMI), based on surveys of private sector companies, have experienced some pressures recently.
- Service sector PMIs in the US and Europe have recently declined due to higher prices and supply issues, while they continue to improve in Japan as pandemic restrictions ease. In China the services PMI surged to expansion territory on an easing in lockdown measures.
- Manufacturing PMIs are in expansion territory as pandemic-related production issues ease and orders increase. China also moved to expansion levels here on partial reopening.

<sup>1</sup> Source: Bloomberg. US Markit Services and Manufacturing PMI, Caixin Services and Manufacturing PMI, Eurozone Markit Services and Manufacturing PMI, Jibun Bank Services and Manufacturing PMI. Data is as of June 2022. Readings below 50 represent economic contractions.

US Dollar versus Broad Currencies<sup>1</sup>



- The US dollar continued higher in June on safe-haven flows, relatively strong growth, and higher interest rates.
- The euro, yen, and yuan have all experienced significant declines versus the dollar, adding to inflation and slowing growth concerns.

<sup>1</sup> Source: Bloomberg. Data as of June 30, 2022.

## Summary

### Key Trends in 2022:

- The impacts of record high inflation will remain key going forward, with volatility likely to remain high.
- The war in Ukraine has created significant uncertainty, with a wide range of potential outcomes.
- Expect growth to slow globally in 2022 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- The end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices will depress consumers' spending in other areas.
- Monetary policy will likely tighten globally but will remain relatively accommodative. The risk of overtightening policy remains.
- Valuations have significantly declined in the US, approaching long-term averages.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but risks remain, including continued strength in the US dollar, higher inflation particularly weighing on Europe, and China maintaining its restrictive COVID-19 policies.

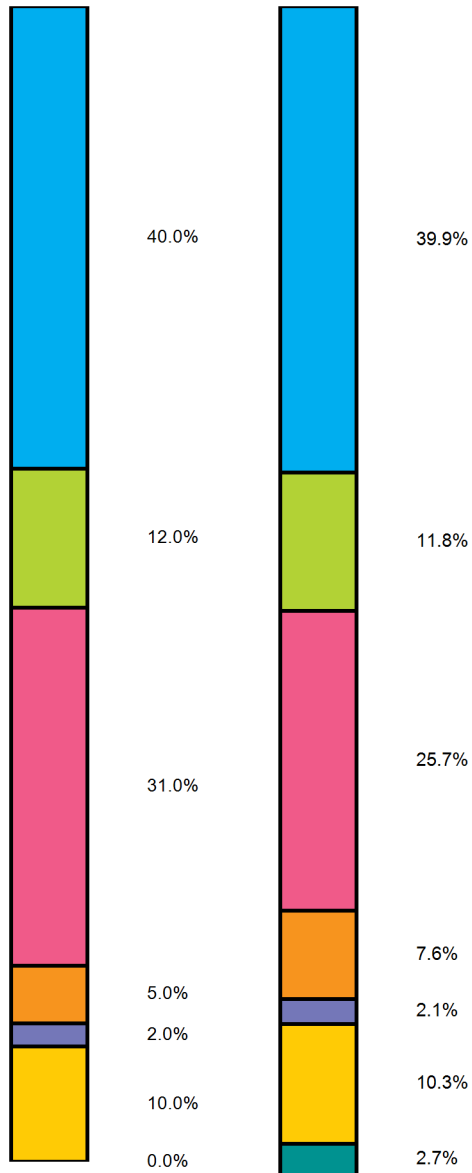
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# Oakland Police and Fire Retirement System

July 27, 2022

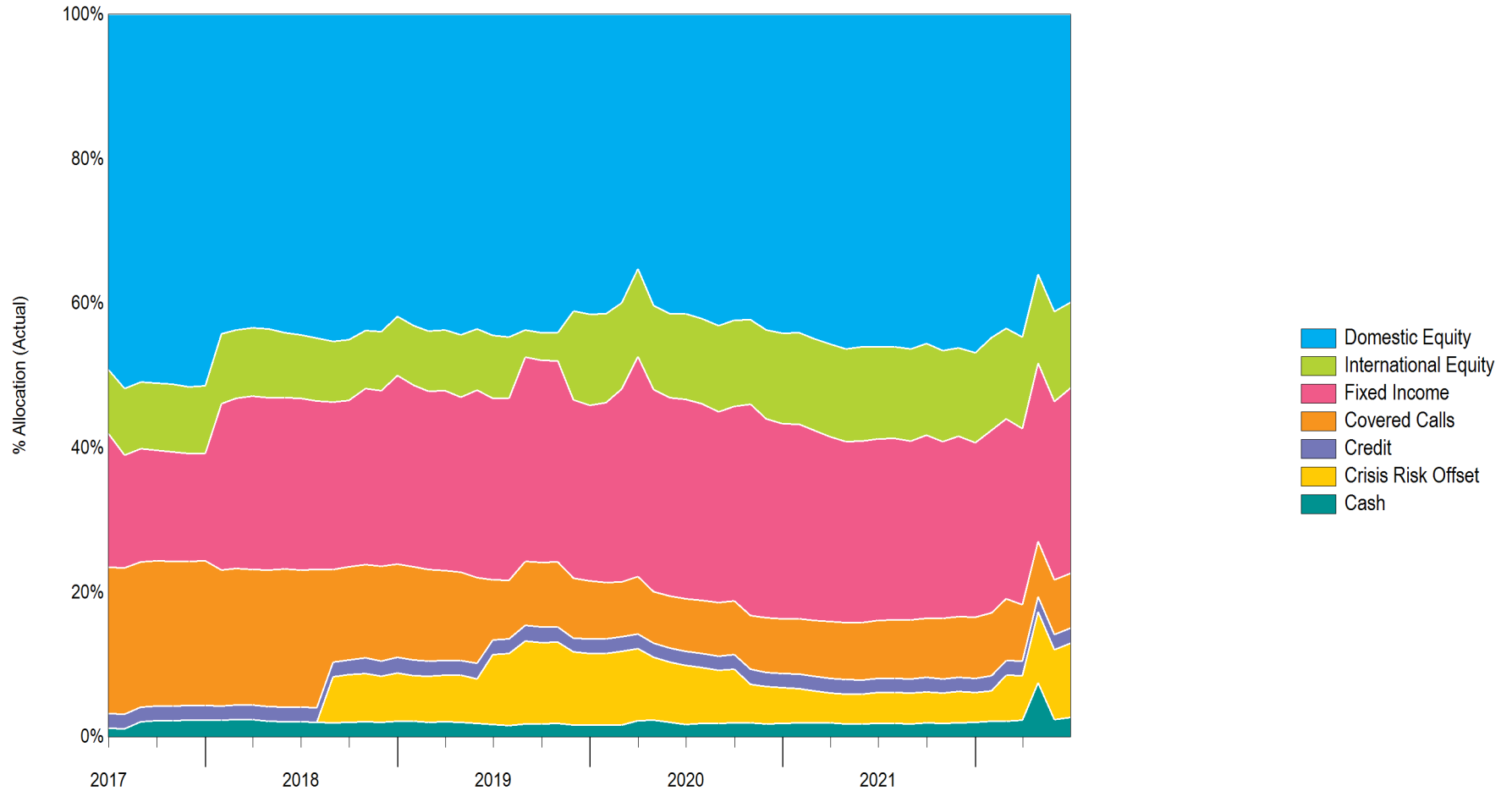
June Flash Report

As of June 30, 2022



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Within IPS Range?	
Domestic Equity	\$161,985,633	39.9%	40.0%	-0.1%	Yes	
International Equity	\$48,096,109	11.8%	12.0%	-0.2%	Yes	
Fixed Income	\$104,276,150	25.7%	31.0%	-5.3%	Yes	
Covered Calls	\$30,762,608	7.6%	5.0%	2.6%	Yes	
Credit	\$8,503,509	2.1%	2.0%	0.1%	Yes	
Crisis Risk Offset	\$41,757,183	10.3%	10.0%	0.3%	Yes	
Cash	\$10,926,919	2.7%	0.0%	2.7%	Yes	
<b>Total</b>	<b>\$406,308,110</b>	<b>100.0%</b>	<b>100.0%</b>			

Asset Allocation History  
5 Years Ending June 30, 2022



As of June 30, 2022

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>OPFRS Total Plan</b>	<b>405,892,468</b>	<b>100.0</b>	<b>-5.4</b>	<b>-10.8</b>	<b>-15.3</b>	<b>-10.8</b>	<b>4.0</b>	<b>5.6</b>	<b>10.5</b>	<b>0.8</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			<i>-5.5</i>	<i>-11.9</i>	<i>-15.5</i>	<i>-11.9</i>	<i>4.1</i>	<i>5.4</i>	<i>6.8</i>	<i>7.8</i>	<i>Dec-88</i>
<b>Domestic Equity</b>	<b>161,985,633</b>	<b>39.9</b>	<b>-7.8</b>	<b>-11.9</b>	<b>-19.3</b>	<b>-11.9</b>	<b>9.1</b>	<b>10.0</b>	<b>9.7</b>	<b>1.4</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			<i>-8.4</i>	<i>-13.9</i>	<i>-21.1</i>	<i>-13.9</i>	<i>9.8</i>	<i>10.6</i>	<i>12.6</i>	<i>8.8</i>	<i>Jun-97</i>
<b>International Equity</b>	<b>48,096,109</b>	<b>11.8</b>	<b>-9.9</b>	<b>-17.9</b>	<b>-19.2</b>	<b>-17.9</b>	<b>1.3</b>	<b>2.7</b>	<b>5.6</b>	<b>-9.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			<i>-8.6</i>	<i>-19.4</i>	<i>-18.4</i>	<i>-19.4</i>	<i>1.4</i>	<i>2.5</i>	<i>4.8</i>	<i>4.7</i>	<i>Jan-98</i>
<b>Fixed Income</b>	<b>104,276,150</b>	<b>25.7</b>	<b>-1.5</b>	<b>-10.5</b>	<b>-10.6</b>	<b>-10.5</b>	<b>-0.7</b>	<b>1.3</b>	<b>2.2</b>	<b>4.8</b>	<b>Dec-93</b>
<i>Bloomberg Universal (Blend)</i>			<i>-2.0</i>	<i>-10.9</i>	<i>-10.9</i>	<i>-10.9</i>	<i>-0.9</i>	<i>0.9</i>	<i>1.8</i>	<i>4.7</i>	<i>Dec-93</i>
<b>Credit</b>	<b>8,503,509</b>	<b>2.1</b>	<b>-4.7</b>	<b>-7.3</b>	<b>-9.3</b>	<b>-7.3</b>	<b>2.1</b>	<b>2.8</b>	<b>--</b>	<b>4.1</b>	<b>Feb-15</b>
<i>Bloomberg US High Yield TR</i>			<i>-6.7</i>	<i>-12.8</i>	<i>-14.2</i>	<i>-12.8</i>	<i>0.2</i>	<i>2.1</i>	<i>4.5</i>	<i>3.5</i>	<i>Feb-15</i>
<b>Covered Calls</b>	<b>30,762,608</b>	<b>7.6</b>	<b>-6.0</b>	<b>-6.0</b>	<b>-14.5</b>	<b>-6.0</b>	<b>8.5</b>	<b>8.0</b>	<b>--</b>	<b>8.1</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 BuyWrite USD</i>			<i>-2.9</i>	<i>-2.6</i>	<i>-10.2</i>	<i>-2.6</i>	<i>3.6</i>	<i>4.2</i>	<i>6.0</i>	<i>5.3</i>	<i>Apr-14</i>
<b>Crisis Risk Offset</b>	<b>41,341,541</b>	<b>10.2</b>	<b>-0.6</b>	<b>-9.7</b>	<b>-11.5</b>	<b>-9.7</b>	<b>-11.9</b>	<b>--</b>	<b>--</b>	<b>-10.1</b>	<b>Aug-18</b>
<i>SG Multi Alternative Risk Premia Index</i>			<i>-1.7</i>	<i>3.9</i>	<i>2.3</i>	<i>3.9</i>	<i>-1.8</i>	<i>--</i>	<i>--</i>	<i>-1.2</i>	<i>Aug-18</i>

Fiscal year begins on July 1. Cash account market value includes cash balances held in ETF accounts at the custodian and residuals from terminated managers.



As of June 30, 2022

Trailing Net Performance											
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>OPFRS Total Plan</b>	<b>405,892,468</b>	<b>100.0</b>	<b>--</b>	<b>-5.4</b>	<b>-15.3</b>	<b>-10.8</b>	<b>4.0</b>	<b>5.6</b>	<b>10.5</b>	<b>0.8</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>				<i>-5.5</i>	<i>-15.5</i>	<i>-11.9</i>	<i>4.1</i>	<i>5.4</i>	<i>6.8</i>	<i>7.8</i>	<i>Dec-88</i>
<b>Domestic Equity</b>	<b>161,985,633</b>	<b>39.9</b>	<b>39.9</b>	<b>-7.8</b>	<b>-19.3</b>	<b>-11.9</b>	<b>9.1</b>	<b>10.0</b>	<b>9.7</b>	<b>1.4</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>				<i>-8.4</i>	<i>-21.1</i>	<i>-13.9</i>	<i>9.8</i>	<i>10.6</i>	<i>12.6</i>	<i>8.8</i>	<i>Jun-97</i>
Northern Trust Russell 1000	74,995,609	18.5	46.3	-8.4	-21.2	-13.3	10.0	10.9	12.7	12.8	Jun-10
<i>Russell 1000</i>				<i>-8.4</i>	<i>-20.9</i>	<i>-13.0</i>	<i>10.2</i>	<i>11.0</i>	<i>12.8</i>	<i>12.9</i>	<i>Jun-10</i>
Wellington Select Quality Equity	20,739,219	5.1	12.8	-5.6	--	--	--	--	--	-5.8	May-22
<i>Russell 1000</i>				<i>-8.4</i>	<i>-20.9</i>	<i>-13.0</i>	<i>10.2</i>	<i>11.0</i>	<i>12.8</i>	<i>-8.5</i>	<i>May-22</i>
EARNEST Partners	42,887,126	10.6	26.5	-8.6	-17.0	-8.9	10.6	11.4	13.1	9.2	Apr-06
<i>Russell MidCap</i>				<i>-10.0</i>	<i>-21.6</i>	<i>-17.3</i>	<i>6.6</i>	<i>8.0</i>	<i>11.3</i>	<i>8.2</i>	<i>Apr-06</i>
Brown Fundamental Small Cap Value	9,915,053	2.4	6.1	-8.0	-16.2	-10.6	--	--	--	-6.3	Apr-21
<i>Russell 2000 Value</i>				<i>-9.9</i>	<i>-17.3</i>	<i>-16.3</i>	<i>6.2</i>	<i>4.9</i>	<i>9.1</i>	<i>-10.1</i>	<i>Apr-21</i>
Rice Hall James	13,448,626	3.3	8.3	-4.3	-23.3	-22.0	4.3	--	--	5.9	Jul-17
<i>Russell 2000 Growth</i>				<i>-6.2</i>	<i>-29.5</i>	<i>-33.4</i>	<i>1.4</i>	<i>4.8</i>	<i>9.3</i>	<i>4.8</i>	<i>Jul-17</i>
<b>International Equity</b>	<b>48,096,109</b>	<b>11.8</b>	<b>11.8</b>	<b>-9.9</b>	<b>-19.2</b>	<b>-17.9</b>	<b>1.3</b>	<b>2.7</b>	<b>5.6</b>	<b>-9.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>				<i>-8.6</i>	<i>-18.4</i>	<i>-19.4</i>	<i>1.4</i>	<i>2.5</i>	<i>4.8</i>	<i>4.7</i>	<i>Jan-98</i>
Vanguard Developed Markets ETF	13,662,492	3.4	28.4	-9.2	-18.9	-18.1	--	--	--	3.8	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				<i>-9.9</i>	<i>-19.5</i>	<i>-18.3</i>	<i>2.2</i>	<i>2.9</i>	<i>5.9</i>	<i>3.8</i>	<i>Sep-19</i>
SGA ACWI ex-U.S. Equity	34,433,617	8.5	71.6	-10.1	-19.1	-17.7	--	--	--	-1.7	Dec-19
<i>MSCI ACWI ex USA</i>				<i>-8.6</i>	<i>-18.4</i>	<i>-19.4</i>	<i>1.4</i>	<i>2.5</i>	<i>4.8</i>	<i>0.6</i>	<i>Dec-19</i>

Performance shown is net-of-fees and time-weighted using the Modified Dietz methodology. Fiscal year starts July 1. Since inception date and performance begin in the full calendar month following an investment's initial funding.

As of June 30, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Fixed Income</b>	<b>104,276,150</b>	<b>25.7</b>	<b>25.7</b>	<b>-1.5</b>	<b>-10.6</b>	<b>-10.5</b>	<b>-0.7</b>	<b>1.3</b>	<b>2.2</b>	<b>4.8</b>	<b>Dec-93</b>
<i>Bloomberg Universal (Blend)</i>				<i>-2.0</i>	<i>-10.9</i>	<i>-10.9</i>	<i>-0.9</i>	<i>0.9</i>	<i>1.8</i>	<i>4.7</i>	<i>Dec-93</i>
Ramirez	71,026,933	17.5	68.1	-1.2	-10.6	-10.5	-0.8	1.3	--	1.6	Jan-17
<i>Bloomberg US Aggregate TR</i>				<i>-1.6</i>	<i>-10.3</i>	<i>-10.3</i>	<i>-0.9</i>	<i>0.9</i>	<i>1.5</i>	<i>1.2</i>	<i>Jan-17</i>
Wellington Core Bond	6,741,756	1.7	6.5	-2.2	-11.7	-11.8	--	--	--	-8.2	Apr-21
<i>Bloomberg US Aggregate TR</i>				<i>-1.6</i>	<i>-10.3</i>	<i>-10.3</i>	<i>-0.9</i>	<i>0.9</i>	<i>1.5</i>	<i>-7.0</i>	<i>Apr-21</i>
Reams	26,507,460	6.5	25.4	-2.0	-10.4	-10.1	2.7	3.2	2.9	5.0	Feb-98
<i>Bloomberg Universal (Blend)</i>				<i>-2.0</i>	<i>-10.9</i>	<i>-10.9</i>	<i>-0.9</i>	<i>0.9</i>	<i>1.8</i>	<i>4.3</i>	<i>Feb-98</i>
<b>Credit</b>	<b>8,503,509</b>	<b>2.1</b>	<b>2.1</b>	<b>-4.7</b>	<b>-9.3</b>	<b>-7.3</b>	<b>2.1</b>	<b>2.8</b>	<b>--</b>	<b>4.1</b>	<b>Feb-15</b>
<i>Bloomberg US High Yield TR</i>				<i>-6.7</i>	<i>-14.2</i>	<i>-12.8</i>	<i>0.2</i>	<i>2.1</i>	<i>4.5</i>	<i>3.5</i>	<i>Feb-15</i>
Polen Capital	8,503,509	2.1	100.0	-4.7	-9.3	-7.3	2.1	2.8	--	4.1	Feb-15
<i>ICE BofA High Yield Master TR</i>				<i>-6.8</i>	<i>-14.0</i>	<i>-12.7</i>	<i>0.0</i>	<i>2.0</i>	<i>4.4</i>	<i>3.5</i>	<i>Feb-15</i>
<b>Covered Calls</b>	<b>30,762,608</b>	<b>7.6</b>	<b>7.6</b>	<b>-6.0</b>	<b>-14.5</b>	<b>-6.0</b>	<b>8.5</b>	<b>8.0</b>	<b>--</b>	<b>8.1</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-2.9</i>	<i>-10.2</i>	<i>-2.6</i>	<i>3.6</i>	<i>4.2</i>	<i>6.0</i>	<i>5.3</i>	<i>Apr-14</i>
Parametric BXM	15,745,273	3.9	51.2	-4.2	-10.8	-4.1	6.0	5.8	--	6.4	Apr-14
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-2.9</i>	<i>-10.2</i>	<i>-2.6</i>	<i>3.6</i>	<i>4.2</i>	<i>6.0</i>	<i>5.3</i>	<i>Apr-14</i>
Parametric DeltaShift	15,017,334	3.7	48.8	-7.7	-17.9	-8.1	10.4	9.9	--	9.9	Apr-14
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-2.9</i>	<i>-10.2</i>	<i>-2.6</i>	<i>3.6</i>	<i>4.2</i>	<i>6.0</i>	<i>5.3</i>	<i>Apr-14</i>

As of June 30, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Crisis Risk Offset</b>	<b>41,341,541</b>	<b>10.2</b>	<b>10.2</b>	<b>-0.6</b>	<b>-11.5</b>	<b>-9.7</b>	<b>-11.9</b>	<b>--</b>	<b>--</b>	<b>-10.1</b>	<b>Aug-18</b>
<i>SG Multi Alternative Risk Premia Index</i>				<i>-1.7</i>	<i>2.3</i>	<i>3.9</i>	<i>-1.8</i>	<i>--</i>	<i>--</i>	<i>-1.2</i>	<i>Aug-18</i>
Kepos Alternative Risk Premia	9,543,601	2.4	23.1	-3.5	--	--	--	--	--	-4.6	Feb-22
<i>SG Multi Alternative Risk Premia Index</i>				<i>-1.7</i>	<i>2.3</i>	<i>3.9</i>	<i>-1.8</i>	<i>--</i>	<i>--</i>	<i>1.5</i>	<i>Feb-22</i>
Versor Trend Following	16,607,403	4.1	40.2	4.8	--	--	--	--	--	10.7	Apr-22
<i>SG Trend Index</i>				<i>9.6</i>	<i>37.6</i>	<i>39.8</i>	<i>17.5</i>	<i>11.7</i>	<i>6.3</i>	<i>17.0</i>	<i>Apr-22</i>
Vanguard Long-Term Treasury ETF	15,606,180	3.8	37.7	-1.6	-21.5	-20.0	-3.8	--	--	-3.8	Jul-19
<i>Bloomberg US Govt Long TR</i>				<i>-1.5</i>	<i>-21.2</i>	<i>-18.4</i>	<i>-2.9</i>	<i>0.5</i>	<i>1.7</i>	<i>-2.9</i>	<i>Jul-19</i>
<b>Cash</b>	<b>10,926,919</b>	<b>2.7</b>	<b>2.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>1.2</b>	<b>0.7</b>	<b>0.6</b>	<b>Mar-11</b>
<i>FTSE T-Bill 3 Months TR</i>				<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.6</i>	<i>1.1</i>	<i>0.6</i>	<i>0.5</i>	<i>Mar-11</i>
Cash	3,337,919	0.8	30.5	0.0	0.0	0.0	1.0	1.3	0.8	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.6</i>	<i>1.1</i>	<i>0.6</i>	<i>0.5</i>	<i>Mar-11</i>
Cash - Treasury	7,589,000	1.9	69.5								

Cash account market value includes cash balances held in ETF accounts at the custodian and residuals from terminated managers.

As of June 30, 2022

Cash Flow Summary

Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Brown Fundamental Small Cap Value	\$10,776,916	\$0	-\$861,863	\$9,915,053
Cash	\$3,043,092	\$294,826	\$0	\$3,337,919
Cash - Treasury	\$7,190,000	\$399,000	\$0	\$7,589,000
EARNEST Partners	\$46,902,182	\$0	-\$4,015,056	\$42,887,126
Kepos Alternative Risk Premia	\$9,894,309	\$0	-\$350,708	\$9,543,601
Northern Trust Russell 1000	\$89,883,834	-\$8,000,000	-\$6,888,226	\$74,995,609
Parametric BXM	\$16,429,869	\$0	-\$684,596	\$15,745,273
Parametric DeltaShift	\$16,274,771	\$0	-\$1,257,437	\$15,017,334
Polen Capital	\$8,919,130	\$0	-\$415,621	\$8,503,509
Ramirez	\$71,864,045	\$0	-\$837,112	\$71,026,933
Reams	\$27,035,034	\$0	-\$527,573	\$26,507,460
Rice Hall James	\$14,045,517	\$0	-\$596,891	\$13,448,626
Securities Lending Northern Trust	\$0	-\$10,523	\$10,523	\$0
SGA ACWI ex-U.S. Equity	\$38,291,287	\$0	-\$3,857,670	\$34,433,617
Vanguard Developed Markets ETF	\$15,239,706	\$0	-\$1,577,214	\$13,662,492
Vanguard Long-Term Treasury ETF	\$15,853,085	\$0	-\$246,905	\$15,606,180
Versor Trend Following	\$15,841,052	\$0	\$766,351	\$16,607,403
Wellington Core Bond	\$6,896,794	\$0	-\$155,037	\$6,741,756
Wellington Select Quality Equity	\$14,978,274	\$7,000,000	-\$1,239,055	\$20,739,219
<b>Total</b>	<b>\$429,358,897</b>	<b>-\$316,696</b>	<b>-\$22,734,090</b>	<b>\$406,308,110</b>

**Benchmark History**

As of June 30, 2022

**Total Plan x Securities Lending x Reams LD Exception Comp**

6/1/2022	Present	40% Russell 3000 / 12% MSCI ACWI ex USA / 31% Bloomberg US Universal TR / 5% CBOE BXM / 10% SG Multi Alternative Risk Premia Index / 2% Bloomberg US High Yield TR
1/1/2019	5/31/2022	40% Russell 3000 / 12% MSCI ACWI ex USA Gross / 33% Bloomberg US Universal TR / 5% CBOE BXM / 6.7% SG Multi Alternative Risk Premia Index / 3.3% Bloomberg US Treasury Long TR
5/1/2016	12/31/2018	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 20% CBOE BXM
10/1/2015	4/30/2016	43% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 15% CBOE BXM / 10% CPI - All Urban Consumers (unadjusted) +3%
1/1/2014	9/30/2015	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 10% CBOE BXM / 10% CPI - All Urban Consumers (unadjusted) +3%
3/1/2013	12/31/2013	40% Russell 3000 / 10% MSCI ACWI ex USA Gross / 17% Bloomberg US Universal TR / 33% ICE BofA 3M US Treasury TR USD
8/1/2012	2/28/2013	20% Russell 3000 / 7% MSCI ACWI ex USA Gross / 18% Bloomberg US Universal TR / 55% ICE BofA 3M US Treasury TR USD
10/1/2007	7/31/2012	53% Russell 3000 / 17% MSCI ACWI ex USA Gross / 30% Bloomberg US Universal TR
4/1/2006	9/30/2007	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Universal TR
1/1/2005	3/31/2006	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Aggregate TR
4/1/1998	12/31/2004	50% Bloomberg US Aggregate TR / 10% Russell 1000 / 20% Russell 1000 Value / 5% Russell MidCap / 15% MSCI EAFE

**Domestic Equity**

1/1/2005	Present	Russell 3000
4/1/1998	12/31/2004	28.57% Russell 1000 / 57.14% Russell 1000 Value / 14.29% Russell MidCap
6/1/1997	3/31/1998	S&P 500

**International Equity**

1/1/2005	Present	MSCI ACWI ex USA
1/1/1998	12/31/2004	MSCI EAFE Gross

**Fixed Income**

4/1/2006	Present	Bloomberg US Universal TR
12/31/1993	3/31/2006	Bloomberg US Aggregate TR

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.

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INVESTMENT GROUP

MAY 2022 | ISSUE TWO | 2021 RESULTS

# DIVERSITY EQUITY & INCLUSION annual questionnaire

**PUBLIC AND  
PRIVATE MARKETS  
RESEARCH TEAMS**



# INTRODUCTION

Meketa launched a formal initiative to gather 2020 data from public and private markets asset managers within our proprietary database. The initiative focused on evaluating asset manager efforts more thoroughly to have a deeper understanding of Diversity, Equity, & Inclusion (“DEI”) within their organizations. For the second year in a row, we sent our Annual Diversity, Equity & Inclusion Questionnaire to asset managers to report on their 2021 work in this area.

\* Information regarding the methodology and DEI-related terms specific to this questionnaire can be found in the appendix.

In this summary, we discuss the results of the second annual DEI questionnaire. Out of 803 firms who received the questionnaire, 420 responded. This is a 50% response rate increase from managers compared to 2021. (Please note, not every firm responded to every question.) The questionnaire was constructed in three sections: (1) Transparency and Reporting, (2) Policies and Initiatives, and (3) Employee Conduct. In this report, we will summarize our findings from the questionnaire and conclude with recommendations for asset managers that could serve as differentiators in the future.

\*\*Note that respondent bias is likely in the results, with firms more focused on DEI initiatives opting to respond to the questionnaire. The following analysis summarizes key findings from the responses received.





# SECTION I TRANSPARENCY AND REPORTING

# KEY TAKEAWAYS

Firm Composition by Race and Gender	New Hires, Promotions, and Turnover Rates	Reporting
<ul style="list-style-type: none"> <li>→ 389 organizations reported Total Firm diversity statistics, while only 227 reported diversity statistics for the Board, and 241 reported diversity statistics for Equity Ownership. It is worth noting that not all firms have a Board in place.</li> <li>→ Decision making levels (Equity Ownership and Senior Management) are the least diverse both in racial and gender diversity.</li> <li>→ On trend with 2020, Women continue to be least represented in portfolio management positions, while diverse employees are least represented in Equity Ownership.</li> <li>→ Lower-level positions are the most diverse of by both racial and gender measures. (Operations top quartile ≥ 54% minority and ≥65% female. Admin top quartile ≥66% minority and 83% female).</li> <li>→ Veteran and disabled employee representation was &lt;2% across all categories.</li> <li>→ Female representation is slightly higher comparing all portfolio managers (15%) versus lead portfolio managers (12%).</li> </ul>	<ul style="list-style-type: none"> <li>→ In 2021, 42% of new employees were either female hires, diverse hires, or both.</li> <li>→ 59% of promotions were given to males and over two-thirds were given to White people.</li> <li>→ The turnover rate was 4% higher for women than men. Over half of resignations were done by a White person (52%).</li> </ul>	<ul style="list-style-type: none"> <li>→ In terms of reporting, 52% of asset managers released annual diversity statistics to their Clients, followed closely by the Consultants covering them at 49%, their Prospects by 39% and Regulators at 23%.</li> </ul>

FIGURE 1  
**KEY TAKEAWAYS**

Source: Meketa Investment Group 2022 Questionnaire.

# FIRM COMPOSITION BY RACE AND GENDER

The chart below summarizes diversity statistics in quartile ranges for Total Firm, Equity Ownership, Senior Management, and Portfolio Management Roles. The top quartile represents the highest percentage of minority and female employees.

The below table depicts the mean, median, and cutoff point between the second and top quartile and the cutoff point between the third and bottom quartile. To interpret this data, let's use the Total Firm - Female category as an example of how the table should be read. If more than 42% of your firm identifies as female, you would be in the top quartile of questionnaire results. Conversely, if you have less than 29% of your firm identifying as female, you would be in the bottom quartile of questionnaire results.

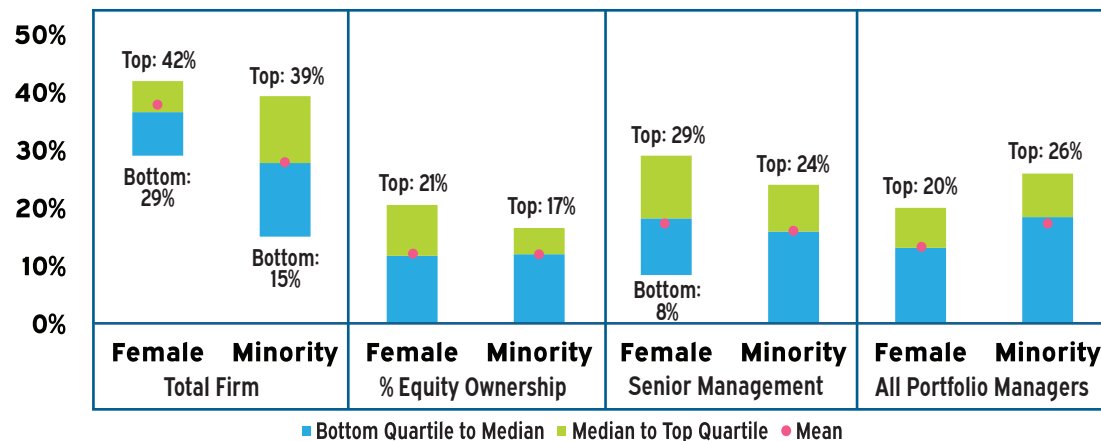
Interesting to note, the increase in manager responses for the 2021 data had increased dispersion compared to last year. Relative to the 2020 data, Top Quartile and Mean percentages experienced either no change or decreased across all categories excluding Total Firm.

	Total Firm				% Equity Ownership			
	Female	% Change	Minority	% Change	Female	% Change	Minority	% Change
Top Quartile	>42%	→0%	>39%	↑4%	>21%	↓-9%	>17%	↓-9%
Median	35%	↓-1%	25%	→0%	7%	↓-8%	0%	↓-13%
Mean	37%	↑1%	28%	→0%	12%	↓-8%	12%	↓-9%
Bottom Quartile	<29%	↓-1%	<15%	↓-2%	0%	→0%	0%	→0%

	Senior Management				All Portfolio Managers			
	Female	% Change	Minority	% Change	Female	% Change	Minority	% Change
Top Quartile	>29%	↓-4%	>24%	↓-3%	>20%	→0%	>26%	↓-8%
Median	19%	↓-2%	11%	↓-5%	9%	↓-2%	14%	↓-5%
Mean	18%	↓-5%	16%	↓-7%	13%	→0%	18%	↓-8%
Bottom Quartile	<8%	↓-3%	0%	↓-5%	0%	→0%	0%	↓-7%

**FIGURE 2**  
**FIRM COMPOSITION BY RACE AND GENDER QUARTILE RANGES**

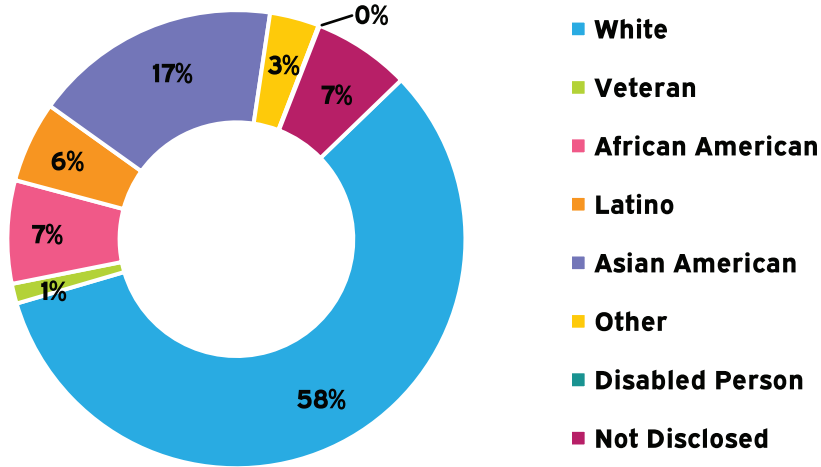
Source: Meketa Investment Group 2022 Questionnaire.



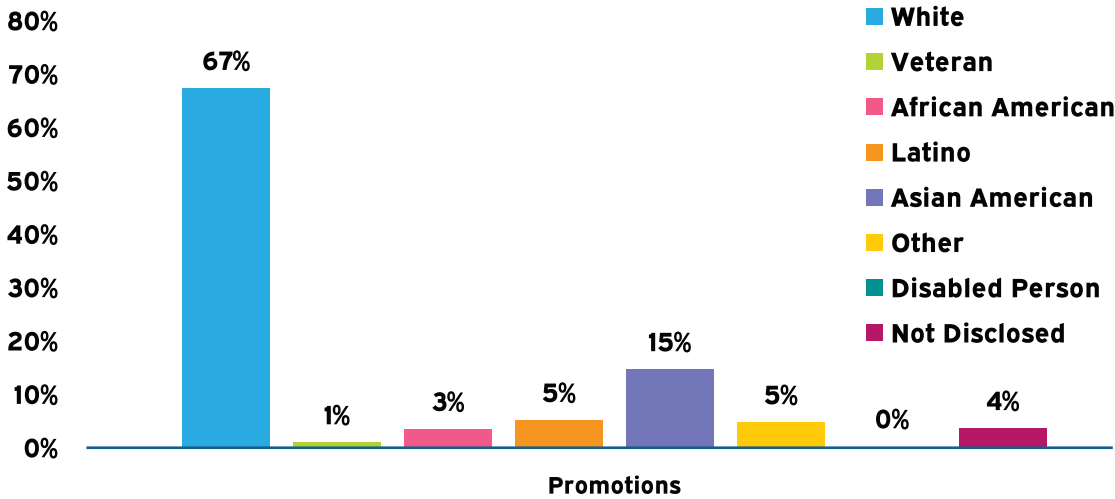
**FIGURE 3**  
**FIRM COMPOSITION BY RACE AND GENDER QUARTILE RANGES**

Source: Meketa Investment Group 2022 Questionnaire.

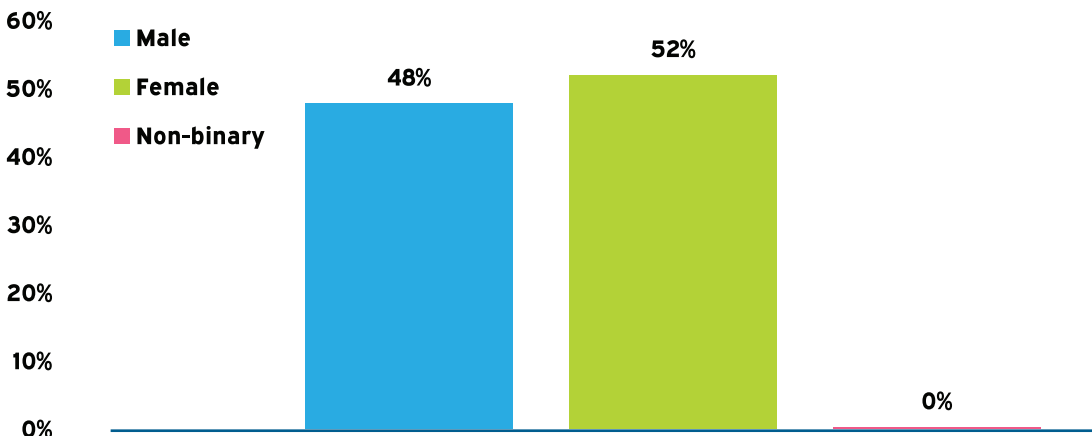
# NEW HIRES, PROMOTIONS, AND TURNOVER RATES



**FIGURE 4**  
**2021 NEW HIRES BY DIVERSITY**  
 Source: Meketa Investment Group 2022 Questionnaire.



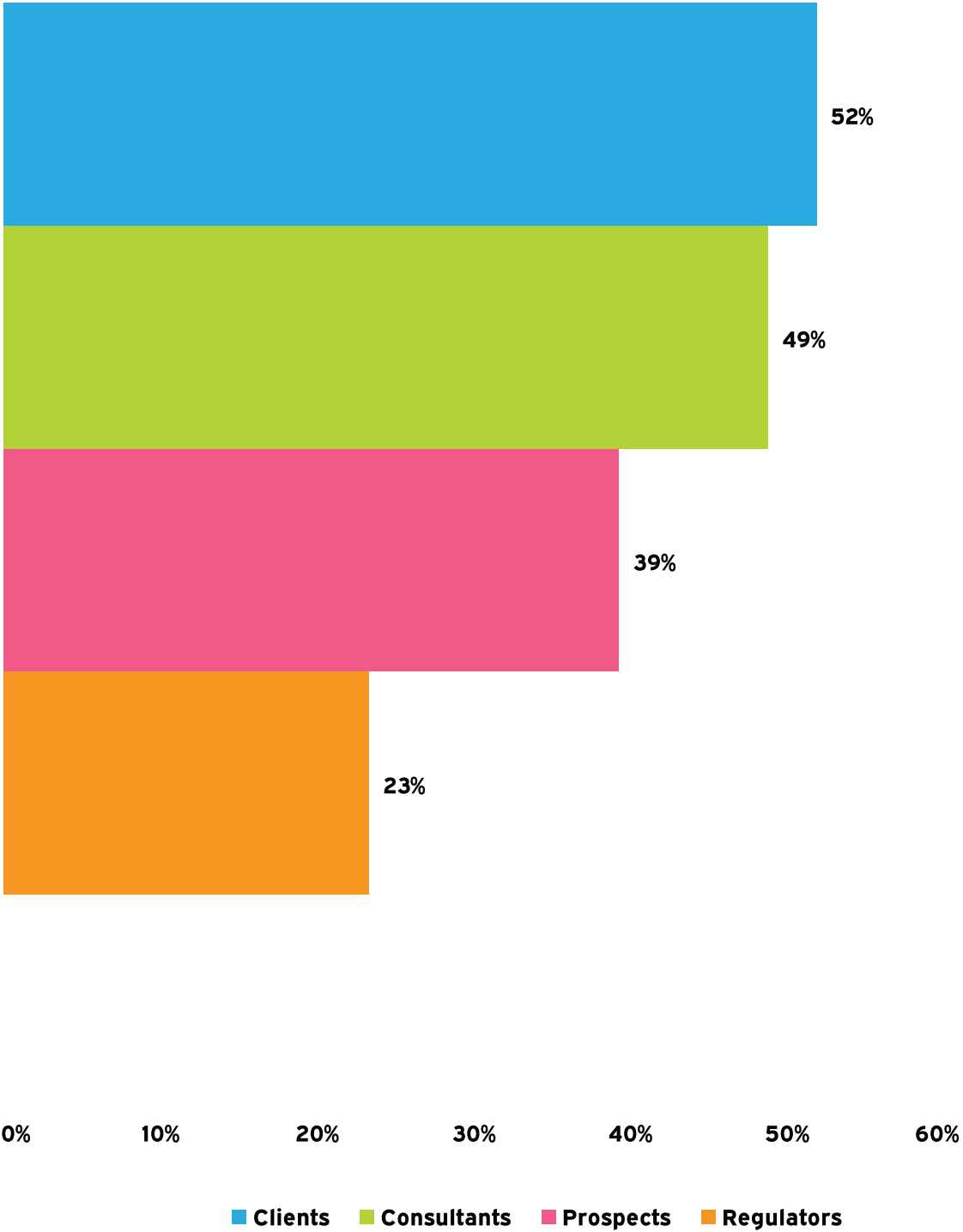
**FIGURE 5**  
**2021 PROMOTIONS BY DIVERSITY**  
 Source: Meketa Investment Group 2022 Questionnaire.



**FIGURE 6**  
**2021 TURNOVER RATE BY GENDER**  
 Source: Meketa Investment Group 2022 Questionnaire.



# REPORTING



**FIGURE 7**  
**RECIPIENTS OF ANNUAL**  
**DIVERSITY STATISTICS REPORT**  
**FROM ASSET MANAGERS**

Source: Meketa Investment Group 2022  
Questionnaire.



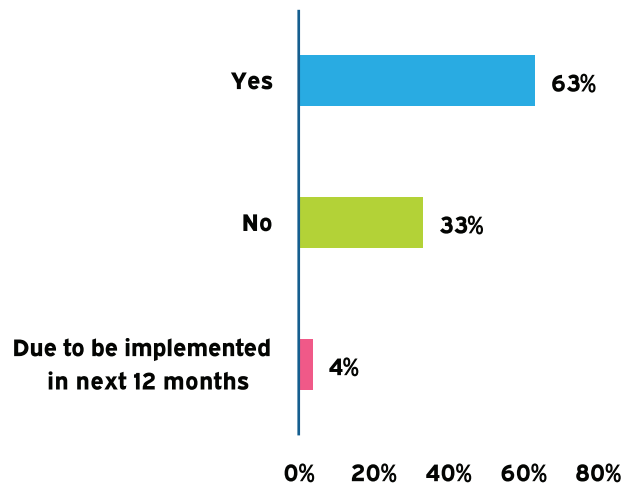
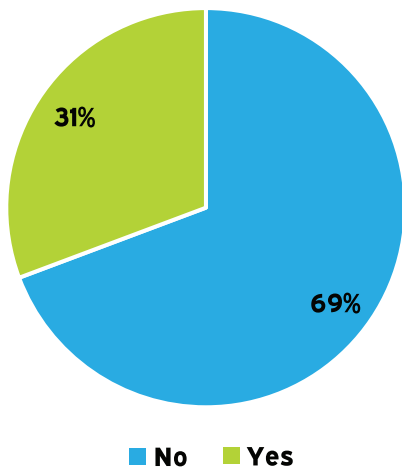
# SECTION II

# POLICIES AND INITIATIVES

# KEY TAKEAWAYS

- An effective DEI strategy requires policies and human resources support within the organization to effectively promote efforts related to DEI. From our research, we found that 78% of managers have a formal DEI Policy in place, with an additional 6% of managers planning to implement a policy in the next year.
- Importantly, roughly two-thirds of managers reported that their firm’s Senior Management had made public statements in support of DEI initiatives. In addition, 72% reported their Executive Committee or Board regularly reviews or has in the last 12 months reviewed diversity statistics.
- Unfortunately, less than half have DEI included in the Executive Committee’s or Board of Director’s Terms of Reference and only one-third have DEI included as a performance objective for Senior Management.
- With the 2020 data, we noted that very few companies extend their DEI efforts to service providers (18% include DEI policy reviews in their evaluation of service providers, and only 29% partner with Minority, Women, and Disadvantaged Business Enterprise (“MWDBE”) service providers). Over the last year, there was an increase in companies extending their DEI efforts to include an evaluation of service providers’ DEI policies (increase of 6%) as well as asset managers partnering with MWDBE service providers (increase of 3%).

The first chart below shows the breakdown of managers that have diversity targets in place. Over two-thirds of the respondents do not have set diversity targets. However, most of them would agree that building an inclusive workplace is important enough to garner the attention and support of Senior Management. Currently 63% of managers have a Diversity and Inclusion Committee or Group within their organization that includes members of senior management, with another 4% of respondents due to implement such a group within the next twelve months.

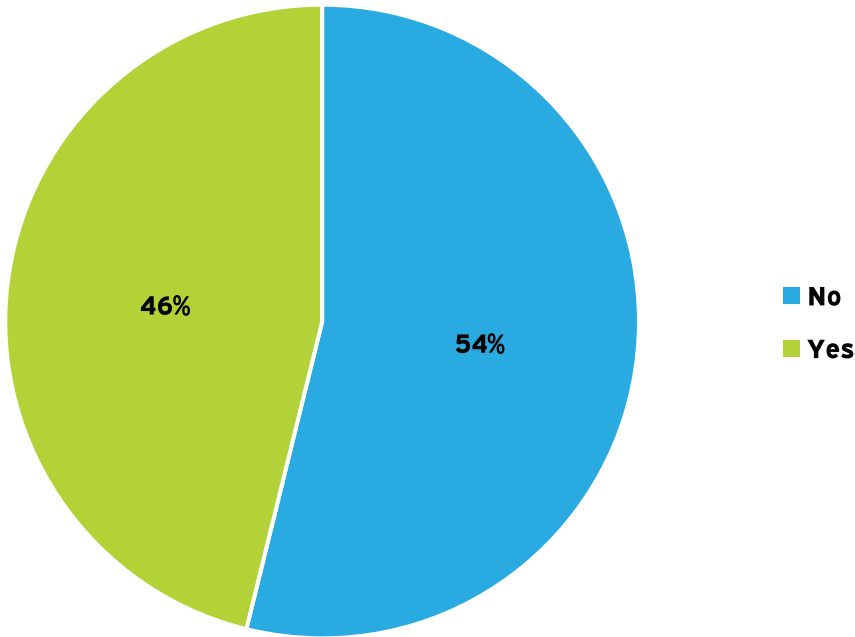


**FIGURE 8 (LEFT)**  
**DO YOU HAVE DIVERSITY TARGETS?**  
 Source: Meketa Investment Group 2022 Questionnaire.

**FIGURE 9 (RIGHT)**  
**DOES THE FIRM HAVE A DIVERSITY AND INCLUSION COMMITTEE OR GROUP WITHIN THE ORGANIZATION THAT INCLUDES MEMBERS OF SENIOR MANAGEMENT?**  
 Source: Meketa Investment Group 2022 Questionnaire.

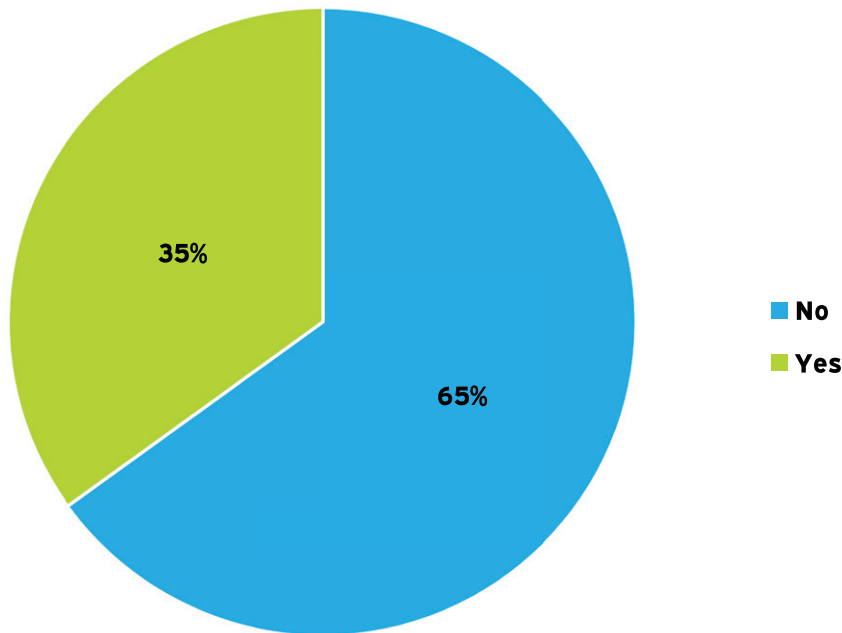
# EQUAL PAY

When asked about a written policy to ensure that equal pay is provided for comparable performance in equivalent roles regardless of gender and minority categorization, 60% of managers responded Yes. In addition, results were reported from asset managers as to whether pay gaps by gender or ethnicity were measured.



**FIGURE 10**  
**DO YOU MEASURE GENDER PAY GAP?**

Source: Meketa Investment Group 2022 Questionnaire.

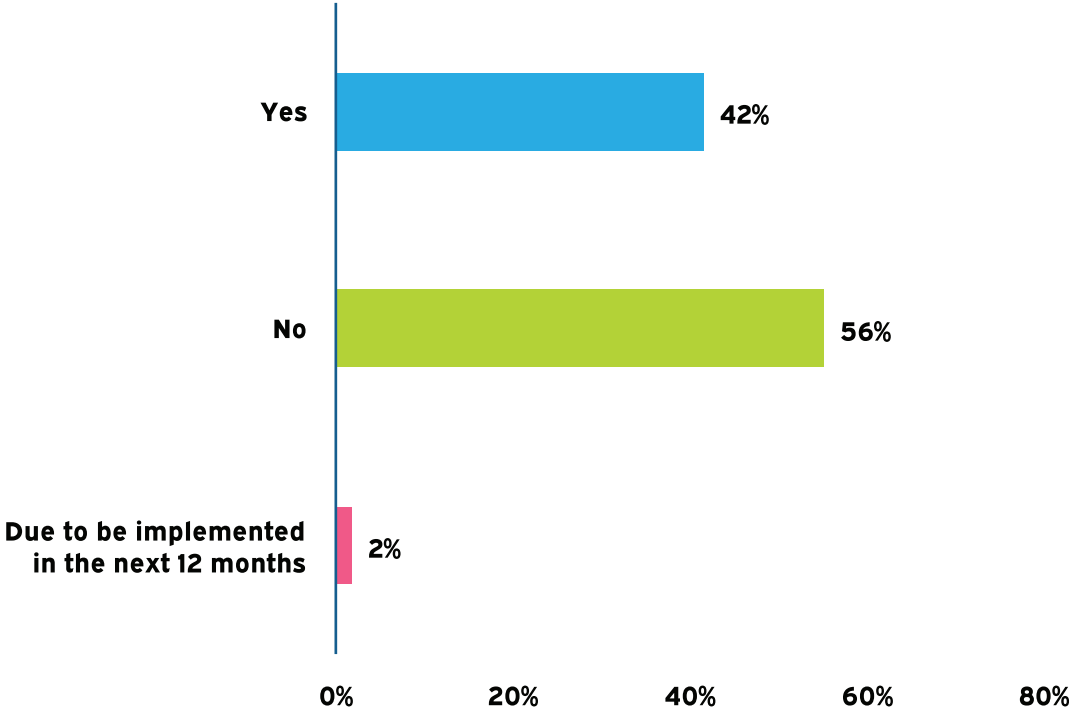


**FIGURE 11**  
**DO YOU MEASURE ETHNICITY PAY GAP?**

Source: Meketa Investment Group 2022 Questionnaire.

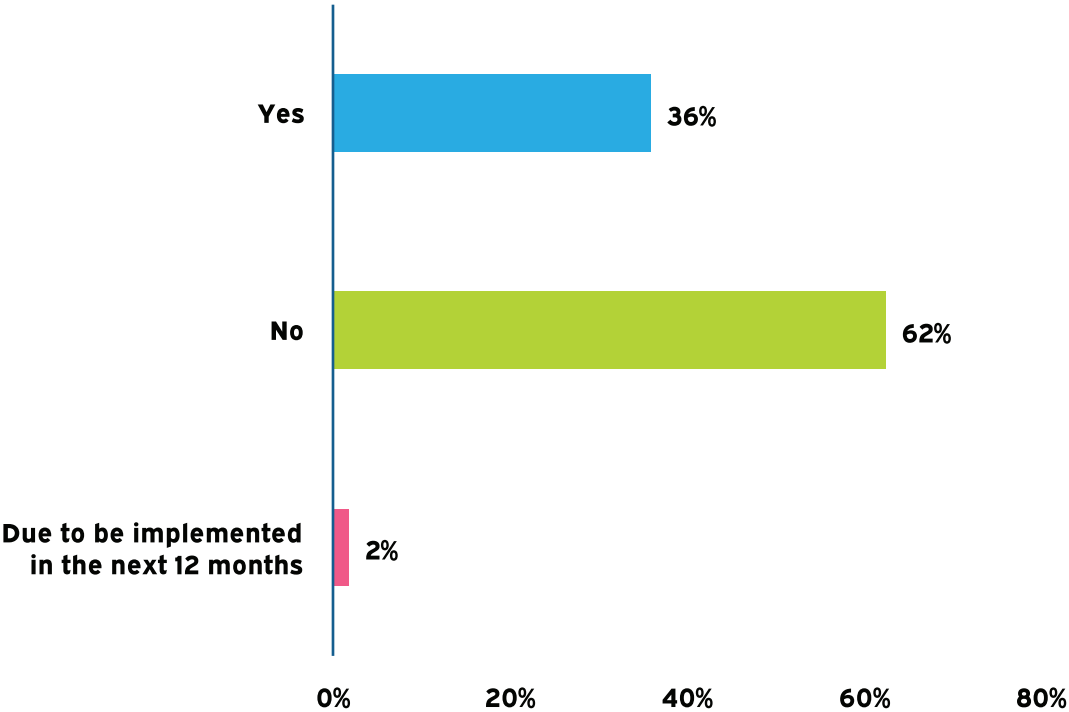


# DEI INITIATIVES



**FIGURE 12**  
**IS DIVERSITY & INCLUSION INCLUDED IN THE EXECUTIVE COMMITTEE OR BOARD OF DIRECTOR'S TERMS OF REFERENCE?**

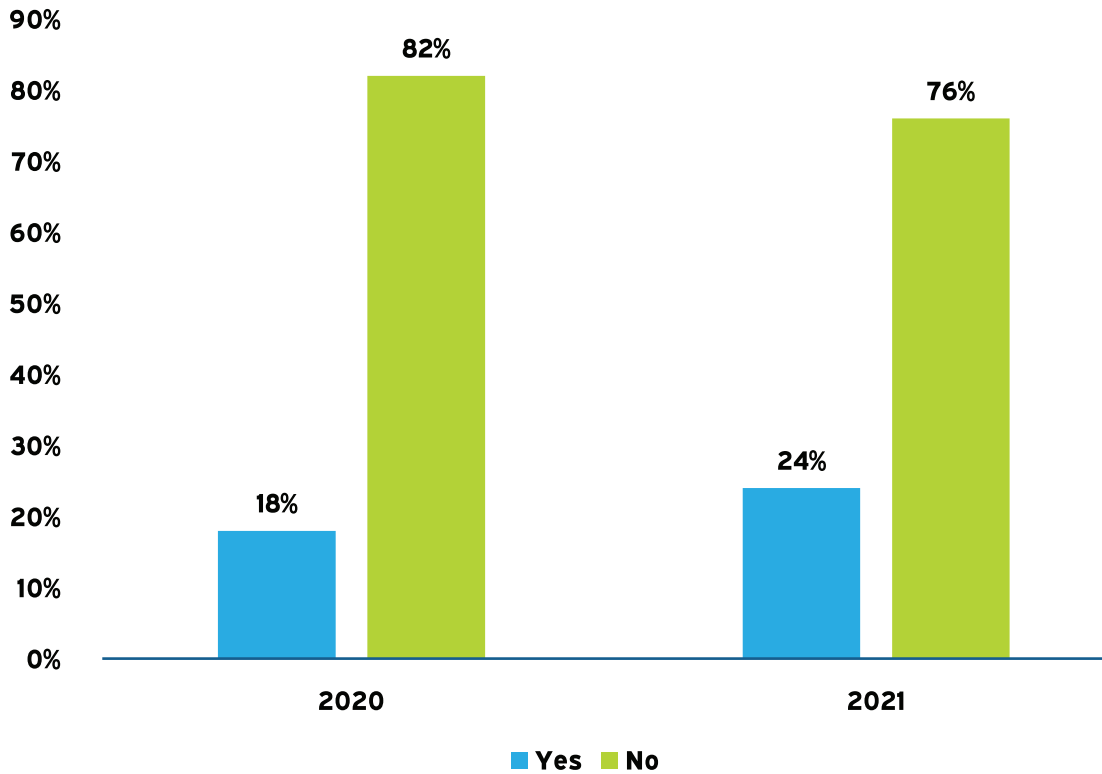
Source: Meketa Investment Group 2022 Questionnaire.



**FIGURE 13**  
**HAVE DIVERSITY AND INCLUSION BEEN INCLUDED WITHIN THE PERFORMANCE OBJECTIVES FOR SENIOR MANAGEMENT IN THE LAST 12 MONTHS?**

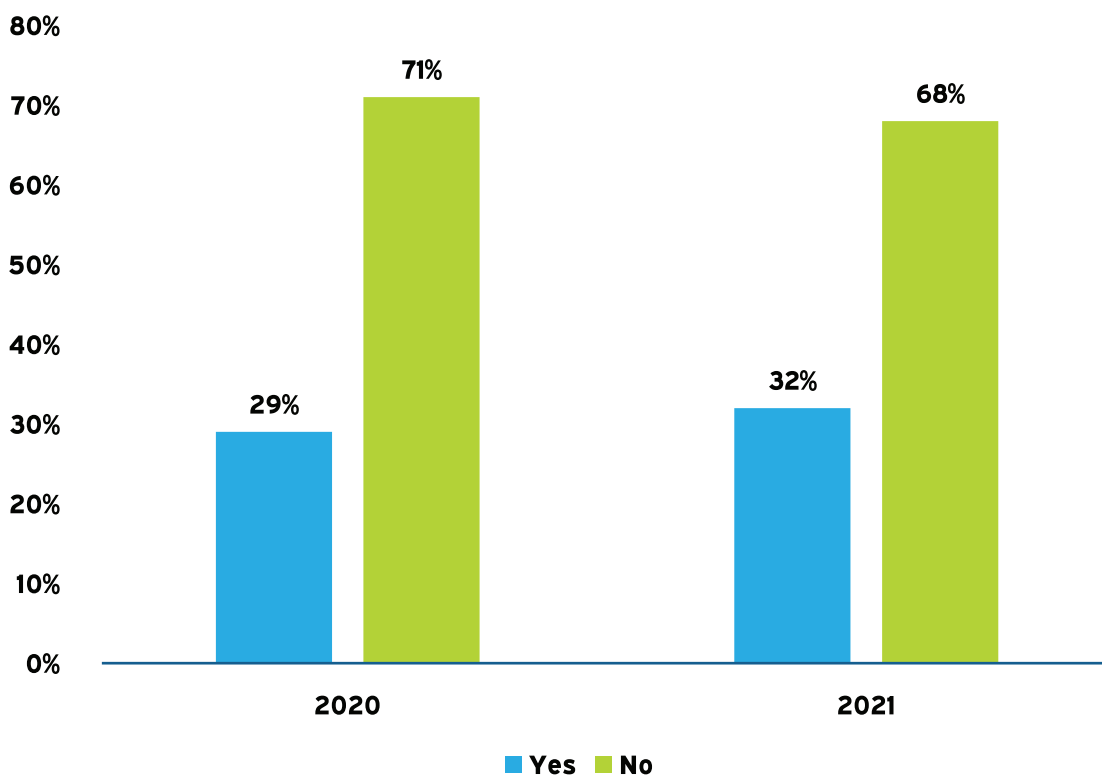
Source: Meketa Investment Group 2022 Questionnaire.

# SERVICE PROVIDERS AND DEI



**FIGURE 14**  
**WHEN SELECTING SERVICE PROVIDERS, DOES THE FIRM FORMALLY ASSESS EACH PROVIDER'S DEI POLICIES?**

Source: Meketa Investment Group 2022 Questionnaire.



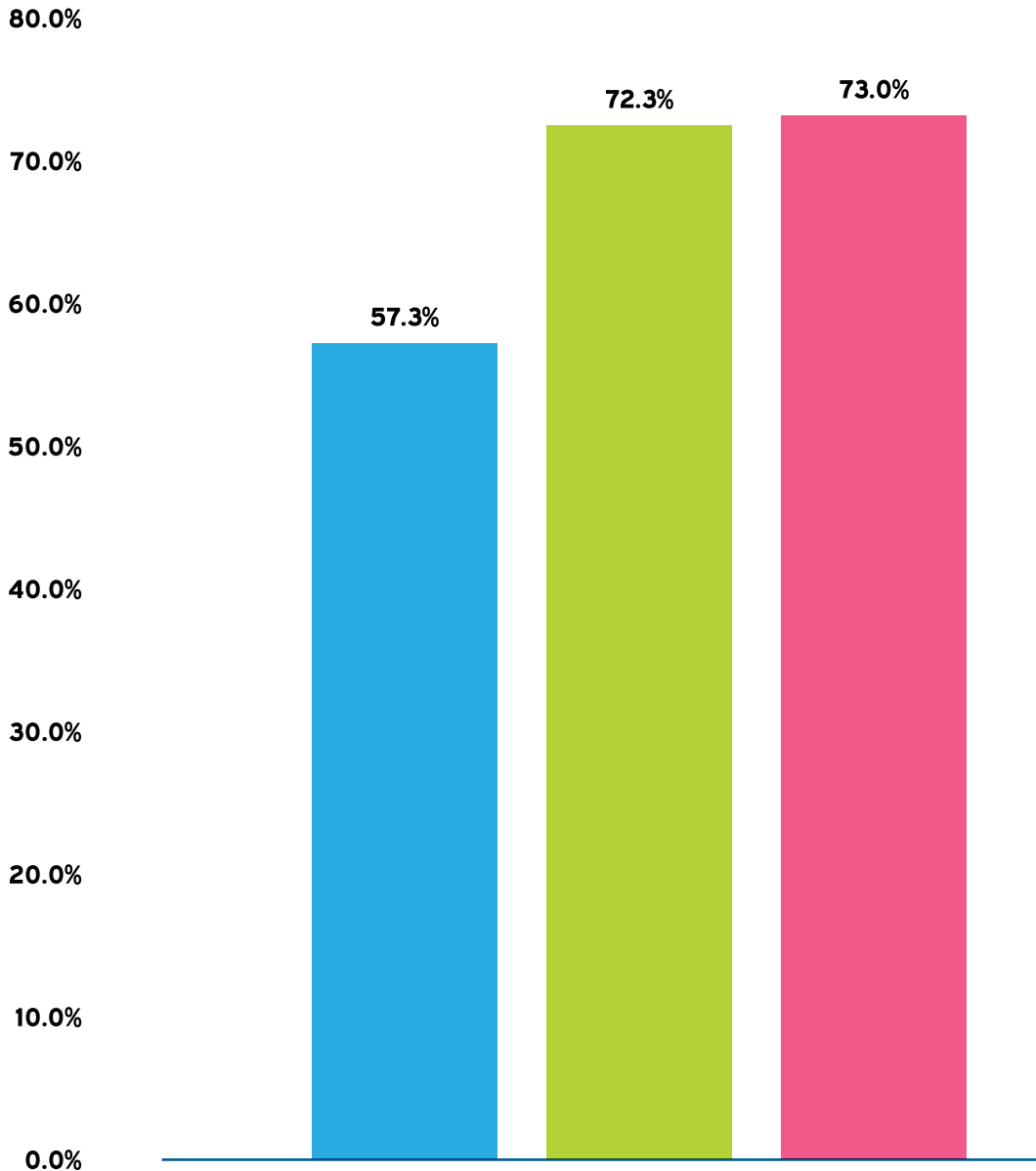
**FIGURE 15**  
**DOES THE FIRM UTILIZE MINORITY, WOMEN, AND DISADVANTAGED BUSINESS ENTERPRISE (MWD) INVESTMENT BANKS FOR CAPITAL MARKETS SERVICES, MERGERS AND ACQUISITIONS SERVICES AND/OR OTHER ADVISORY SERVICES?**

Source: Meketa Investment Group 2022 Questionnaire.

# DEI TRAINING

The chart below highlights the emphasis organizations have put on DEI training. A wide variety of topics such as mental health, hybrid culture, generational differences, and allyship have become a priority for managers.

- Inclusion Training for Managers
- Unconscious Bias
- Other Training (mental health, etc.)



**FIGURE 16**  
**PLEASE SELECT WHICH OF**  
**THE BELOW DEI TRAINING YOU**  
**HAVE PROVIDED IN THE LAST 12**  
**MONTHS**

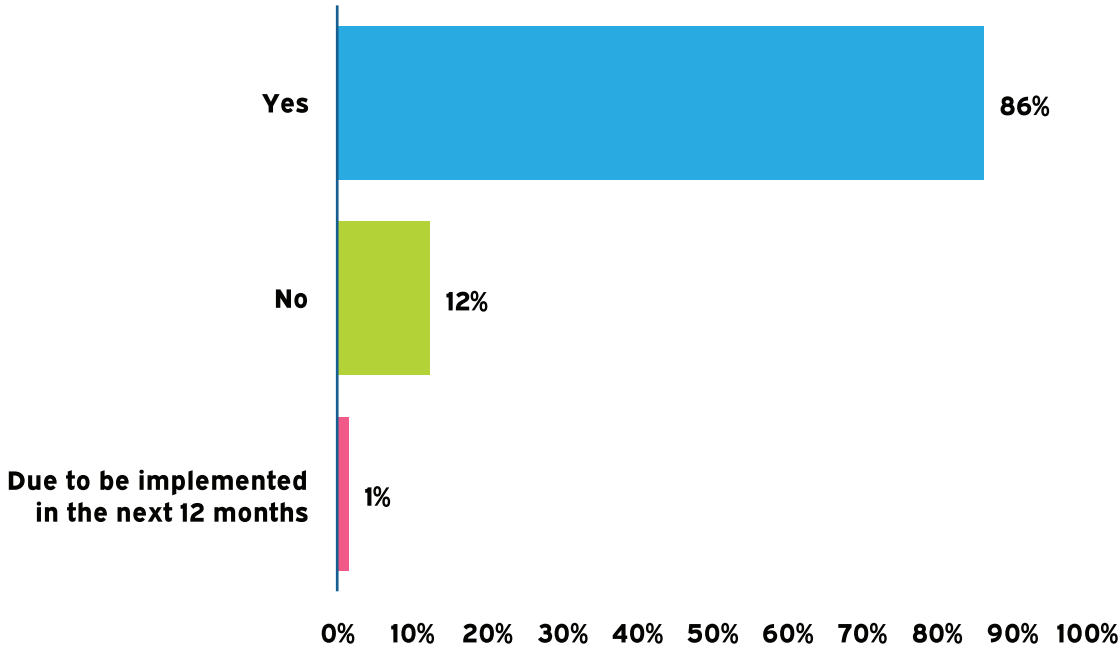
Source: Meketa Investment Group 2022  
Questionnaire.



# SECTION III EMPLOYEE CONDUCT

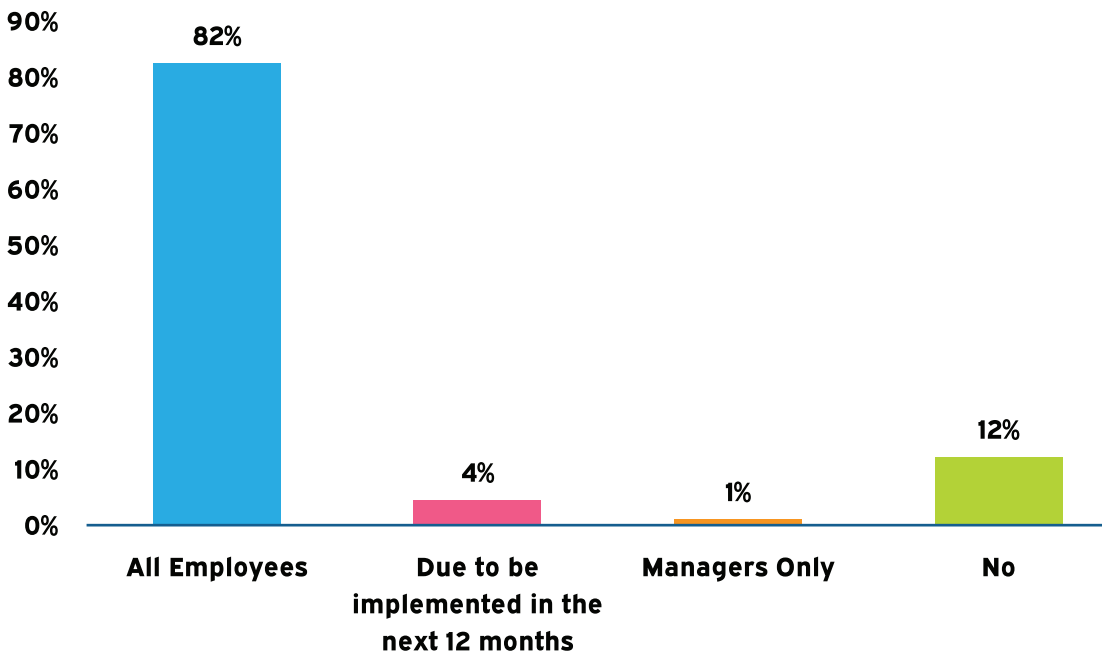
# KEY TAKEAWAYS

Almost all firms, 96%, reported having a Code of Conduct that addresses harassment, discrimination, and workplace violence, regardless of whether the conduct takes place in the formal workspace.



**FIGURE 17**  
**DOES THE FIRM HAVE WRITTEN PROCEDURES IN PLACE FOR THE ANONYMOUS REPORTING AND INVESTIGATION OF HARASSMENT, DISCRIMINATION AND/OR WORKPLACE VIOLENCE?**

Source: Meketa Investment Group 2022 Questionnaire.



**FIGURE 18**  
**DOES THE FIRM PROVIDE MANDATORY ANTI-HARASSMENT AND NON-DISCRIMINATION TRAINING TO ALL EMPLOYEES OR MANAGERS ONLY?**

Source: Meketa Investment Group 2022 Questionnaire.



# SUMMARY CONCLUSIONS

While we did not see any notable changes from the previous year, we are thrilled and encouraged by the increase of almost 50% of managers participating in our DEI questionnaire in 2022. Compared to last year, our 2022 questionnaire was more extensive and asked more clarifying questions on employee composition, promotions, turnover, and policies and procedures. Going forward we expect to see more progress in DEI efforts and look forward to even higher participation in the questionnaire from all surveyed managers.

We acknowledge DEI is a journey and recognize committed managers will need time to progressively evolve their organizations to become more diverse. However, it is important to keep in mind that those that move too slowly may be rapidly outpaced. That said, asset managers may continue to differentiate themselves by focusing on the following areas:

- Diversify their Board or establish a plan to create diversity over time.
- Develop a plan to expand ownership to staff that enhances diversity.
- Ensure the firm has policies and committees in place to support DEI at all levels of the firm.
- Set corporate diversity goals and seek continual progress.
- Establish mentorship opportunities for staff that promote diversity.
- Evaluate the DEI policies of service providers.
- Partner with Minority, Women, and Disadvantaged Business Enterprise service providers.

# APPENDIX

**Asset Manager:** Includes public and private managers in Meketa's database as of January 2022.

**Clients:** Current clients of asset managers who responded to the questionnaire.

**Consultants:** Oversee asset managers who responded to the questionnaire.

**Prospects:** Potential client of an asset manager who responded to the questionnaire.

**Regulators:** Bodies established by governments or other organizations that oversee the functioning and fairness of financial markets and the firms that engage in financial activity.

**Service Providers:** Third-party suppliers, vendors, or subcontractors of asset managers who responded to the questionnaire.

**Definitions:** Below are definitions of the DEI-related terms specific to this questionnaire:

- Minorities or Minority groups are defined on the basis of the following factors: race/ethnicity, LGBTQ+ identity, veteran status and disability.
- Racial/Ethnic Minorities are defined as non-white minorities.
- Other Minority Groups refer to those who identify as LGBTQ+, Veterans and Persons with Disabilities.
- Diversity is defined as the inclusion of Women and Minority groups, while Inclusion is defined as the practice of equal recognition, respect, and merit-based evaluation.
- The use of the term Minority is meant to represent a numerical minority.

**Methodology:** The questionnaire was distributed to all asset managers in January 2022. Asset managers completed the questionnaire with best available data. All responses were collected from January 29, 2022 through April 4, 2022.

# CONTACT US

If you want to learn more, or access Meketa's library of white papers and economic research, please contact us or visit <https://meketa.com/thought-leadership/>.

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## **DISCLOSURE**

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OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8057

Approved to Form and Legality

[Signature]

ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

RESOLUTION FIXING THE MONTHLY ALLOWANCE OF JEAN FOSKETT, SURVIVING SPOUSE OF WILLIAM W. FOSKETT; ALADEAN MAHANAY, SURVIVING SPOUSE OF JAMES O. MAHANAY, JR.; VONNA MOORE, SURVIVING SPOUSE OF WILLIAM MOORE; BEVERLY NASON, SURVIVING SPOUSE OF ROY NASON; SALLY WILEY, SURVIVING SPOUSE OF JAMES M. WILEY; JANICE YOUNG, SURVIVING SPOUSE OF MARVIN YOUNG; RETIRED MEMBERS OF THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

WHEREAS, the retired members of the Police and Fire Retirement System, whose names appear in Column (1) below, died on the dates shown in Column (2) below; and

WHEREAS, the surviving spouses, whose names appear in Column (3) below, does not claim that their spouse'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 allowances shown in Column (7) below 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 does hereby fix the amounts shown in Column (7) as the monthly allowances that said surviving spouses shall receive beginning on the date shown in Column (4):

Table with 7 columns: (1) Name of Deceased Member, (2) Date of Death, (3) Name of Surviving Spouse, (4) Effective Date of Allowance, (5) Form of Retirement, (6) % of Compensation Attached to Avg. Rank Held, (7) Monthly Allowance. Rows include William W. Foskett, James O. Mahanay, Jr., William Moore, Roy Nason, James M. Wiley, and Marvin Young.

IN BOARD MEETING, VIA ZOOM CONFERENCE JULY 27, 2022

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:


ABSTAIN:

ABSENT:

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

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

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**  
 CITY OF OAKLAND, CALIFORNIA  
**RESOLUTION No. 8058**

*Approved to  
 Form  
 and Legality*  


ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION APPROVING DEATH BENEFIT PAYMENT  
 AND DIRECTING A WARRANT THEREUNDER IN THE  
 AMOUNT OF \$1,000.00 PAYABLE TO THE  
 BENEFICIARIES OF DECEASED CITY OF OAKLAND  
 POLICE AND FIRE RETIREMENT SYSTEM MEMBERS  
 JERRY T. JAHN; WILLIARD E. RODMAN; AND DON J.  
 WILLIAMS.**

**WHEREAS**, due proof having been received in accordance with Article XXVI of the Charter of the City of Oakland of the death of the retired members of the Oakland Police or Fire Department identified in Column (1) below; and

**WHEREAS**, the beneficiaries to whom the death benefit provided in Charter Section 2612 is payable, are the people whose names are stated in Column (2) opposite the names of the deceased retired members; and

**WHEREAS**, the amount of said death benefit is stated in Column (3) opposite the name of the beneficiaries; now, therefore, be it

**RESOLVED:** That the Police and Fire Retirement System Board does hereby approve the Death Benefit payments to the people named in Column (2); and be it

**FURTHER RESOLVED:** That the Director of Finance, be and is hereby directed to draw and sign a warrant for the amount in Column (3) payable to the people whose names appears in Column (2):

(1)	(2)	(3)
Name of Deceased Member	Name of Beneficiary	Death Benefit Amount
Jerry T. Jahn	Jeffrey Jahn and George, Kenneth, & Gregory Gonsalves	\$1,000.00
Williard E. Rodman	Jean Rodman and Trieste L. Jakubicek	\$1,000.00
Don J. Williams	Chontida Williams	\$1,000.00

IN BOARD MEETING, VIA ZOOM CONFERENCE \_\_\_\_\_ JULY 27, 2022

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

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

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

OAKLAND POLICE AND FIRE RETIREMENT BOARD  
CITY OF OAKLAND, CALIFORNIA  
RESOLUTION No. 8059

*Approved to  
Form  
and Legality*



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION ELECTING TO CONTINUE TO CONDUCT  
POLICE AND FIRE RETIREMENT SYSTEM BOARD AND  
COMMITTEE MEETINGS USING TELECONFERENCING  
IN ACCORDANCE WITH CALIFORNIA GOVERNMENT  
CODE SECTION 54953(E).**

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom declared a state of emergency related to COVID-19, pursuant to California Government Code Section 8625, and said declaration has not been lifted or rescinded, see <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf>; and

**WHEREAS**, on March 9, 2020, the City Administrator, as the Director of the Emergency Operations Center (EOC), issued a proclamation of local emergency due to the spread of COVID-19 in Oakland, and on March 12, 2020, the City Council passed Resolution No. 88075 C.M.S. ratifying the proclamation of local emergency pursuant to Oakland Municipal Code (O.M.C.) section 8.50.050(C); and

**WHEREAS**, City Council Resolution No. 88075 remains in full force and effect to date; and

**WHEREAS**, the Centers for Disease Control (CDC) recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated or who are at high risk of getting very sick from COVID-19, see <https://www.cdc.gov/coronavirus/2019-ncov/preventgetting-sick/prevention.html> ; and

**WHEREAS**, the CDC recommends that people who live with unvaccinated people avoid activities that make physical distancing difficult, see <https://www.cdc.gov/coronavirus/2019-ncov/your-health/about-covid-19/caring-for-children/families.html> ; and

**WHEREAS**, the CDC recommends that older adults limit in-person interactions as much as possible, particularly when indoors, see <https://www.cdc.gov/aging/covid19/covid19-older-adults.html> ; and

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**

CITY OF OAKLAND, CALIFORNIA

**RESOLUTION No. 8059**

**WHEREAS**, the CDC, the California Department of Public Health, and the Alameda County Public Health Department all recommend that people experiencing COVID-19 symptoms stay home, see <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html> ; and

**WHEREAS**, people without symptoms may be able to spread the COVID-19 virus, see <https://www.cdc.gov/coronavirus/2019-ncov/prevent-gettingsick/prevention.html> ; and

**WHEREAS**, fully vaccinated people who become infected with the COVID-19 Delta variant can spread the virus to others, see <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html> ; and

**WHEREAS**, as of December 20, 2021, the Omicron variant has been detected in most states and territories and is rapidly increasing the proportion of COVID-19 cases it is causing, see <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html>; and

**WHEREAS**, the CDC does not yet know how easily the Omicron variant spreads, the severity of illness it causes, or how well available vaccines and medications work against it, see <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html>; and

**WHEREAS**, the City's public-meeting facilities are indoor facilities that are not designed to provide circulation of fresh/outdoor air, particularly during periods of cold or rainy weather; and

**WHEREAS**, the City's public-meeting facilities are not designed to ensure that attendees can remain six (6) feet apart; and

**WHEREAS**, most of the members of the Police and Fire Retirement System are at higher risk of becoming very sick from COVID-19 due to their age; and

**WHEREAS**, holding in-person meetings will bring people from different households together in an indoor facility against CDC guidance; and

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**

CITY OF OAKLAND, CALIFORNIA

**RESOLUTION No. 8059**

**WHEREAS**, some attendees may use public transportation to travel to an in-person meeting, which will expose them to additional people outside of their household and put them at further risk of contracting COVID-19; and

**WHEREAS**, in light of the above, on January 26, 2022, the Police and Fire Retirement System Board (“PFRS Board”) determined that conducting in-person meetings of the PFRS Board and its committees would present imminent risk to health or safety of attendees and elected to continue to conduct PFRS Board and committee meetings using teleconferencing in accordance with California Government Code section 54953(e) (Resolution No. 8037); and

**WHEREAS**, pursuant to California Government Code section 54953(e)(3), the PFRS Board has reconsidered the circumstances of the state of emergency and determines that the state of emergency continues to directly impact the ability of the members of the PFRS Board to meet safely in person and that state and local officials continue to recommend measures to promote social distancing; now, therefore, be it:

**RESOLVED:** that the Police and Fire Retirement System Board (“PFRS Board”) finds and determines that the foregoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

**FURTHER RESOLVED:** that, based on these findings, the PFRS Board determines that conducting in-person board and committee meetings continues to pose imminent risks to the health of attendees; and be it

**FURTHER RESOLVED:** that the PFRS Board firmly believes that the community’s health and safety and the community’s right to participate in local government are critically and equally important, and is committed to balancing the two by continuing to use teleconferencing to conduct public meetings, in accordance with California Government Code Section 54953(e); and be it

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**

CITY OF OAKLAND, CALIFORNIA

**RESOLUTION No. 8059**

**FURTHER RESOLVED:** That the PFRS Board will reconsider the state of emergency and determine whether the state of emergency continues to directly impact the ability of members to meet safely in person at least every thirty (30) days in accordance with California Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted, or the PFRS Board finds that in-person meetings no longer pose imminent risks to the health of attendees, whichever occurs first.

IN BOARD MEETING, VIA ZOOM CONFERENCE \_\_\_\_\_ JULY 27, 2022 \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

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



# AGENDA REPORT

**TO:** Oakland Police and Fire  
Retirement System Board (PFRS)

**FROM:** Mitesh Bhakta  
Legal Counsel to PFRS Board

**SUBJECT:** Resolution 89280 C.M.S. -  
Proposed City Charter Amendment

**DATE:** July 27, 2022

## **BACKGROUND**

The City of Oakland, consistent with its commitment to advancing equity and prohibiting discrimination and sexual stereotyping, has adopted a policy of having its Charter, as well as other laws and writings, contain language that is inclusive and supportive of people of all genders and eliminating sexual stereotyping in terms.

In October 2020, the City Council adopted Resolution 88320 C.M.S. which established a City policy requiring that City affairs be conducted in a manner that uses gender-inclusive language, including non-gendered language and gender-neutral pronouns where appropriate, and expressing its intent to submit a Charter amendment to the voters in 2022 to amend the City Charter in its entirety to use gender-inclusive language, including non-gendered language and gender-neutral pronouns.

Additionally, when Article XIV (Police Relief and Pension Fund) and Article XV (Firemen's Relief and Pension Fund) were combined into the current system in Article XXVI (Police and Fire Retirement System) they became obsolete and City Council proposes to delete the obsolete articles from the City Charter.

## **SUMMARY**

As per Resolution 89280 C.M.S., (**Attachment 1**) City Council intends to submit to the voters at the November 8, 2022 election a measure that would (1) amend the City Charter in its entirety to use gender-inclusive language, including non-gendered language and gender-neutral pronouns where appropriate and (2) delete Article XIV (Police Relief and Pension Fund) and Article XV (Firemen's Relief and Pension Fund) which were combined into one system in Article XXVI (Police and Fire Retirement System) and are obsolete.

## **RECOMMENDATION**

There are no legal ramifications to the Oakland Police & Fire Retirement System Plan as a result from the proposed City Charter amendment per Resolution 89280 C.M.S. and will not impact the Plan's members or beneficiaries

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APPROVED AS TO FORM AND LEGALITY

  
CITY ATTORNEY'S OFFICE

Revised to Correct Typographical Error

## OAKLAND CITY COUNCIL

RESOLUTION NO. 89280 C.M.S.

INTRODUCED BY CITY ATTORNEY BARBARA J. PARKER,  
CITY ADMINISTRATOR EDWARD D. REISKIN,  
COUNCIL PRESIDENT NIKKI FORTUNATO BAS, AND  
COUNCILMEMBERS NOEL GALLO, DAN KALB, AND TREVA REID

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RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING  
TO THE VOTERS FOR THE NOVEMBER 8, 2022, GENERAL  
MUNICIPAL ELECTION A MEASURE THAT, PURSUANT TO COUNCIL  
RESOLUTION NO. 88320 C.M.S., WOULD AMEND THE CITY CHARTER  
IN ITS ENTIRETY TO:

- (1) REPLACE GENDER-SPECIFIC LANGUAGE WITH GENDER-  
INCLUSIVE LANGUAGE, IN RECOGNITION THAT WOMEN AND  
NON-BINARY PERSONS AS WELL AS MEN, HOLD POSITIONS AS  
CITY OFFICERS AND CITY STAFF; AND
- (2) DELETE ARTICLES XIV AND XV PERTAINING TO OBSOLETE  
RETIREMENT SYSTEMS FOR POLICE OFFICERS AND  
FIREFIGHTERS, RESPECTIVELY; AND

DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION  
OF ARGUMENTS AND PROVIDE FOR NOTICE AND PUBLICATION,  
AND TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO  
PREPARE FOR AND CONDUCT THE NOVEMBER 8, 2022, GENERAL  
MUNICIPAL ELECTION

WHEREAS, in 1968, the People adopted the Charter of the City of Oakland ("City Charter"), establishing the fundamental law of the City, including but not limited to, the City's form of government and the role of City Council, the Mayor, the City Manager, and other City officers, and



**WHEREAS**, gendered language, means language and other terminology, including pronouns, that are gender specific, such as referring to firefighters as firemen or referring to city officers or persons who hold other positions as “him,” “her,” “he,” or “she;” and

**WHEREAS**, although the City Charter has been amended since its adoption in 1968, the Charter still contains certain language that is outdated and gendered, such as references to City Officers like the City Administrator and City employees using masculine pronouns “he,” “him,” and “his;” and

**WHEREAS**, the City Charter also contains outdated gendered terminology such as referring to surviving spouses as “widows,” referring to workers as “workmen,” and referring to firefighters as “firemen”; and

**WHEREAS**, the singular use of male pronouns and other gendered terminology is both an inaccurate reflection of the diverse makeup of City staff, and also fails to account for the broader spectrum of human gender identities, including people who are transgender, nonbinary, intersex, and others who may not strictly identify as either “male” or “female”; and

**WHEREAS**, the use of male pronouns, even when an explanatory note states that the male pronouns include male and females, sends a message that such persons are male and/or that only males are qualified or suitable to serve in those positions perpetuating longstanding stereotypes and discrimination; and

**WHEREAS**, the City of Oakland, consistent with its commitment to advancing equity and prohibiting discrimination and sexual stereotyping, has adopted a policy of having its Charter, as well as other laws and writings, contain language that is inclusive and supportive of people of all genders and eliminating sexual stereotyping in terms; and

**WHEREAS**, in 2018, the California Legislature passed a resolution (ACR-260) calling for the use of gender-neutral pronouns and gender-inclusive language in the drafting of all legislation, and for state agencies to engage in similar efforts to use gender-neutral pronouns and avoid the use of gendered pronouns when drafting policies, regulations, and other guidance; and

**WHEREAS**, In October 2020, the City Council adopted Resolution 88320 C.M.S. which established a City policy requiring that City affairs be conducted in a manner that uses gender-inclusive language, including non-gendered language and gender-neutral pronouns where appropriate, and expressing its intent to submit a Charter amendment to the voters in 2022 to amend the City Charter in its entirety to use gender-inclusive language, including non-gendered language and gender-neutral pronouns; and

**WHEREAS**, use of the pronouns “he” or “she” for individuals is not inclusive of all persons, including nonbinary and transgender people who may not ascribe to a particular fixed gender, or people who otherwise use different pronouns; and

**WHEREAS**, the use of “they” as a singular pronoun is inclusive of transgender and nonbinary persons in addition to persons of the male and female genders; and

**WHEREAS**, the City of Oakland is estimated to have the highest percentage of transgender and nonbinary persons of all metropolitan areas in the United States; and

**WHEREAS**, the City of Oakland is committed to using language that is inclusive and representative of all its residents; and

**WHEREAS**, Article XIV (Police Relief and Pension Fund) and Article XV (Firemen’s Relief and Pension Fund) of the City Charter were combined into one system, in Article XXVI (Police and Fire Retirement System) and are obsolete; now, therefore, be it

**RESOLVED:** That the City Council finds and determines the foregoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

**FURTHER RESOLVED:** That City Council hereby submits to the voters at the November 8, 2022 election a measure that would (1) amend the City Charter in its entirety to use gender-inclusive language, including non-gendered language and gender-neutral pronouns where appropriate and (2) delete Article XIV (Police Relief and Pension Fund) and Article XV (Firemen’s Relief and Pension Fund) which were combined into one system in Article XXVI (Police and Fire Retirement System) and are obsolete; and be it

**FURTHER RESOLVED:** That each ballot used at said municipal election shall have printed therein, in addition to any other matter required by law the following:

**PROPOSED CHARTER AMENDMENT**

**MEASURE \_\_\_\_**

**Charter Amendment Replacing Gender Specific Language with Gender Neutral Language**

<b>Measure __. Shall the City Charter be amended to replace gender-specific language with gender neutral language, such as replacing words like “firemen” with “firefighters” and using gender-neutral pronouns in referring to City officers and staff, recognizing that women and non-binary persons as well as men are qualified for and hold such positions, and to avoid gender stereotyping and discrimination, and promote inclusivity?</b>	<b>Yes</b>	
	<b>No</b>	

; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes and directs the Clerk of the City of Oakland (“City Clerk”), at least 88 days prior to the November 8, 2022, general

municipal election, to file certified copies of this resolution with the Alameda County Board of Supervisors and the Registrar of Voters; and be it

**FURTHER RESOLVED:** That the City Charter hereby is amended, to add, delete, or modify sections as set forth below (sections number and titles are indicated in **bold type**; additions are indicated by underscoring, deletions are indicated by strike-through type; portion of the provisions not cited or not shown in underscoring or strike-through type are not changed); and be it

**FURTHER RESOLVED:** That the proposed Charter Amendment text shall be as follows:

### **SECTION 200**

**Section 200. Composition of the Council.** The Council shall consist of eight Councilmembers, nominated and elected as hereinafter provided. The Mayor shall not be a member of the Council, but ~~he~~ they shall have a vote on the Council if the councilmembers are evenly divided.

### **SECTION 201**

**Section 201. Qualifications.** No person shall be eligible for or continue to hold the office of Councilmember, either by election or appointment, unless ~~he is~~ they are a citizen of the United States, a qualified elector, a resident for at least thirty days of the City or of a territory lawfully annexed or consolidated, and a resident of the district from which ~~he~~ they may be a candidate for at least thirty days immediately next preceding ~~his~~ their nomination or appointment.

### **SECTION 203**

**Section 203. Nomination and Election of Councilmembers.** Seven Councilmembers shall be nominated from districts and one shall be nominated at large. The Councilmember-at-large shall be nominated and elected by the qualified electors of the City at large. The District Councilmembers shall be nominated and elected by the qualified electors of their respective districts. The districts shall be as they exist upon the taking effect of this section, until revised by ordinance. The Independent Redistricting Commission shall establish district boundaries in accordance with the provisions of this Article and applicable federal and state constitutional and statutory requirements. No change in the boundary of a district shall operate to exclude an incumbent from office before the expiration of the term for which ~~he or she was~~ they were elected or appointed.

### **SECTION 205**

**Section 205. Vacancy, Filling of.** All vacancies occurring in the office of Councilmember shall be filled by special election within 120 days of a vacancy. An extension of up to 60 days may be allowed for the express purpose of consolidating the special election with the next Municipal Election or Statewide Election. If the special election is to take place before the first use of ranked choice voting in a Municipal Election, the Council shall have the authority to provide for a ranked choice voting election by ordinance. Otherwise, the candidate who receives the highest number of votes at the special election shall be declared the winner and thereafter sworn into office as soon

as legally possible. Special elections for the office of Councilmember that take place during or after the first use of ranked choice voting in a Municipal Election shall be conducted using the same ranked choice voting procedures used to elect Councilmembers in General Municipal Elections. Whenever the period of vacancy in a Councilmember's term of office equals or exceeds 120 days the vacancy may be temporarily filled by appointment through the majority vote of the remaining Councilmembers, provided the appointee is not a candidate for the office which created the vacancy and provided the appointment does not exceed 128 days or go beyond the date the new incumbent is sworn in, whichever is shortest. Alternative legal voting procedures shall be used to the greatest extent feasible to increase voter participation in special elections including but not limited to mail ballot voting, electronic voting and extended voting period. Notwithstanding any other provision of this section 205 or this Charter, an election shall not be required to fill a vacancy in the office of Councilmember that occurs when the Vice Mayor fills a mayoral vacancy pursuant to Sections 303 and 304 of this Charter, and the Vice Mayor shall be entitled to return to ~~his/her~~ the Vice Mayor's seat.

## **SECTION 206**

**Section 206. Vacancy, What Constitutes.** An office of Councilmember shall be declared vacant by the Council when the person elected or appointed thereto fails to qualify within ten days after ~~his~~ their term is to begin, dies, resigns, ceases to be a resident of the City or of the district from which ~~he was~~ they were nominated, ~~absents himself~~ is absent continuously from the City for a period of more than thirty days without permission from the Council, ~~absents himself~~ is absent from any ten consecutive regular meetings except on account of ~~his~~ the Councilmember's illness or when absent from City by permission of the Council, is convicted of a felony, is judicially determined to be an incompetent, is permanently disabled as to be unable to perform the duties of ~~his~~ the office, forfeits ~~his~~ the office under any provision of this Charter, or is removed from office by judicial procedure. A finding of disability shall require the affirmative vote of at least six members of the Council after considering competent medical evidence bearing on the physical or mental capability of the Councilmember.

## **SECTION 216**

**Section 216. Effective Date of Ordinance.** An ordinance receiving upon final adoption the affirmative vote of at least six members of the Council shall be effective immediately, unless a later date is specified therein. All other ordinances, unless a different date is required by this Charter, shall be effective upon the seventh day after final adoption; provided, that within three days after said date of final adoption, the Mayor may file in the Office of the City Clerk written notice to the Council that ~~he has~~ the Mayor has suspended the taking effect of the ordinance, stating in said notice the reason or reasons for ~~his~~ the action, which notice the City Clerk shall forthwith deliver to the members of the Council. Such notification shall automatically cause the reconsideration of the ordinance by the Council at its regular meeting next following the sixth day after the aforesaid final adoption of the ordinance. If, upon reconsideration, the ordinance is approved by the affirmative vote of at least five members of the Council, it shall take effect immediately; and if not so approved, it shall be ineffective.

## **SECTION 218**

**Section 218. Non-Interference in Administrative Affairs.** Except for the purpose of inquiry, the Council and its members shall deal with the administrative service for which the City Administrator, Mayor and other appointed or elected officers are responsible, solely through the City Administrator, Mayor or such other officers. Neither the Council nor any Council member shall give orders to any subordinate of the City under the jurisdiction of the City Administrator or such other officers, either publicly or privately; nor shall they attempt to coerce or influence the City Administrator or such other officers, in respect to any contract, purchase of any supplies or any other administrative action; nor in any manner direct or request the appointment of any person to or his their removal from office by the City Administrator or any of his the City Administrator's subordinates or such other officers, nor in any manner take part in the appointment or removal of officers or employees in the administrative service of the City. Violation of the provisions of this section by a member of the Council shall be a misdemeanor, conviction of which shall immediately forfeit the office of the convicted member.

## **SECTION 220 (J)(2)**

**Section 220(J)(2).** No later than January 1, 2020, and in each year ending in the number zero (0) thereafter, the City Administrator or ~~his or her~~ the City Administrator's designee shall recruit and select members for the selection panel based on criteria approved by the City Council as required by subdivision (J)(1).

## **SECTION 220 (J)(3)**

**Section 220(J)(3).** The City Administrator or ~~his or her~~ the City Administrator's designee shall do all of the following:

- (a) No later than January 1, 2020, and in each year ending in the number zero (0) thereafter, initiate and widely publicize an application process, open to all residents of Oakland who meet the requirements of subdivision (D)(1), in a manner that promotes a Qualified Commissioner applicant pool that is large and reflective of the geographic, racial, ethnic and economic diversity of the City of Oakland. This process shall remain open until April 1, 2020 and in each year ending in the number zero (0) thereafter.
- (b) Create a reader-friendly application available electronically and in hard copies for prospective commissioners, and seek assistance from a broad range of community-based organizations in its outreach efforts. Applicants shall attest on the application, under penalty of perjury, that the information provided is true.
- (c) Ensure that the pool has at least three Qualified applicants from each existing City Council district.
- (d) Take all reasonable and necessary steps to ensure that the pool has the requisite numbers, diversity, and Qualifications.

### **SECTION 220 (J)(5)**

**Section 220(J)(5).** Based on review of the applications, the City Administrator or ~~his or her~~ the City Administrator's designee shall remove from the Commissioner applicant pool any of the following:

- (a) A person with a conflict of interest, as defined in the Political Reform Act, commencing at Section 81000 of the Government Code.
- (b) A person who is, on the date of application, a paid employee of City of Oakland or serving on a City of Oakland commission.
- (c) A person who has been, within the five years immediately preceding the date of application a paid employee of any redistricting contractor or consultants.
- (d) A person who, or whose spouse, parent, child, or registered domestic partner, has been, within ten years immediately preceding the date of application, any of the following:
  - (i) Elected to, or a candidate for, local office.
  - (ii) An employee, or paid consultant or contractor to a campaign for local office.
  - (iii) Registered or required to be registered as a local lobbyist.
  - (iv) A paid employee of, a consultant to, or under contract with any elected City of Oakland Official.
  - (v) A principal officer of an active campaign committee domiciled in Alameda County that has made expenditure on local Oakland candidate elections.
- (e) A person who has contributed 50% or more of the allowable amount to candidates for City of Oakland elective office in the last city election.

### **SECTION 220 (J)(8)**

**Section 220(J)(8).** The City Clerk, or ~~his or her~~ the City Clerk's designee, shall randomly draw at a public meeting six names from the remaining pool of applicants. These six individuals shall serve on the Commission.

### **SECTION 220 (J)(10)**

**Section 220(J)(10).** The City Attorney and the City Administrator, or ~~his or her~~ their designees, shall train the Commissioners prior to beginning their work. The training shall cover the open meeting requirements of the Ralph M. Brown Act.

### **SECTION 301**

**Section 301. Qualifications.** No person shall be eligible for or continue to hold the Office of Mayor, either by election or appointment, unless ~~he is~~ they are a citizen of the United States, a qualified elector and resident for at least thirty days of the City or a territory lawfully annexed or consolidated.

## **SECTION 302**

**Section 302. Term of Office, the Mayor.** The Mayor shall be elected to a term of four years beginning at 11:00 a.m. on the first Monday of January following ~~his~~ the Mayor's election. The Mayor elected to Office to serve a term beginning in 1985 shall serve in Office until 11:00 a.m. on the Monday following January 1 in 1991. In 1990 municipal elections will be held to select City Officers for four year terms, including the Office of Mayor. No person shall be elected to the office of Mayor for more than two consecutive terms, and no person who has held the office of Mayor, or acted as Mayor, for more than two years of a term for which some other person was elected Mayor may be elected to more than one more consecutive term as Mayor.

## **SECTION 303**

**Section 303. Vacancy, Filling of.** Upon the declaration of vacancy in the office of the Mayor, the office of the Mayor shall be filled by the Vice-Mayor of the Council. Except as otherwise provided in this Section, when the Vice-Mayor of the Council assumes the office of Mayor upon declaration of a vacancy, ~~she/he~~ the Vice Mayor shall serve for the unexpired term if such term is less than one year; otherwise ~~she/he~~ the Vice Mayor shall serve until the vacancy is filled as provided herein. Whenever the period of vacancy in a Mayor's term of office is less than one year and the Vice Mayor notifies the Council in writing that ~~she/he does~~ the Vice Mayor does not wish to serve as Mayor for the unexpired term, the vacancy shall be filled by appointment through a majority vote of the remaining Councilmembers; provided the appointee shall be ineligible to be a candidate for the next full term of the Office of Mayor. If at the time of a vacancy declaration the unexpired term is one year or more, the vacancy occurring in the office of Mayor shall be filled by special election within 120 days of such vacancy. An extension of up to 60 days may be allowed for the express purpose of consolidating the special election with the next Municipal Election or Statewide Election. If the special election is to take place before the first use of ranked choice voting in a Municipal Election, the Council shall have the authority to provide for a ranked choice voting election by ordinance. Otherwise, the following procedures shall be used: if no candidate receives the majority of the votes cast in the special election, then a run-off election shall be held for the two candidates who received the highest number of votes no later than 60 days after the date of the special election; provided that all persons receiving a number of votes equal to the highest number of votes received by any candidate shall also be candidates at such run-off election. The candidate receiving the highest number of votes cast for all candidates for the office at the run-off election shall be declared elected. Special elections for the office of Mayor that take place during or after the first use of ranked choice voting in a Municipal Election shall be conducted using the same ranked choice voting procedures used to elect the Mayor in General Municipal Election. The candidate elected to fill the vacancy shall hold office for the balance of the unexpired term. Alternative legal voting procedures shall be used to the greatest extent feasible to increase voter participation in special elections including but not limited to mail ballot voting, electronic voting, and extended voting period.

## **SECTION 304**

**Section 304. Vacancy: What Constitutes.** The office of Mayor shall be declared vacant by the Council when the person elected or appointed thereto fails to qualify within ten days after ~~his~~ the Mayor's term is to begin, dies, resigns, ceases to be a resident of the City or is absent

~~absents himself/herself~~ continuously from the City for a period of more than thirty days without permission from the Council, is convicted of a felony, is judicially determined to be ~~an~~ incompetent, is permanently so disabled as to be unable to perform the duties of ~~his~~ the Mayor's office, forfeits ~~his~~ the office under any provision of this Charter, or is removed from office by judicial procedure. A finding of disability shall require the affirmative vote of at least six members of the Council after considering competent medical evidence bearing on the physical or mental capability of the Mayor.

### **SECTION 305**

**Section 305. Functions, Powers and Duties.** The Mayor shall be the chief elective officer of the City, responsible for providing leadership and taking issues to the people and marshalling public interest in and support for municipal activity. The Mayor shall have the following powers, duties, and responsibilities:

- (a) The Mayor shall be responsible for the submission of an annual budget to the Council which shall be prepared by the City Administrator under the direction of the Mayor and Council. The Mayor shall, at the time of the submission of the budget, submit a general statement of the conditions of the affairs of the City, the goals of the administration, and recommendations of such measures as ~~he~~ the Mayor may deem expedient and proper to accomplish such goals.
- (b) Recommend to the Council such measures and legislation as ~~he~~ the Mayor deems necessary and to make such other recommendations to the Council concerning the affairs of the City as ~~he finds~~ the Mayor finds desirable.
- (c) Encourage programs for the physical, economic, social and cultural development of the City.
- (d) Actively promote economic development to broaden and strengthen the commercial and employment base of the City.
- (e) Appoint the City Administrator, subject to confirmation by the City Council, remove the City Administrator and give direction to the City Administrator. The Mayor shall advise the Council before removing the City Administrator.
- (f) Serve as ceremonial head of the City.
- (g) Represent the City in inter-governmental relations as directed by the Council.
- (h) Provide community leadership.

The Mayor shall, at the first meeting of the City Council in October, appear before the Council to deliver a general address on the State of the City, and recommend the adoption of such measures as ~~he/she~~ the Mayor may deem expedient and proper. The Mayor and such staff as ~~he/she~~ the Mayor may designate shall also conduct four additional public meetings during the year to solicit and respond to comments, concerns, or questions from the public. These meetings shall be noticed to the public not less than two weeks in advance, and shall be scheduled approximately three months apart.

The Mayor shall devote ~~his~~ their full time and attention to the duties of the Office of the Mayor and shall not engage in outside employment while in office. However, nothing shall prevent the Mayor from the receipt of income earned from business(s) or investment(s) in which ~~he is~~ the



Mayor is not actively engaged and which are not in conflict with the performance of ~~his~~ the Mayor's duties and responsibilities.

#### **SECTION 401(2)**

**Section 401(2). Qualifications, the City Attorney.** No person shall be eligible for or continue to hold the Office of City Attorney, either by election or appointment, unless ~~he or she is~~ they are a citizen of the United States, a qualified elector and resident for at least 30 days of the City or a territory lawfully annexed or consolidated, licensed to practice law in all courts of the State of California and so licensed for at least ten years preceding ~~his or her~~ their election.

#### **SECTION 401(3)**

**Section 401(3). Term of Office, the City Attorney.** The City Attorney shall be elected to a term of four years beginning at 11:00 a.m. on the Monday following January 1 following ~~his or her~~ the City Attorney's election.

#### **SECTION 401(5)**

**Section 401(5). Vacancy, What Constitutes.** The Office of City Attorney shall be declared vacant by the Council when the person elected or appointed thereto fails to qualify within ten days after ~~his or her~~ their term is to begin, dies, resigns, ceases to be a resident of the City or is absent ~~absents himself or herself~~ continuously from the City for a period of more than thirty days without permission from the Council, is absent ~~absents himself or herself~~ from any ten consecutive regular meetings except on account of own illness or when absent from the City by permission of the Council, is convicted of a felony, is judicially determined to be an incompetent, is permanently so disabled as to be unable to perform the duties of ~~his or her~~ the office, forfeits ~~his or her~~ the office under any provision of this Charter, or is removed from office by judicial procedure. A finding of disability shall require the affirmative vote of at least six members of the Council after considering competent medical evidence bearing on the physical or mental capability of the City Attorney.

#### **SECTION 401(6)**

**Section 401(6). Powers of the City Attorney.** The City Attorney shall serve as counsel to the Mayor, City Council, and each and every department of the City, except departments specifically enumerated by this Charter as an independent department of the City, in their official capacities pursuant to state law and the Charter, and as counsel, shall assert and maintain the attorney-client privilege pursuant to state law. ~~He or she~~ The City Attorney shall advise all officers, boards, commissions, and other agencies of the City on legal matters referred to ~~him or her~~ the City Attorney and shall render written legal opinions when the same are requested in writing by the Mayor or a member of the Council or the City Administrator or any other officer, board or commission of the City. ~~He or she~~ The City Attorney shall draft such ordinances, resolutions, contracts and other legal documents as directed by the Council or requested by the Mayor or City Administrator or any official board or commission of the City. ~~He or she~~ The City Attorney shall act as Counsel in behalf of the City or any of its officers, boards, commissions, or other agencies in litigation involving any of them in their official capacity. ~~He or she~~ The City Attorney may, whenever a cause of action exists in favor of the City, commence legal proceedings, subject to

ratification by the City Council, when such action is within the knowledge of the City Attorney, or, ~~he or she~~ the City Attorney shall commence legal proceedings when directed by the City Council. ~~He or she~~ The City Attorney shall pass on the form and legality of all contracts of the City before the same are executed. ~~He or she~~ The City Attorney shall not settle or dismiss any litigation brought for the City nor settle any litigation brought against the City which may be under ~~his~~ the City Attorney's control unless upon ~~his~~ the City Attorney's written recommendation ~~he or she~~ is the City Attorney is authorized to do so by the Council. ~~He or she~~ The City Attorney shall administer the office of City Attorney, and shall have the power to appoint, discipline and remove all officers and employees of ~~his or her~~ the office subject to the provisions of Article IX of the Charter. The Council may empower the City Attorney, at ~~his or her~~ the City Attorney's request and without regard to the provisions of Article IX, to employ special legal counsel, and ~~he or she~~ the City Attorney shall have the power to appoint appraisers, engineers and other technical and expert services necessary for the handling of any pending or proposed litigation, proceeding or other legal matter. Upon the City Attorneys recommendation and the approval of the Council, when ~~he or she~~ has the City Attorney has a conflict of interest in litigation involving another office of the City in ~~his~~ the City Attorney's official capacity, such other officer may retain special legal counsel at City expense.

#### **SECTION 402**

**Section 402. City Clerk.** The City Clerk shall be appointed or discharged by the City Administrator subject to confirmation by the Council. ~~He~~ The City Clerk shall be the Clerk of the Council and keep an accurate public record of all ordinances, resolutions and motions, shall have custody of the official seal and all official records committed to ~~his~~ the City Clerk's care, make affidavits and administer oaths without charge in matters affecting the business of the City, conduct elections, and perform the other duties of a City Clerk under general law where not inconsistent with this Charter or the ordinances of the City.

#### **SECTION 403**

**Section 403. City Auditor.** The City Auditor shall be nominated and elected in the same manner, for the same term, and at the same election, as the Mayor. To be eligible to the office a person must be a qualified elector of the State of California, and shall be a resident of the City at the time of filing nomination papers and for thirty (30) days immediately preceding the date of filing, and shall be certified by the California State Board of Accountancy as a Certified Public Accountant or by the Institute of Internal Auditors as a Certified Internal Auditor. The salary of the office shall be set by the Council, which shall be not less than 70% nor more than 90% of the average salaries of City Auditors of California cities within the three immediate higher and the three immediate lower cities in population to Oakland, and may not be reduced during the City Auditor's term of office, except as a part of a general reduction of salaries for all officers and employees in the same amount or proportion. The City Auditor shall have the power and it shall be ~~his or her~~ the City Auditor's duty to audit the books, accounts, money and securities of all departments and agencies of the City and such other matters as the Council may request; to report to the Council periodically the results of such audits and to advise and make recommendations to the City Administrator regarding accounting forms design, fiscal and statistical reports and the methods or procedures for maintaining the accounts and accounting system throughout all departments, offices and agencies of the City. The City Auditor shall report to the Council

instances of noncompliance with accepted accounting principles where recommendations for compliance have not been implemented by the City Administrator after reasonable time and opportunity. The City Auditor shall conduct surveys, reviews, and audits as the Auditor deems to be in the best public interest or as required by the Council or Mayor. For these purposes the public interest shall include, but not be limited to:

- (1) Reviewing and appraising the soundness, adequacy and application of accounting, functional, and operating controls and reliability and timeliness of accounting and other data generated within the organization.
- (2) Evaluating the city's internal controls to ensure that the City's assets and resources are reasonably safeguarded from fraud, waste, and mismanagement.
- (3) Ascertaining compliance with Council's resolutions and policies and the Mayor's Administrative Instructions and Directives, as well as applicable State and Federal laws and regulations.
- (4) Providing assistance to City Departments to enhance the effectiveness, efficiency and economy of their operations.
- (5) Preparing an impartial financial analysis of all ballot measures, pursuant to the provisions of the Municipal Code.
- (6) Preparing impartial financial analyses of proposed major expenditures prior to the approval of such expenditures. These analyses will be for informational purposes only and will include, but not be limited to, proposals, contracts, ventures, programs and construction projects. The proposed major expenditures selected for these financial analyses will be based on requests from Mayor/Council and/or deemed to be prudently advisable in the objective and professional judgment of the City Auditor.
- (7) Responding to requests for audit and reviews.
- (8) Submitting, at a public meeting of the full City Council, a quarterly report to the Council and public on the extent of implementation of recommendations for corrective actions made in the City Auditor's report.
- (9) The City Auditor shall conduct performance audits of each department as specified in the City budget.

The City Auditor shall be represented in all legal matters by the City Attorney except as provided otherwise in Section 401.

## **SECTION 500**

**Section 500. Appointment.** The Mayor shall appoint a City Administrator, subject to the confirmation by the City Council, who shall be the chief administrative officer of the City. ~~He~~ The City Administrator shall be a person of demonstrated administrative ability with experience in a responsible, important executive capacity and shall be chosen by the Mayor solely on the basis of ~~his~~ the City Administrator's executive and administrative qualifications. No member of the Council shall, during the term for which ~~he is~~ they are elected or appointed, or for one year thereafter, be chosen as City Administrator.

## **SECTION 501**

**Section 501. Compensation and Tenure.** The City Administrator shall receive the salary fixed by the Council. ~~He~~ The City Administrator shall be appointed for an indefinite term and shall serve at the pleasure of the Mayor.

## **SECTION 502**

**Section 502. Acting City Administrator.** The City Administrator shall designate two or more of ~~his~~ the City Administrator's assistants or department heads, in the sequence in which they are to serve, as Acting City Administrator to serve as City Administrator in the temporary absence or disability of the City Administrator.

## **SECTION 503**

**Section 503. Powers of Appointment and Removal.** The City Administrator shall be responsible to the Council for the proper and efficient administration of all affairs of the City under ~~his~~ the City Administrator's jurisdiction, and shall, subject to the provisions of Article IX of this Charter and except as otherwise provided in this Charter, have the power to appoint, assign, reassign, discipline and remove all directors or heads of departments and all employees under ~~his~~ the City Administrator's jurisdiction. ~~He~~ The City Administrator may delegate to directors or other department heads responsible to ~~him/her~~ the City Administrator the authority to appoint, discipline and remove subordinate employees, subject to the provisions of Article IX of this Charter.

## **SECTION 504**

**Section 504. Duties.** The City Administrator shall have the power and it shall be ~~his~~ the City Administrator's duty:

- (a) To execute and enforce all laws and ordinances and policies of the Council and to administer the affairs of the City.
- (b) To attend all meetings of the Council, and its committees, unless excused, and such meetings of boards and commissions as the City Administrator ~~he~~ chooses or is directed to attend by the Council, and to participate in discussions at such meetings.
- (c) To recommend to the Council such measures and ordinances as ~~he~~ the City Administrator may deem necessary or expedient and to make such other recommendations to the Council concerning the affairs of the City as ~~he finds~~ the City Administrator finds desirable.
- (d) To investigate affairs of the City under ~~his~~ the City Administrator's supervision, or any franchise or contract for the proper performance of any obligation running to the City within ~~his~~ the City Administrator's jurisdiction.
- (e) To control and administer the financial affairs of the City. ~~He~~ The City Administrator may appoint a Director of Finance to act under ~~his~~ the City Administrator's direction.
- (f) To prepare an annual budget under the direction of the Mayor and Council for the Mayor's submission to the Council.

- (g) To prepare or cause to be prepared the plans, specifications, and contracts for work which the Council may order.
- (h) To supervise the purchasing of materials and supplies and to make recommendations to the Council in connection with the awarding of public contracts and to see that all City contracts under ~~his~~ the City Administrator's direction or that of the Council are faithfully performed.
- (i) To prepare and submit to the Council such reports as it may require.
- (j) To keep the Council at all times fully advised as to the financial condition and needs of the City.
- (k) To prescribe such general rules and regulations as ~~he~~ the City Administrator may deem necessary or expedient to the general conduct of the administrative departments under ~~his~~ the City Administrator's jurisdiction.
- (l) When directed by the Council, to represent the City in its intergovernmental relations and to negotiate contracts for joint governmental actions, subject to Council approval.
- (m) To devote ~~his~~ the City Administrator's entire time to the duties and interest of the City.
- (n) To perform such other duties as may be prescribed by this Charter or by ordinance or resolution.

#### SECTION 600

**Section 600. Administrative Organization Authorized.** The Council shall by ordinance provide the form of organization through which the functions of the City under the jurisdiction of the City Administrator are to be administered. Any combination of authorized duties, powers and functions which in the judgment of the Council will provide the most efficient and economical service possible, consistent with the public interest and in keeping with accepted principles of municipal administration, may be authorized by such ordinance. All departments or other administrative agencies so created shall be administered by the City Administrator or by a department head or other officer appointed by and responsible to ~~him/her~~ the City Administrator.

#### SECTION 603 (d)(3)

**Section 603(d)(3).** Terms of office. All categories of member shall be appointed to staggered terms. Members of the Commission shall be appointed to overlapping terms, to commence upon date of appointment, except that an appointment to fill a vacancy shall be for the unexpired term only. Members of the Commission shall serve for a term of three years. No member may serve more than two consecutive full three-year terms. If a member is appointed to fill an unexpired term which term is for more than 1.5 years, ~~he/she~~ such member may serve only one additional consecutive three-year term. If a member is appointed to fill an unexpired term which term is for less than 1.5 years, ~~he/she~~ such member may serve two consecutive full three-year terms.

### **SECTION 603 (d)(5)**

**Section 603(d)(5).** Vacancy. A vacancy on the Commission will exist whenever a member dies, resigns, ceases to be a resident of the City or ~~is absent~~ ~~absents himself/herself~~ continuously from the City for a period of more than 30 days without permission from the Commission, is convicted of a felony, is judicially determined to be an incompetent, is permanently so disabled as to be unable to perform the duties of a member, or is removed. A finding of disability shall require the affirmative vote of at least four members of the Commission after considering competent medical evidence bearing on the physical or mental capability of the member.

Vacancies not filled by the Mayor, City Attorney, or City Auditor within 90 days of the occurrence of such vacancy may be filled by the City Council in the same manner as provided by Charter, Section 601.

### **SECTION 604 (a)3**

**Section 604(a)(3).** Nothing herein shall prohibit the Chief of Police or a commanding officer from investigating the conduct of a Department sworn employee under ~~his or her~~ the Police Chief's command, nor shall anything herein prohibit the Chief of Police from taking disciplinary or corrective action with respect to complaints investigated solely by the Department.

### **SECTION 604 (b)3**

**Section 604(b)(3).** Consistent with state law and in accordance with Section 1207 of the City Charter, entitled "Oaths and Subpoenas," issue subpoenas to compel the production of books, papers and documents and take testimony on any matter pending before it except that the Commission shall not have any authority to issue subpoenas for the purpose of investigating any City employee, including an Agency employee, who is not a police officer. If any person subpoenaed fails or refuses to appear or to produce required documents or to testify, the majority of the members of the Commission may find ~~him~~ such person in contempt, and shall have power to take proceedings in that behalf provided by the general law of the State.

### **SECTION 604 (b)4**

**Section 604(b)(4).** Propose changes at its discretion or upon direction, by adoption of a resolution, of the City Council, including modifications to the Department's proposed changes, to any policy, procedure, custom, or General Order of the Department which governs use of force, use of force review boards, profiling based on any of the protected characteristics identified by federal, state, or local law, or First Amendment assemblies, or which contains elements expressly listed in federal court orders or federal court settlements which pertain to the Department and are in effect at the time this Charter Section 604 takes effect. All such proposed changes and modifications shall be submitted by the Commission Chair or ~~her or his~~ the Commission Chair's designee to the City Council for review. The City Council shall consider the Commission's proposed changes or modifications within one hundred and twenty (120) days of the Commission's vote on the proposed changes, and may approve, modify and approve, or reject the changes. If the Council does not approve, modify and approve, or reject the Commission's proposed changes or modifications, the changes or modifications will become final.

### **SECTION 604 (b)5**

**Section 604(b)(5).** Approve or reject the Department's proposed changes to all policies, procedures, customs, and General Orders of the Department which govern use of force, use of force review boards, profiling based on any of the protected characteristics identified by federal, state, or local law, or First Amendment assemblies, or which contains elements expressly listed in federal court orders or federal court settlements which pertain to the Department and are in effect at the time this Charter Section 604 takes effect. If the Commission does not approve or reject the Department's proposed changes within one hundred and twenty (120) days of the Department's submission of the proposed changes to the Commission, the Department's proposed changes will become final. If the Commission rejects the Department's proposed changes, notice of the Commission's rejection, together with the Department's proposed changes, shall be submitted by the Commission Chair or ~~her or his~~ the Commission Chair's designee to the City Council for review. The City Council shall consider the Commission's decision within one hundred and twenty (120) days of the Commission's vote on the Department's proposed changes, and may approve or reject the decision. If the Council does not approve or reject the Commission's decision, the Commission's decision will become final.

### **SECTION 604 (b)8**

**Section 603(b)(8).** Require the Chief of Police or ~~his or her~~ the Police Chief's designee to attend Commission meetings and require the Chief of Police to submit an annual report to the Commission regarding such matters as the Commission shall require, including but not limited to a description of Department expenditures on community priorities as identified by the Commission. The Chief of Police or ~~her or his~~ the Police Chief's designee shall also respond to requests made by the Commission, through the Chairperson, by a majority vote of those present. The Chief of Police or ~~her or his~~ their designee shall provide to the Commission Chair an estimate of the time required to respond to the Commission's requests.

### **SECTION 604 (c)3(d)**

**Section 603(c)(3)(d).** Each year the Mayor and each Councilmember may replace ~~her or his~~ their assigned person on the Selection Panel. Selection Panel members may serve up to five (5) years. Upon a vacancy on the Selection Panel, the Councilmember who appointed the Selection Panel member (hereinafter referred to as the Appointing Authority) shall appoint a replacement. If the Appointing Authority does not appoint the replacement within one hundred and twenty (120) days of the date of resignation, removal or expiration of the Selection Panel member's term, the Selection Panel, by a two-thirds vote of those present but by a vote of no fewer than five (5) Selection Panel members, shall choose a replacement for the vacancy. All such replacements must be confirmed by the City Council.

### **SECTION 604 (f)2**

**Section 604(f)(2).** Subject to applicable law and provisions of this Charter Section 604, the Commission, OIG, and Agency shall have the same access to all Department files and records, including the Department's Internal Affairs Division (hereinafter, IAD) files and records, related to sworn employees of the Department, in addition to all files and records of other City departments

and agencies related to sworn employees of the Department, as IAD, including but not limited to the same access to electronic data bases as IAD as permitted by law. Requests for access to such files and records shall be made by a majority vote of the Commission, by the Agency Director, or by the Inspector General. By majority vote, the Commission shall have the authority to request information from the Department, and the Chief of Police or ~~her or his~~ the Police Chief's designee shall respond to such requests, as permitted by law. Commission requests for personnel records shall have, and the Commission's vote shall articulate, a reasonable nexus to one or more of the Commission's powers and duties enumerated in subsection (b) of this Charter Section 604. All those who have access to confidential information shall maintain confidentiality as required by law. The Department and other City departments and agencies shall make every reasonable effort to respond to the Commission's, OIG's, or Agency's requests for files and records within ten (10) days, including but not limited to: (1) records relevant to Police Department policies or practices, and (2) personnel and disciplinary records of Police Department sworn employees, as permitted by law.

### **SECTION 604 (f)3**

**Section 604(f)(3).** The Agency shall make every reasonable effort to complete its investigations within one hundred and eighty (180) days of the filing of the complaint with the Agency. The Agency shall complete its investigations within two hundred and fifty (250) days of the filing of the complaint with the Agency unless the Agency Director, in ~~his or her~~ the Agency Director's discretion, makes a written finding that exceptional circumstances exist in a particular case that are beyond the Agency's control. Within thirty (30) days of completion of the investigation, the Agency Director shall issue written findings and proposed discipline regarding the allegations stated in the complaint to the Chair of the Commission and the Chief of Police. The Agency Director shall issue written findings and proposed discipline within forty-eight (48) hours of completion of any investigation of Level 1 use of force (as defined by Department policy), sexual misconduct or untruthfulness. The City Administrator shall not have the authority to reject or modify the Agency's findings and proposed discipline.

### **SECTION 604 (f)6**

**Section 604(f)6.** Upon the occurrence of a Serious Incident, as defined by Ordinance, the Chief of Police or ~~her or his~~ the Police Chief's designee shall immediately notify the Agency Director.

### **SECTION 604 (g)1**

**Section 604(g)(1).** If the Chief of Police agrees with the Agency's findings and proposed discipline, ~~he or she~~ the Police Chief shall notify the Agency Director who shall notify the Chair of the Commission of the agreed-upon findings and proposed discipline. The Chief shall send to the subject officer notification of the agreed-upon findings and intent to impose discipline. The Chief of Police may send such notification to the subject officer before IAD has begun or completed its investigation.



## **SECTION 604 (g)2**

**Section 604(g)(2).** If the Chief of Police disagrees with the Agency's findings and/or proposed discipline, the Chief of Police shall notify the Agency Director of ~~his or her~~ the Police Chief's own findings and/or proposed discipline. The Agency Director shall submit the Chief's findings and proposed discipline in addition to the Agency's findings and proposed discipline to the Chair of the Commission. The Chair of the Commission shall appoint a Discipline Committee comprised of three Commissioners. The City Administrator shall not have authority to reject or modify the Chief of Police's findings and proposed discipline. After reviewing the Agency's submission and after consulting with the Agency Director about the time available under applicable statutory deadlines, the Discipline Committee may require the Agency to further investigate the complaint by notifying the Agency Director, in writing, of the specific issues that need further investigation. After reviewing both submissions, the Discipline Committee shall resolve any dispute between the Agency and the Chief of Police. Based solely on the record presented by the Agency and the Chief of Police, the Discipline Committee shall submit its final decision regarding the appropriate findings and proposed discipline to the Chief of Police who shall notify the subject officer. The City Administrator shall not have the authority to reject or modify the Discipline Committee's final decision regarding the appropriate findings and level of discipline. The Discipline Committee shall not have the authority to conduct its own investigation.

## **SECTION 604 (g)3**

**Section 604(g)(3).** If the Chief of Police prepares ~~his or her~~ their own findings and proposed discipline and provides it to the Agency before the Agency's investigation is initiated or completed, the Agency may close its investigation or may choose not to conduct its own investigation in order to allow final discipline to proceed as proposed by the Chief, except that in investigations of Level 1 uses of force, sexual misconduct or untruthfulness, the Commission must approve the Agency's decision by a majority vote. If the Agency chooses not to close its investigation, imposition of final discipline shall be delayed until the Agency's investigation is completed and the Agency makes its findings and recommendations for discipline. The Agency shall notify the Chief of its final decision regarding how and whether it will proceed within seven (7) days of the Chief's notice of completion of ~~his or her~~ the Chief's investigation.

## **SECTION 604 (i)3**

**Section 604(i)(3).** In accord with their role, Commission Attorneys shall not disclose the confidences of the Commission on any legal matter to any other officer of the City unless:

- (a) The Commission, either as a body or through its Chair, or the Vice Chair if the Chair is unavailable and the matter is time sensitive, gives Commission Attorney informed consent in writing;
- (b) The Commission, either as a body or through its Chair, or Vice Chair if the Chair is unavailable and the matter is time sensitive, refers the same legal matter to the City Attorney pursuant to section 401(6) of this Charter;
- (c) The Commission Attorney, in ~~her/his~~ their professional discretion, determines it is in the best interests of the Commission to consult with the City Attorney;

- (d) The Commission Attorney, in ~~her/his~~ their professional discretion, determines that the Rules of Professional Conduct require referral of the matter to one of the following City officers: City Administrator, Mayor, City Attorney, Council president, Vice Mayor; or
- (e) The legal matter becomes, in whole or in part, the subject of litigation involving the City or any City officer, board, commission, including the Police Commission, or other agency in their official capacity.

## **SECTION 701**

**Section 701. Board of Port Commissioners.** The exclusive control and management of the Port Department is hereby vested in the Board of Port Commissioners, which shall be composed of seven (7) members who shall be appointed by the Council, upon nomination by the Mayor.

No person shall be appointed as, or continue to hold office as, a member of the Board who is not at the time of his their appointment, and has not been continuously for thirty (30) days immediately preceding his their appointment, and who shall not continue to be during his their term, a bona fide resident of the City of Oakland.

The members of the Board shall serve without salary or compensation.

## **SECTION 706 (20)**

**Section 706(20).** To appoint a Port Attorney, whose duty it shall be to pass upon the form and legality of all contracts within the jurisdiction of the Board, give legal advice to the Board on official matters, defend and (subject to direction from the Board) prosecute or compromise all actions at law or in equity and special proceedings for or against the City or any officers thereof in his the Port Attorney's official capacity, pertaining to matters within the jurisdiction of the Board. The Board shall fix and provide for his the Port Attorney's compensation.

## **SECTION 708**

**Section 708. Building Permits.** No person or persons shall construct, extend, alter, improve, erect, remodel or repair any pier, slip, basin, wharf, dock or other harbor structure, or any building or structure within the "Port Area" without first applying for and securing from the Board a permit so to do, in accordance with the rules and regulations adopted by it. In approving or denying the right to said permit, the Board shall consider the application therefor, the character, nature and size and location of the proposed improvement, and exercise a reasonable and sound discretion in the premises.

Provided, however, that applications for building permits pertaining to privately owned property within the "Port Area" shall be made to the Executive Director who shall consider and act upon them in the same manner as applications for such permits made to the Board. Any person excepting to any denial, suspension or revocation of a permit applied for or held by ~~him~~ them pursuant to the provisions of this section, or any person excepting to the granting of, or to the refusal to suspend or revoke a permit applied for or held under the provisions of this section, may

appeal to the Board by filing with the Secretary a written notice of such appeal setting forth the specific grounds thereof. Such notice must be filed within fourteen (14) days after notice of such denial, suspension, revocation or granting, or refusal to suspend, revoke or grant, such permit, constituting the basis of such appeal, but in no event later than thirty (30) days after the date of the denial, suspension, revocation or granting of the permit. The Secretary shall forthwith set said matter for hearing before the Board and cause notice thereof to be given (1) to the appellant, and (2) to the adverse party or parties, or to the attorney, ~~spokesman~~ spokesperson or representative thereof, not less than five (5) days prior to such hearing. At such hearing the appellant shall show cause, on the grounds specified in the notice of appeal, why the action excepted to should not be approved. The Board may continue such hearing from time to time, and its findings and conclusions on the appeal shall be final and conclusive in the matter.

Such permit issued by the Board or the Executive Director shall be in addition to any permit which may be required by law from the Building Inspector of the City.

#### **SECTION 714**

**Section 714. Personnel System.** All permanent places of employment in and under the Board shall be included within the personnel system of the City established pursuant to and subject to the provisions of Article IX of this Charter, except the Executive Director and ~~his~~ the Executive Director's two principal assistants, the Secretary of the Board, the Port Attorney and Legal Assistants, chief wharfinger, field and traffic representatives, and all persons employed in the physical or mechanical handling, moving or checking of cargo and freight. The exemption of such personnel from the operation of civil service rules shall not in any way affect such pre-existing civil service rights as such employee may hold.

#### **SECTION 716**

**Section 716. Tax Levy Funds.** In the event that said Port budget, as provided for in the foregoing section, shall request or provide for the allocation or appropriation to the Port by the Council of any funds raised or to be raised by tax levy or in any manner to be obtained from general revenues of the City, or shall request the incurring or payment of any financial obligation by the City for the Port's use and benefit, or shall not provide for Board servicing of existing or future general obligation bonds of the City issued for Port purposes, the Council shall have the authority to reject said budget and to require it to be revised to meet with Council approval, subject, however, to the Board's covenants with the holders of all of the then outstanding revenue bonds issued by the Board.

The Treasurer shall keep all Port funds separate from other funds in ~~his~~ the Treasurer's possession, and the Board shall have the exclusive management and disbursement of the same.

#### **SECTION 728 (2)**

**Section 728(2).** Exemptions from Coverage. In addition to the above exemption for workforces of fewer than 20 workers, the following persons shall also be exempt from coverage under this Section:

- (A) An Employee who is (1) under twenty-one (21) years of age and (2) employed by a nonprofit entity for after-school or summer employment or for training for a period not longer than ninety (90) days, shall be exempt.
- (B) An Employee who spends less than 25 percent of his their work time on Port-related employment.
- (C) A person who employs not more than 20 employees per pay period.

**SECTION 728 (4)**

**Section 728(4).** Notifying Employees of their Potential Right to the Federal Earned Income Credit. Each PAB shall inform each Employee who makes less than twelve dollars (\$12.00) per hour of ~~his or her~~ the Employee's possible right to the federal Earned Income Credit ("EIC") under Section 2 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and shall make available the forms required to secure advance EIC payments from the business. These forms shall be provided to the eligible Employees in English (and other languages spoken by a significant number of such Employees) within thirty (30) days of employment under this Section and as required by the Internal Revenue Code.

**SECTION 728 (7)**

**Section 728(7).** Retaliation and Discrimination Barred; No Waiver of Rights.

- (A) A PAB shall not discharge, reduce the compensation of or otherwise discriminate against any person for making a complaint to the Port, participating in any of its proceedings, using any civil remedies to enforce ~~his or her~~ such person's rights, or otherwise asserting ~~his or her~~ such person's rights under this Section.
- (B) Any waiver by an individual of any of the provisions of this Section shall be deemed contrary to public policy and shall be void and unenforceable, except that Employees shall not be barred from entering into a written valid collective bargaining agreement waiving a provision of this Section if such waiver is set forth in clear and unambiguous terms. Any request to an individual by a PAB to waive ~~his or her~~ the individual's rights under this Section shall constitute a violation of this Section.

**SECTION 728 (8)(A)**

**Section 728(8)(A).** Each PAB shall maintain for each person in Port-related employment a record of ~~his or her~~ the person's name, pay rate and, if the PAB claims credit for health benefits, the sums paid by the PAB for the Employee's health benefits. The PAB shall submit a copy of such records to the Port at least by March 31st, June 30th, September 30th and December 31st of each year, unless the PAB has employed less than 20 persons during the preceding quarter in which case the PAB need only submit a copy of such records every December 31st. Failure to provide a copy of such records within five days of the due date will result in a penalty of five hundred dollars (\$500.00) per day. Each PAB shall maintain a record of the name, address, job classification, hours worked, and pay and health benefits received of each person employed, and shall preserve them for at least three years.

## **SECTION 728 (8)(C)**

**Section 728(8)(C).** Each PAB shall give written notification to each current Employee, and to each new Employee at time of hire, of ~~his or her~~ their rights under this Section. The notification shall be in the form provided by the Port in English, Spanish and other languages spoken by a significant number of the Employees, and shall also be posted prominently in areas at the work site where it will be seen by all Employees.

## **SECTION 728 (9)(B)**

**Section 728(9)(B).** Any employee proving a violation of this Section shall recover from the PAB treble ~~his or her~~ their lost normal daily compensation and fringe benefits, together with interest thereon, and any consequential damages suffered by the employee.

## **SECTION 806**

**Section 806. Receipts and Expenditures.** All monies received by the City shall be deposited in the City Treasury, and no monies shall be disbursed from the treasury without the approval of the City Administrator or of another officer duly authorized by ~~him/her~~ the City Administrator. No expenditure of City funds shall be made except for the purposes and in the manner specified by an appropriation of the Council; nor shall any disbursement be made unless obligations are properly supported by accounting evidence, sufficient money is available in the City Treasury and there is an adequate unencumbered appropriation balance in the proper account classification. The City Administrator or other officer authorized by ~~him/her~~ the City Administrator to make disbursements shall be represented by the City Attorney in all legal matters in connection therewith, except as provided otherwise in Section 401.

## **SECTION 807**

**Section 807. Goods and Services.** The City Administrator or an officer authorized by ~~him/her~~ the City Administrator shall purchase or contract for equipment, materials, supplies and public works required by the City in the manner prescribed by ordinance, except as otherwise provided herein.

## **SECTION 808**

### **Section 808. Bids and Awards.**

- (a) The Council shall establish by ordinance the conditions and procedures for any purchase or contract, including advertising and bidding requirements, and may provide that all bids may be rejected. The ordinance may provide that under specified conditions, which the Council must find and determine exist in each applicable instance, advertising and bidding may be dispensed with.
- (b) Every two years, the City shall conduct a race and gender disparity evaluation to determine if the City has been an active or passive participant in actual, identifiable discrimination within its relevant market place. If such disparity evaluation evidences such discrimination, the City Council, in order to

remedy the discrimination, shall establish a narrowly tailored race and/or gender business participation program, as substantiated by the disparity evaluation, for the bidding and awarding of purchases and contracts. Any such program shall continue only until the discrimination has been remedied. The City Administrator or an officer authorized by ~~him or her~~ the City Administrator shall require all awardees and bidders to comply with the established program.

#### **SECTION 809**

**Section 809. Annual Audit.** The Council shall engage during the first month of each fiscal year an independent certified public accountant who shall examine and report to the Council on the annual financial statement of the City. ~~He~~ The accountant shall have free access to the books, records, inventories and reports of all officers and employees who receive, handle, or disburse public funds, and of such other officers, employees, or departments as the Council may direct. ~~He~~ The accountant shall submit ~~his~~ the audit as soon as practicable after the closing of the books for the fiscal year for which ~~he is~~ the accountant is engaged. Copies of such audit reports shall be filed with the Council, and shall be available for public inspection and review.

#### **SECTION 810**

**Section 810. Deposit and Investment.** The City Administrator shall arrange for the deposit in the City Treasury or in designated banks of all funds collected by any department or agency of the City, according to a schedule prescribed by ~~him/her~~ the City Administrator. After taking into account the amounts required to meet the current and pending requirements of the City, the City Administrator may arrange for the term deposit or investment in securities authorized by law of any balances available for such purpose and the yield therefrom shall be credited as revenue to the general fund unless otherwise provided by law or directed by the Council.

#### **SECTION 907**

**Section 907. Nepotism.** The Mayor or City Council shall not appoint as an employee or officer, to receive any compensation from the City, any person who is a relative by blood or marriage within the third degree of the Mayor or anyone or more of the members of the Council, nor shall the City Administrator or any other appointing authority appoint to any such position any relative of ~~his~~ theirs or of the Mayor or any member of the Council within such degree of kinship.

#### **SECTION 1200**

**Section 1200. Conflict of Interest.** No officer of the City may participate on behalf of the City in any transaction or activity in which ~~he has~~ they have a conflict of interest, as such conflict is defined by State Law. The penalty for violation of this section shall be as provided by State Law.

## **SECTION 1201**

**Section 1201. Incompatible Employment.** Each officer and employee shall, during his their hours of active duty, devote his their whole time, attention and efforts to his their office or employment, and ~~he~~ they may not be required to perform any service except for the benefit of the City. No officer or employee of the City may engage in any employment, activity or enterprise which has been determined to be inconsistent, incompatible or in conflict with his their duties or with the duties, functions and responsibilities of the department or other agency in which ~~he is~~ they are employed.

The City Administrator or the City Attorney, or the Auditor, as to personnel under their respective jurisdictions, shall declare the activities which will be considered inconsistent, incompatible or in conflict with, or inimical to, the duties of such personnel as City employees. In making this determination, consideration shall be given to employment, activity or enterprise which: (a) involves the use for private gain or advantage of City time, facilities, equipment and supplies, or the badge, uniform, prestige or influence of one's City office or employment; or (b) involves receipt by the officer or employee of any money or other consideration for the performance of any act required of ~~him/her~~ them as a City officer or employee; or (c) involves the performance of an act in other than his their capacity as City officer or employee which act may later be subject directly or indirectly, to control, inspection, review, audit or enforcement by ~~him/her~~ them or by the agency in which ~~he is~~ they are employed.

## **SECTION 1202**

**Section 1202. Conflict in Office.** The Mayor and members of the Council shall not hold any other municipal office or any other office or employment to receive compensation from the City; or be appointed or elected to any office created by the Council while ~~he is~~ they are a member thereof, until at least one year shall have expired after the expiration of the term for which ~~he was~~ they were elected.

## **SECTION 1206**

**Section 1206. Oath of Office.** Every officer of the City, before entering upon his their duties, shall take the following oath and file the same with the City Clerk: "I solemnly swear or affirm that I will support the constitution of the United States, the constitution of the State of California, and the Charter of the City of Oakland, and will truly and to the best of my abilities perform the duties of the office of \_\_\_\_\_."

## **SECTION 1207**

**Section 1207. Oaths and Subpoenas.** Every officer and every member of any Board provided for in this Charter shall, in all matters relevant to his their office, have the power to administer oaths and affirmations and to issue subpoenas to compel the production of books, papers and documents and to take testimony on any matter pending before him. If any person subpoenaed fails or refuses to appear or to produce required documents or to testify, said officer or the majority of the members of the board or commission may find ~~him~~ them in contempt, and shall have power to take the proceedings in that behalf provided by the general law of the State.

## **SECTION 1212**

**Section 1212. Gender References.** All gender references in this Charter shall be considered neutral in form and context. “Surviving spouse” includes positions formerly designated as “widow” or “widower” in the Charter. “Firefighter” includes positions formerly designated as “fireman” or “firemen” in the Charter. “Officer” and “member” of the Police Department includes positions formerly designated as “matron,” “substitute matron,” and “police woman” in the Charter. Gender specific pronouns such as “he,” “him,” “his,” “she,” and “her,” have been replaced with gender-neutral pronouns such as “they,” “them,” and “their.” These gender neutral pronouns are used as both singular and plural pronouns, e.g., “the police chief completed their work expeditiously.”

**Note:** Gender specific references were not replaced with gender-neutral terminology where gender is used to determine calculations of benefits based on mortality tables, or when the Charter references the title of an obsolete Article that contains gender specific language.

## **SECTION 1305**

### **Planning & Oversight Committee**

**Section 1305.** The Children's Fund Planning and Oversight Committee ("Planning and Oversight Committee") established pursuant to Measure K which was approved by the voters of Oakland in 1996 shall continue to operate. Each City Councilmember shall appoint two Oakland residents, one of whom shall be a resident not older than 21 years, to serve as members of the Planning & Oversight Committee. The appointees shall demonstrate a strong interest in children and youth issues: and possess sound knowledge of, and expertise in. children and youth policy development and program implementation. Effective July 1, 2009, the Mayor shall only be permitted to appoint one (1) Oakland resident and shall therefore remove two of his the Mayor's previous appointments no later than June 30, 2009.

The Planning & Oversight Committee shall be responsible for:

1. preparing Three-Year Strategic Investment Plans;
2. soliciting funding applications from private non-profit and public agencies through an open and fair application process;
3. submitting to the Oakland City Council for its adoption Three-Year Strategic Investment Plans and funding recommendations;
4. submitting to the Oakland City Council for its adoption annual independent evaluation reports;
5. receiving City Auditor annual reports on the Fund's Financial Statement and the Base Spending Requirement.

## **ARTICLE XIV – RESERVED\***

\* This Article is deleted because the Police Relief and Pension Fund is obsolete and has been combined with Article XV (Firemen's Relief and Pension Fund) in Article XXVI (Police and Fire Retirement Fund).



ARTICLE XIV ~~POLICE RELIEF AND PENSION FUND~~

~~Section 1400.~~ In order to continue in force, and make effectual pensions already existing in favor of the Police Force, the fund heretofore created, known and designated as the Police Relief and Pension Fund shall be continued in effect. The Mayor, the Health Officer, and the President of the Civil Service Board shall hereafter constitute the Board of Trustees of such fund, and the City Treasurer shall be the custodian of said fund.

~~(Amended by: Stats. 1931.)~~

~~Section 1401.~~ Any member of the Department who resigns or is discharged from the service previous to retirement, shall have all such sums as have been deducted from his pay and contributed to the Police Relief and Pension Fund pursuant to the provisions of Section 91a\* refunded to him plus simple interest at the rate fixed by the Board of Trustees.

~~(Added by: Stats. 1943.)~~

~~\* This reference is to the Section or Article so designated in the former Charter.~~

~~Section 1402.~~ The said Board of Trustees may retire and relieve from service any aged, infirm, or disabled member of the Department who has arrived at the age of fifty-five years, and who, upon examination by two regularly licensed and practicing physicians appointed by the Board of Trustees for that purpose, may be ascertained to be, by reason of such age, infirmity, or other disability unfit for the performance of his duty. Said Board of Trustees, at the request of any member of the Department who has arrived at the age of fifty-five years, and who shall have served twenty years in the aggregate in the Department, retire and relieve such member making such application. Said Board of Trustees shall, upon the request of any member of the Police Department who has served twenty-five years in the aggregate as a member of said Police Department, retire and relieve said member making such application. Such retired member shall receive from the Police Relief and Pension Fund a pension equal to one-half of the salary attached to the rank held by him one year prior to the date of said retirement, which pension shall be paid in equal monthly installments and shall cease at the death of such member.

~~(Amended by: Stats. 1937.)~~

**Compulsory Retirement At Age Seventy**

~~Section 1403.~~ Notwithstanding any provision contained in this Article, retirement under Section 1402 shall be compulsory upon such member reaching the age of seventy years.

~~(Added by: Stats. 1941.)~~

**Absence By Reason Of War Or Other National Emergency**

~~Section 1404.~~ Absence of a member of the Police Department by reason of service with the armed forces of the United States, either during a war involving the United States as a belligerent or in any other National emergency and for six months thereafter and who is not

dishonorably discharged or released therefrom, shall be credited to such member as service for the City for retirement purposes. No contributions to the Police Relief and Pension Fund, for such period of compensation from the City, shall be required of such member.

This section shall be retroactively applied to extend its benefits to such members of the Police Department whose absence commenced prior to its effective date.

~~(Added by: Stats. 1947.)~~

~~**Section 1405.** Any member of the Department who shall become physically disabled by reason of any bodily injury received in the performance of his duty, upon his filing with the Board of Trustees a verified petition, setting forth the facts constituting such disability, and the cause thereof, accompanied by a certificate signed by the Chief of Police, the Captain of the Division to which he belongs, and by two regularly licensed physicians of the City, recommending his retirement upon a pension, on account of such disability, may be retired from the Department upon an annual pension, equal to one half of the amount of salary attached to the rank which he held one year prior to the date of such retirement, to be paid to him during his life, and to cease at his death. In case his disability shall cease, his pension shall cease, and he shall be restored to the service in the rank he occupied at the time of his retirement.~~

~~**Retirement By Action Of Board Of Trustees After Disability In Performance Of Duty**~~

~~**Section 1406.** Notwithstanding any provisions set forth in Section 1405, the Board of Trustees may on its own motion retire any member, and any matron and substitute matron, under the provisions of Section 1405, who is physically disabled by reason of any bodily injury received in the performance of his or her duty, who upon examination by two regularly licensed and practicing physicians appointed by the trustees for that purpose may be ascertained to be by reason of such disability unfit for the performance of duty, provided, further that such disability shall have continued for one year.~~

~~(Added by: Stats. 1941.)~~

~~**Benefit To Dependents Of Deceased Member Retired For Disability Incurred In Performance Of Duty**~~

~~**Section 1407.** Notwithstanding any provision set forth in Section 1405, if a retired member, or retired matron or substitute matron, of the Department shall die at any time by reason of bodily injury for which he or she was pensioned, such pension shall not cease but shall continue and shall be paid to his widow or widower to whom he or she was married at the time of such injury, or to his or her orphan child or children, or to his or her parent or parents, in the manner and subject to the provisions of Section 1408(a), (b) and (c), provided, however, a surviving husband shall be entitled to the rights of a widow only if in the opinion of the Board of Trustees he is unable to support himself by reason of physical or mental infirmity and has no other means of support.~~

~~(Added by: Stats. 1941.)~~

**~~Pension To Dependents When Member Dies Of Injury Or Disability Incurred In Performance Of Duty~~**

~~Section 1408.~~ The Board of Trustees shall, out of the Police Relief and Pension Fund, provide for the family of a member of the Department who may die as a result of an injury or disability incurred while in the performance of his duty as follows:

- ~~(a) Should the decedent be married, his widow shall, as long as she shall remain unmarried, be paid a pension equal to one half of the salary attached to the rank held by the decedent at the time of his death.~~
- ~~(b) Should the decedent leave no widow, but leave an orphan child or children under the age of eighteen years, or should the decedent leave a widow and child or children under the age of eighteen years, and the widow die without remarrying while such child or children are yet under the age of eighteen years, such child, or children collectively, shall receive a pension equal to one half of the salary attached to the rank held by the decedent at the time of his death until the youngest child attains the age of eighteen years, provided that no child shall receive any such pension after attaining the age of eighteen years, nor shall any child receive any such pension should he or she marry before reaching the age of eighteen years.~~
- ~~(c) Should the decedent leave no widow, or no orphan child or children but leave a parent or parents dependent solely upon him for support, such parent or parents so depending shall collectively receive a pension equal to one half the salary attached to the rank held by the decedent at the time of his death during such time as the Board of Trustees may determine its necessity.~~

~~(Amended by: Stats. 1941.)~~

**~~Pension To Dependents When Retired Member Dies From Non-Service Connected Causes~~**

**~~Section 1409.~~**

- ~~(a) Upon the death of a member of the Department who had been retired under this Article and such death shall occur after the effective date of this section and shall result from causes other than injuries received in or illness caused by or arising out of the performance of duty, two thirds of such member's pension at the time of death shall be continued regardless of the age of the surviving widow, to dependents of the member in the order of succession and upon the conditions provided in Section 2612.~~
- ~~(b) There shall be deducted from each monthly installment of pension due to such retired member under the provisions of this article a sum equal to 1 ½% of such monthly installment which sum shall be retained by the Treasurer of the City and forthwith paid by him into the Police and Fire Retirement Fund.~~
- ~~(c) The provisions of subdivisions (a) and (b) of this section shall not be applicable to any retired member of the Department who has not within 90 days after the ratification of this section by the State Legislature filed with the Secretary of~~

~~the Police and Fire Retirement Board said member's written election to be subject to the provisions of said subdivisions.~~

**(Added by: Stats. 1955.)**

~~**Section 1410.** The widow of a member of the Department who was retired for years of service under the provisions of Section 1402 and who died prior to the effective date of Section 1409 from causes other than injuries received in, or illness caused by, or arising out of, the performance of duty, provided such widow was married to the decedent at least one (1) year prior to his retirement and has remained unmarried since the date of his death, shall receive two thirds of the decedent's pension. The widow of a member of the Department who died from causes other than injuries received in, or illness caused by, or arising out of, the performance of duty and whose death occurred prior to eligibility for membership in the retirement system created by Article XXVI, and who was not receiving a pension under this Article, but who was eligible for retirement for years of service under Section 1402 shall receive two thirds of the pension which would have been provided for him by said Section 1402 if he had been retired for years of service at the time of death, provided she has remained unmarried since the date of his death. The pension(s) herein provided for shall commence on the first of the month next following the effective date of this section and shall be paid in equal monthly installments as long as such respective widow(s) shall live and remain unmarried.~~

~~This section shall not be construed to provide any payment to such widow for any period of time prior to the first day of the month next following the effective date hereof, except that benefits under this section shall be in addition to any benefits heretofore received by the widow under Section 1411.~~

**(Added by: Stats. 1957.)**

~~**Section 1411.** When a member of the Department shall die from causes other than those specified in Section 1408 after ten years of service, then his widow, and if there be no widow, then his children, and if there be no widow or children, then his mother, if dependent upon him for support, shall be entitled to the sum of One Thousand (\$1,000) Dollars; provided, further, when a member of the Department shall die from causes other than those specified in Section 1408 before retirement or eligibility for retirement, regardless of length of service, then his widow, and if there be no widow, then his children, and if there be no widow or children, then his parents or parent, and if there be none of these, then his estate, shall have and receive a refund of all such sums as have been deducted from his pay and contributed to the Police Relief and Pension Fund, plus simple interest at a rate fixed by the Board of Trustees. When a member of the Department dies at such time as to qualify under both provisions of this Section, the person or representative entitled to receive the payment or refund herein provided shall elect whether the One Thousand (\$1,000) Dollar payment or the refund of salary deductions shall be received, but in no event shall both be paid on account of the same death.~~

**(Amended by: Stats. 1943.)**

~~**Section 1412.** Any person receiving a pension from the Police Relief and Pension Fund, who shall become convicted of a felony, or after notice and an opportunity to be heard shall be~~

found by the Board of Trustees to have become dissipated or an habitual drunkard, or shall become a non-resident of this State except on leave by the Board of Trustees, shall forfeit all right to said pension.

~~(Amended by: Stats. 1941.)~~

~~Section 1413.~~ The Board of Trustees may, on notice from the Chief of Police, reward any member of the Department for conduct which is heroic and meritorious. The form or amount of such reward shall be discretionary with the Board of Trustees, but it shall not exceed in any one instance one month's salary, and may be paid only out of funds provided by the Council; and the Council may, on application of the Board of Trustees, provide money for such purposes.

~~Section 1414.~~ The Board of Trustees shall hold quarterly meetings in April, July, October and January of each year, and special meetings upon the call of its President; it shall issue warrants, signed by its President and Secretary, to persons entitled thereto for the amount of money ordered paid to such persons from the Police Relief and Pension Fund. Each warrant shall state for what purpose the payment is made.

~~Section 1415.~~ The Board of Trustees shall keep a public record of its proceedings. It shall at each quarterly meeting send to the Treasurer and to the Auditor a written or printed list of all persons entitled to payments from the Police Relief and Pension Fund, stating the amount of such payment and for what granted; such lists shall be certified and signed by the President and Secretary of the Board. The Auditor shall thereupon enter a copy of such list upon a book to be kept for that purpose, which shall be known as the Police Relief and Pension Fund Book. All warrants signed by the President and Secretary of the Board shall be presented to the Auditor and ordered paid by him out of said fund.

~~Section 1416.~~ The Board of Trustees shall possess the power to make rules and regulations for its guidance. No compensation shall be paid to any member of the Board of Trustees for any duty required or performed as a member of said Board of Trustees.

~~Section 1417.~~ The Board of Trustees shall make an annual estimate necessary to carry into effect the foregoing provisions, and transmit the same to the City Administrator, who shall cause the same to be included in his annual estimate of the probable expenditures of the City.

~~(Amended by: Stats. 1931 and March 2004.)~~

~~Section 1418.~~ In case of death of a matron or substitute matron the pension herein provided for shall be paid to her surviving husband only if in the opinion of the Board of Trustees he is unable to support himself by reason of physical or mental infirmity and has no other means of support. (Repealed by: Stats. 1919; Added by: Stats. 1941.)

#### ~~Payment of Pension, Etc. As Credit On Compensation, Etc. Award~~

~~Section 1419.~~ If any member of the Department, or the widow, child or children, parent or parents, of a deceased member of the Department, or if any matron or substitute matron, or the husband or child or children, or parent or parents, of a deceased matron or substitute matron shall

~~receive any payment under the provisions of Division IV of the Labor Code, or any other act or acts of Legislature, or Constitution, of the State of California, providing for an award, compensation, death or disability payment because of the disability, sickness, injury or death arising out of the performance of duty of such member, matron or substitute matron, any payment on account thereof shall be applied as a credit and set off against any payment on account of salary, pension or other benefit payable under this Article.~~

~~(Added by: Stats. 1941.)~~

#### ~~No Benefits Based On Award Of Industrial Accident Commission~~

~~Section 1420. No pension shall be paid under this Article on the basis of an award by the Industrial Accident Commission of the State of California.~~

~~(Added by: Stats. 1951.)~~

~~Section 1421. There shall be employed in the Department of Public Health and Safety such number of matrons and substitute matrons of the City Prison as the Council shall from time to time prescribe by ordinance; providing, that such number of matrons shall be not less than three and that such number of substitute matrons shall not be less than one. All appointments of matrons and substitute matrons shall be made by the City Administrator from the eligible list of the Civil Service Board. The compensation of said matrons shall not be less than \$2,676.00 per annum each. Such compensation shall be paid in equal monthly installments. The compensation of said substitute matrons shall be at the rate of not less than \$2,676.00 per annum each, to be paid only for the time during which said substitute matrons shall actually perform the services of matrons. There shall be deducted from each monthly installment of salary due pursuant to the provisions of this Article, a sum equal to five per cent of such monthly installment, which sum so deducted shall be retained by the Treasurer of the City and forthwith paid by him/her into the Police Relief and Pension Fund. Such matrons and substitute matrons shall be entitled as if officers or members of the Police Department to all of the rights, privileges and benefits conferred by Sections 92, 1423, 1400, 1401, 1402, 1405, and 1408-1418 inc. of the Charter upon officers or members of the Police Department.~~

~~(Added by: Stats. 1919; Amended by: Stats. 1923, 1925, 1931, 1933, 1943, 1946 and 2004.)~~

~~\* This reference is to the Section or Article so designated in the former Charter.~~

#### ~~Policewomen~~

~~Section 1422. Notwithstanding any other provisions of this Charter to the contrary, the position of Matron and Substitute Matron provided for in this Charter shall be, from and after the approval of this amendment by the State Legislature, designated as Policewomen in the Police Department, and the Council shall have the power to fix the compensation thereof. All persons employed in the position of Matron and Substitute Matron upon said effective date of this amendment shall thereafter hold the rank of Policewoman without examination and without loss of any of their civil service and retirement rights. The provisions of this section are for the purpose of eliminating the positions heretofore designated as Matron and Substitute Matron, and creating~~

~~said positions in the Police Department under the designation Policewomen with all rights thereunder.~~

~~(Added by: Stats. 1953.)~~

#### ~~Allowance For Injury~~

~~Section 1423. Any officer or member of the Police Department sustaining an injury while in the performance of his duty shall be entitled to receive in addition to the benefits otherwise provided in Article XIV of this Charter\* such medical, surgical and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches and apparatus, including artificial members, as may be required during the continuance of his disability, the same to be provided by the City; and the Council shall allow such officer or member so injured full pay during the continuance of his disability, or until such time as he may be retired on a pension.~~

~~(Added by: Stats. 1917; Amended by: Stats. 1919.)~~

~~\* This reference is to the Section or Article so designated in the former Charter.~~

#### ~~ARTICLE XV – RESERVED\*~~

~~\* This Article is deleted because the Firemen's Relief and Pension Fund is obsolete and has been combined with Article XIV (Police Relief and Pension Fund) in Article XXVI (Police and Fire Retirement Fund).~~

#### ~~ARTICLE XV – FIREMEN'S RELIEF AND PENSION FUND~~

~~Section 1500. The fund heretofore created, known and designated as the Firemen's Relief and Pension Fund shall continue in effect. The Mayor, Health Officer, and the President of the Civil Service Board shall hereafter constitute the Board of Trustees of such fund, and the City Treasurer shall be the custodian of said fund.~~

~~(Amended by: Stats. 1919, 1931.)~~

~~Section 1501. Any member of the Department who resigns or is discharged from the service previous to retirement, shall have all such sums as have been deducted from his pay and contributed to the Firemen's Relief and Pension Fund pursuant to the provisions of Section 97b\*, refunded to him plus simple interest at the rate fixed by the Board of Trustees.~~

~~(Added by: Stats. 1943.)~~

~~\* This reference is to the Section or Article so designated in the former Charter.~~

~~Section 1502. The said Board of Trustees may retire and relieve from service any aged, infirm, or disabled member of the Department who has arrived at the age of fifty five years, and who, upon examination by two regularly licensed and practicing physicians, appointed by the Trustees for that purpose may be ascertained to be, by reason of such age, infirmity, or other disability, unfit for the performance of his duty said Board of Trustees shall, at the request of any~~

~~member of the Department who has arrived at the age of fifty five years, and who shall have served twenty years in the aggregate in this Department, retire, and relieve such member making such application. And the said Board of Trustees shall, upon the request of any member of the Fire Department who has served twenty five years in the aggregate as a member of said Fire Department, retire and relieve said member making such application. Such retired member shall receive from the Firemen's Relief and Pension Fund a pension equal to one half of the salary attached to the rank held by him one year prior to the date of said retirement, which pensions shall be paid in equal monthly installments and shall cease at the death of such member.~~

~~(Amended by: Stats. 1919.)~~

#### **Compulsory Retirement At Age Seventy**

~~Section 1503. Notwithstanding any provision contained in this Article, retirement under Section 1502 shall be compulsory upon such member reaching the age of seventy years.~~

~~(Added by: Stats. 1941.)~~

#### **Absence By Reason Of War Or Other National Emergency**

~~Section 1504. Absence of a member of the Fire Department by reason of service with the armed forces of the United States, either during a war involving the United States as a belligerent or in any other National emergency and for six months thereafter and who is not dishonorably discharged or released therefrom, shall be credited to such member as service for the City for retirement purposes. No contributions to the Firemen's Relief and Pension Fund for such period of absence without compensation from the City shall be required of such member.~~

~~This section shall be retroactively applied to extend its benefits to such members of the Fire Department whose absence commenced prior to its effective date.~~

~~(Added by: Stats. 1947.)~~

#### **Pension For Member Disabled In Performance Of Duty**

~~Section 1505. Any member of the Department who shall become physically disabled by reason of any bodily injury received in the performance of his duty upon his filing with the Board of Trustees a verified petition, setting forth the facts constituting such disability, and the cause thereof, accompanied by a certificate signed by the Chief of the Fire Department, the Chief of the Battalion to which he belongs and by two regularly licensed physicians of the City recommending his retirement upon a pension, on account of such disability, may be retired from the Department upon an annual pension, equal to one half the amount of salary attached to the rank which he held one year prior to the date of such retirement, to be paid to him in equal monthly installments during the balance of his lifetime and to cease at his death. In case his disability shall cease, his pension shall cease, and he shall be restored to the service in rank he occupied at the time of his retirement; provided that the said Board of Trustees may of its own motion retire any member who shall become physically disabled by reason of any bodily injury received in the performance of his duty, who upon examination by two regularly licensed and practicing physicians appointed by the~~



Trustees for that purpose, may be ascertained to be by reason of such disability unfit for the performance of his duty, provided further that such disability shall have continued for one year.

(Amended by: Stats. 1919, 1941.)

**~~Benefit To Dependents Of Deceased Member Retired For Disability Incurred In Performance Of Duty~~**

~~Section 1506.~~ Notwithstanding any other provision set forth in Section 1505, if a retired member of the Department shall die at any time by reason of the bodily injury for which he was pensioned, his pension shall not cease but shall continue and shall be paid to his widow to whom he was married at the time of such injury, or to his orphan child or children, or to his parent or parents, in the manner and subject to the provisions of Section 1507 (a), (b) and (c).

(Added by: Stats. 1941.)

**~~Pension To Dependents When Member Dies Of Injury Or Disability Incurred In Performance of Duty~~**

~~Section 1507.~~ The Board of Trustees shall, out of the Firemen's Relief and Pension Fund, provide for the family of a member of the Department who may die as a result of an injury or disability incurred while in the performance of his duty as follows:

- (a) ~~Should the decedent be married, his widow, as long as she shall remain unmarried, shall be paid a pension equal to one half of the salary attached to the rank held by the decedent at the time of death.~~
- (b) ~~Should the decedent leave no widow, but leave an orphan child or children, under the age of eighteen years, or should the decedent leave a widow and child or children under the age of eighteen years, and the widow die without remarrying, while such child or children are yet under the age of eighteen years, such child, or children collectively, shall receive a pension equal to one half of the salary attached to the rank held by the decedent at the time of his death until the youngest child attains the age of eighteen years, provided that no child shall receive any such pension after attaining the age of eighteen years, nor shall any child receive any such pension should he or she marry before reaching the age of eighteen years.~~
- (c) ~~Should the decedent leave no widow, or no orphan child or children but leave a parent or parents, dependent solely upon him for support, such parent or parents so depending shall collectively receive a pension equal to one half the salary attached to the rank held by the decedent at the time of his death during such time as the Board of Trustees may determine its necessity.~~

(Amended by: Stats. 1919, 1941.)

**Section 1508.**

- (a) ~~Upon the death of a member of the Department who had been retired under this article, and such death shall occur after the effective date of this section and shall result from causes other than injuries received in or illness caused by or arising out of the performance of duty, two-thirds of such member's pension at the time of death shall be continued regardless of the age of the surviving widow, the dependents of the member in this order of succession and upon the conditions provided in Section 2612.~~
- (b) ~~There shall be deducted from each monthly installment of pension due to such retired member under the provisions of this article a sum equal to 1 ½% of such monthly installment which sum shall be retained by the Treasurer of the City and forthwith paid by him into the Police and Fire Retirement Fund.~~
- (c) ~~The provisions of subdivisions (a) and (b) of this section shall not be applicable to any retired member of the Department who has not within 90 days after the ratification of this section by the State Legislature filed with the Secretary of the Police and Fire Retirement Board said member's written election to be subject to the provisions of said subdivisions.~~

**(Added by: Stats. 1955.)**

**Section 1509.** ~~The widow of a member of the Department who was retired for years of service under the provisions of Section 1502 and who died prior to the effective date of Section 1508 from causes other than injuries received in, or illness caused by, or arising out of, the performance of duty, provided such widow was married to the decedent at least one (1) year prior to his retirement and has remained unmarried since the date of his death, shall receive two-thirds of the decedent's pension. The widow of a member of the Department who died from causes other than injuries received in, or illness caused by, or arising out of, the performance of duty and whose death occurred prior to eligibility for membership in the retirement system created by Article XXVI, and who was not receiving a pension under this Article, but who was eligible for retirement for years of service under Section 1502, shall receive two-thirds of the pension which would have been provided for him by said Section 1502 if he had been retired for years of service at the time of death, provided she has remained unmarried since the date of his death. The pension(s) herein provided for shall commence on the first of the month next following the effective date of this section and shall be paid in equal monthly installments as long as such respective widow(s) shall live and remain unmarried.~~

~~This section shall not be construed to provide any payment to such widow for any period of time prior to the first day of the month next following the effective date hereof, except that benefits under this section shall be in addition to any benefits heretofore received by the widow under Section 1510.~~

**(Added by: Stats. 1957.)**

**Section 1510.** ~~When a member of the Department shall die from causes other than those specified in Section 1507 after ten years of service, then his widow and if there be no widow, then his children, and if there be no widow or children, then his mother, if dependent upon him for~~

support, shall be entitled to the sum of One Thousand (1,000) Dollars; provided, further, when a member of the Department shall die from causes other than those specified in Section 1507 before retirement or eligibility for retirement, regardless of length of service, then his widow, and if there be no widow, then his children, and if there be no widow or children, then his parents or parent, and if there be none of these, then his estate, shall have and receive a refund of all such sums as have been deducted from his pay and contributed to the Firemen's Relief and Pension Fund, plus simple interest at a rate fixed by the Board of Trustees. When a member of the Department dies at such time as to qualify under both provisions of this Section, the person or representatives entitled to receive the payment or refund herein provided shall elect whether the One Thousand (1,000) Dollar payment or the refund of salary deductions shall be received, but in no event shall both be paid on account of the same death.

~~(Amended by: Stats. 1943.)~~

~~**Section 1511.** Any person receiving a pension from the Firemen's Relief and Pension Fund, who shall become convicted of a felony, or after notice and an opportunity to be heard shall be found by the Board of Trustees to have become dissipated or an habitual drunkard, or shall become a non-resident of this State except on leave by the Board of Trustees, shall forfeit all right to said pension.~~

~~(Amended by: Stats. 1941.)~~

~~**Section 1512.** The Board of Trustees may, on notice from the Chief of the Fire Department, reward any member of the Department for conduct which is heroic and meritorious. The form or amount of such reward shall be discretionary with the Board of Trustees, but it shall not exceed in any one instance one month's salary, and may be paid only out of funds provided by the Council; and the Council may, on application of the Board of Trustees, provide money for such purposes.~~

~~**Section 1513.** The Board of Trustees shall hold quarterly meetings in April, July, October and January of each year and special meetings upon the call of its President, it shall issue warrants, signed by its President and Secretary, to persons entitled thereto for the amount of money ordered paid to such persons from the Firemen's Relief and Pension Fund. Each warrant shall state for what purpose the payment is made.~~

~~**Section 1514.** The Board of Trustees shall keep a public record of its proceedings. It shall at each quarterly meeting send to the Treasurer and to the Auditor a written or printed list of all persons entitled to payments from the Firemen's Relief and Pension Fund, stating the amount of such payment and for what granted; such lists shall be certified and signed by the President and Secretary of the Board. The Auditor shall thereupon enter a copy of such list upon a book to be kept for that purpose which shall be known as the Firemen's Relief and Pension Fund Book. All warrants signed by the President and Secretary of the Board shall be presented to the Auditor and ordered paid by him out of said fund.~~

~~**Section 1515.** The Board of Trustees shall possess the power to make rules and regulations for its guidance. No compensation shall be paid to any member of the Board of Trustees for any duty required or performed as a member of said Board of Trustees.~~

~~Section 1516.~~ The Board of Trustees shall make an annual estimate necessary to carry into effect the foregoing provisions and transmit the same to the City Administrator who shall cause the same to be included in his annual estimate of the probable expenditures of the City, and the Council shall, on application of the said Board of Trustees, provide the necessary money for the demands of this pension fund.

~~(Amended by: Stats. 1919, 1931 and 2004.)~~

#### **Payment Of Pension, Etc., As Credit On Compensation, Etc., Award**

~~Section 1517.~~ If any member of the Department, or the widow, child or children, parent or parents, of a deceased member of the Department, shall receive any payment under the provisions of Division IV of the Labor Code, or any other act or acts of the Legislature, or Constitution, of the State of California, providing for an award, compensation, death or disability payment, because of the disability, sickness, injury, or death arising out of the performance of duty of such member, any payment on account thereof shall be applied as a credit and set off against any payment on account of salary, pension or other benefit payable under this Article.

~~(Added by: Stats. 1941.)~~

#### ~~No Benefits Based On Awards Of Industrial Accident Commission~~

~~Section 1518.~~ No pension shall be paid under this Article on the basis of an award by the Industrial Accident Commission of the State of California.

~~(Added by: Stats. 1951.)~~

#### **Allowance For Injury**

~~Section 1519.~~ Any member of the Fire Department sustaining an injury while in the performance of his duty shall be entitled to receive, in addition to the sick leave provided for, such medical, surgical and hospital treatment including nursing, medicines, medical and surgical supplies, crutches and apparatus, including artificial members, as may be required during the continuance of his disability, the same to be provided for by the City; and the Council shall allow the member so injured full pay during the continuance of his disability or until such time as he may be retired on a pension.

~~(Added by: Stats. 1917; Amended by: Stats. 1919.)~~

#### **SECTION 1602 (a)**

**Section 1602(a).** Establishment. A position that serves as accountability officer for the Children's Initiative is hereby established at a classification and at a salary scale commensurate with the duties of the position, as determined by the City Administrator. The City Administrator or his/her the City Administrator's designee shall hire for the position, in consultation with the Superintendent of the Oakland Unified School District and shall oversee the work of the accountability officer for the Children's Initiative. The City Administrator may appoint an interim

Children's Initiative accountability officer to carry out the duties set forth in subdivision (b) until such time as a permanent appointment is made or if the position is vacant.

## **SECTION 2001**

**Section 2001.** The following words and phrases as used in this Article, unless a different meaning is plainly required by the context, shall have the following meaning:

"Retirement allowance," or "allowance," shall mean equal monthly payments, beginning to accrue upon the date of retirement, and continuing for life unless a different term of payment is definitely provided by the context.

"Compensation," as distinguished from benefits under the Labor Code of the State of California, shall mean all remuneration, whether in cash or by other allowances made by the City for service qualifying for credit under the Retirement System; provided that when the compensation of a member is a factor in any computation to be made under this System, there shall be excluded from such computation any compensation based on overtime put in by a member. For the purpose of this system, overtime is the aggregate service performed by an employee as a member in all positions, in excess of the hours of work considered normal for employees on a full-time basis and for which monetary compensation is paid.

"Compensation earnable" shall mean the monthly compensation as determined by the Board of Administration which would have been earned by the member had ~~he~~they worked, throughout the period under consideration, the average time ordinarily worked by persons in the same grade or class of positions as the positions held by ~~him~~them during such period and at the rate of pay attached to such positions. The computation for any absence of a member shall be based on the compensation earnable by ~~him~~them at the beginning of the absence, and that for time prior to entering the employ of the City, shall be based on the compensation earnable by ~~him~~them in the position first held by ~~him~~them in such employ.

"Benefit" shall include "allowance," "retirement allowance," and "death benefit."

"Accumulated normal contributions" shall mean the sum of all contributions plus interest.

"Accumulated additional contributions" shall mean the sum of all additional contributions plus interest.

"Accumulated contributions" shall mean accumulated normal contributions plus accumulated additional contributions.

"Final compensation" means the highest average compensation earnable by a member during any period of three consecutive years of service; compensation earnable to be computed as described in the definition of "compensation earnable." For the purpose of this paragraph, periods of service separated by breaks in service may be aggregated to constitute a period of three consecutive years, if the periods of service are consecutive except for such breaks. If a break in service did not exceed six months in duration, time included in the break and compensation earnable during such time shall be included in the computation of final compensation. If a break

in service exceeded six months in duration, the first six months thereof and the compensation earnable during those six months shall be included in the computation of final compensation, but time included in the break which is in excess of six months and the compensation earnable during such excess time shall be excluded in the computation of final compensation.

"Member" means any officer or employee who is included in the membership of this Retirement System.

"Retirement System" or "System" shall mean Oakland Municipal Employees' Retirement System as heretofore created under authority granted in this Section, said Retirement System being hereby continued in effect.

"Board" or "Retirement Board" shall mean board of administration as created in this Section.

Words used in the masculine gender shall include the feminine and neuter genders, and singular numbers shall include the plural and the plural the singular.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

"Service" shall mean any service rendered prior to July 1, 1939, as an employee of the City of Oakland which for the purpose of this System is designated as "prior service"; and any service rendered after June 30, 1939, in a status requisite for membership in the Retirement System, but only prior service and service rendered as a member of the Retirement System shall be credited under the System.

This Section shall become effective on the first day of the month next following approval by the Legislature and filing with the Secretary of State.

## **SECTION 2002**

**Section 2002.** A Board of Administration of said retirement system is hereby created consisting of the City Treasurer, the Auditor, three (3) members elected from the active, retired and deferred membership of the retirement system, a resident representative of a life insurance company and the officer of a local bank. Notwithstanding the foregoing, in the event that less than three Board members are elected from the active, retired and deferred membership of the retirement system, such membership may elect ~~widows, widowers~~ surviving spouses and beneficiaries of retirement system members to the vacant seats designated for active, retired and deferred members of the retirement system.

The Council, shall, upon the recommendation by the Mayor, appoint the resident representative of a life insurance company and the officer of a local bank hereinbefore referred to. Persons holding membership on said Board upon the adoption of this amendment shall continue to serve the terms to which they were elected or appointed.

The City Treasurer and Auditor shall be members of the Board ex-officio.

All members shall serve without compensation.

**SECTION 2003**

**Section 2003.** Any member who completes at least twenty years of service in the aggregate with which ~~he is~~ they are entitled to be credited under the System, and attains the age of fifty-two years, or completes at least 10 years of such service and attains the age of sixty years, may retire for service at ~~his~~ their option. Members shall be retired for service on the first day of the month next following the attainment by them of the age of seventy years, regardless of length of service. Upon retirement for service after the effective date hereof, a member shall receive a service retirement allowance equal to the fraction of one-sixtieth of ~~his~~ their final compensation, set forth opposite ~~his~~ their age at retirement, taken and applied by interpolation of said fractions to the preceding completed quarter year of age, in the following table in the column applicable to ~~his~~ their sex, multiplied by the number of years of service with which ~~he is~~ they are entitled to be credited:

Age at Retirement	Fraction Men	Fraction Women
52	.6120636	.6352571
53	.6477249	.6692856
54	.6862515	.7059143
55	.7279876	.7454909
56	.7732616	.7882855
57	.8225384	.8346370
58	.8764127	.8850589
59	.9354005	.9399551
60	1.0000000	1.0000000
61	1.0564648	1.0569430
62	1.1156446	1.1169496
63	1.1782066	1.1807488
64	1.2444586	1.2487750
65 & over	1.3147929	1.3216755

The fractions herein set forth at ages other than age 60 are based on the interest rate and mortality tables used under the Retirement System on the effective date hereof and shall be adjusted by the Board in accordance with such interest and mortality tables as the Board may adopt thereafter. The Board shall declare from time to time the rate of interest at which interest shall be credited on contributions of members and the City, and the rate of interest which shall be used in determining actuarial equivalents, which rate shall not exceed a rate one-fourth of a percentage point below the net rate currently earned on the assets of the Retirement Fund.

The Retirement System also shall provide for death benefits for members of the System. The City Council also shall provide that a member retiring may elect, before the first payment of the retirement allowance is made, to receive the actuarial equivalent of ~~his~~ their allowance in a lesser allowance to be received by ~~him~~ them throughout ~~his~~ their life and in other benefits payable after ~~his~~ their death to another person, including an allowance throughout the life of such person.

For the purpose of this Section, the qualifying ten-year periods of service shall be accumulated during any continuous periods of not more than twelve years, provided any absence from or return to actual service during such twelve-year periods is approved by the Civil Service

Board in the case of persons in the classified civil service or by the City Council in the case of other persons within the Retirement System.

This section shall become effective on the first day of the month next following approval by the Legislature and filing with the Secretary of State.

#### **SECTION 2004**

**Section 2004.** Notwithstanding the provisions of Section 2003 to the contrary, the provisions of this Section shall apply to the Retirement System. The City Council also shall provide that a member retiring may elect before the first payment of his their retirement allowance is made, and that a member may elect at any time before retirement, but only after qualification for service retirement, as provided in Section 2010 to receive the actuarial equivalent of the portion or all of his their allowance, as the case may be, which would not be continued automatically regardless of dependents then living, in a lesser allowance to be received by him them throughout his their life and in other benefits payable after his their death to another person, including an allowance throughout the life of such person. The amounts payable under options two (2) or three (3) as stated in Ordinance No. 713 C.M.S., which were elected prior to the effective date of Section 2007 by a person who is living on that date, shall be adjusted to amounts calculated as if the provisions of that Section had been in effect at the date of his their retirement, but no adjustment shall be made because of payments made prior to such effective date.

This Section shall become effective on the first day of the month next following approval by the Legislature and filing with the Secretary of State.

#### **SECTION 2004.5**

**Section 2004.5.** The Retirement System also shall provide for retirement for disability after five years of service credited under the System, and before age 60, subject to the following conditions:

It is the intention of this section that allowances granted to or on account of members of the System for injury, illness or death incurred in the performance of duty shall not be cumulative with benefits under the Labor Code of California awarded as the result of the same injury, illness or death. If any member of the System or dependent receives compensation under the Labor Code for disability or death arising out of and in the course of the performance of duty, any payment on account thereof shall be applied as a credit and set-off against any payment on account of salary granted to such member under Section 8.04 of the Laws and Rules of the Civil Service Board; or retirement allowances or other benefit granted to or on account of such member under the provisions of this article as follows:

- (a) If the amount is paid in one sum or in installments equal to or greater than such salary, retirement allowance, or other benefit, such member or dependent shall not receive any salary, retirement allowance or other benefit until the total amount of the salary, retirement allowance, or other benefit which would otherwise be payable equals the total amount received under the Labor Code.



- (b) If the amount is paid in installments less than such salary, retirement allowance or other benefit, the salary, retirement allowance or other benefit shall be reduced so that the total of salary, retirement allowance or other benefit plus the amounts received under the Labor Code will equal the salary, retirement allowance, or other benefit which would otherwise be due.
- (c) In either case, any award specifically granted for medical, surgical or hospital expenses shall not reduce the salary, retirement allowance or other benefit.

No disability retirement benefits shall be paid under this section on the basis of an award by the ~~Workmen's~~ Workers' Compensation Appeals Board of the State of California.

This section shall become effective on the first day of the month next following approval by the Legislature and filing with the Secretary of State.

**SECTION 2005 (a)**

- (a) The normal rate of contribution of each member as determined by the actuary and approved by the Board and to be effective on the effective date hereof shall be based on ~~his~~ their nearest age at the effective date of ~~his~~ their membership in the Retirement System, and if effective from the effective date of ~~his~~ their membership, shall be such as, on the average for such member, will provide, assuming service without interruption from said effective date until retirement, one-half of the portion of the service retirement allowance which is based on such service, and to which ~~he~~ they would be entitled if retired at age 60, but not including automatic continuance to dependents. The actual amount of annuity including such continuance, however, provided for a member upon retirement, shall be the actuarial equivalent of ~~his~~ their accumulated contributions. The normal rate established for age 59 shall be the rate for any member who has attained a greater age before entrance into the System, and that established for age twenty shall be the rate for any member who enters the System at a lesser age. Members' normal rates of contributions shall be changed by the Board on the basis of periodical actuarial valuation and investigation provided by the Charter. No adjustment shall be included in members' normal rates because of time during which they have contributed at different rates.

This amendment shall become effective on July 1, 1959, or the first day of the month next following approval by the Legislature, whichever is later.

**SECTION 2005 (b)**

- (b) There shall be deducted from each payment of compensation made to a member, a sum determined by applying the members normal rate of contribution to such compensation. The sum so deducted shall be paid forthwith to the Retirement System, and shall be credited to the individual account of the member from whose compensation it was deducted, and the total of said contributions, together with interest credited thereon, shall be applied to provide part of the retirement allowance granted to said members; or said total of said contributions, together with interest credited thereon shall be paid to said member upon termination of ~~his~~ their employment by the City prior to retirement, or to ~~his~~ their estate or beneficiary upon ~~his~~ their death, in the manner provided by the City Council. The City

Council, however, shall provide for election by members who are entitled to be credited with at least 5 years of service and whose employment is terminated by cause other than death or retirement, to allow their accumulated contributions to remain in the Retirement fund, to continue as members of the System and to be subject to the same age and disability requirements as apply to other members for service or disability retirement, but they shall not be subject to a minimum service requirement, and the minimum retirement allowances shall not apply to them, unless they meet such minimum service requirement. Subject to rules prescribed by the Board, any member may elect to make contributions in excess of ~~his~~ their contributions herein required, for the purpose of providing additional benefits, and benefits provided hereunder for such member shall be exclusive of such additional benefits. The exercise of this privilege by a member shall not require the City to make any contributions. Additional contributions shall be administered in the same manner as normal contributions.

This section shall become effective on the first day of the month next following approval by the Legislature and filing with the Secretary of State.

#### **SECTION 2006**

**Section 2006.** Absence of a member of the Retirement System by reason of service with the armed forces of the United States, either during a war involving the United States as a belligerent or in any other National emergency and for six months thereafter and who is not dishonorably discharged or released therefrom, shall be credited to such member as service for the City for retirement purposes.

While so absent without compensation from the City, the City shall contribute, for and on behalf of each member absent by reason of such service, amounts equal to the contributions which would have been made by such member and the City to the Retirement System if ~~he~~ they had not been so absent. Any such member who contributed to the Retirement System under the provisions of Section 33 (4-½)\* of this Charter entitled "Contributions by Members in Military Service" before its repeal, shall have such contributions refunded or, at ~~his~~ their election credited to ~~his~~ their account as additional contributions, but such additional contributions when credited to ~~his~~ their account shall not place on the City any additional financial obligation.

The contributions made by the City pursuant to the provisions of this Section shall be made available only for the purpose of retirement, and if employment by the City of any such member be discontinued before retirement, ~~he~~ they shall be entitled to withdraw only that portion of ~~his~~ their accumulated contributions actually made by him, or should ~~he~~ they die before retirement, any death benefit payable by reason of ~~his~~ their death shall include only that portion of ~~his~~ their accumulated contributions actually made by ~~him~~ them.

This Section shall be retroactively applied to extend its benefits to such members of the Retirement System whose absence commenced prior to its effective date.

\* This reference is to the Section or Article so designated in the former Charter.

## **SECTION 2007**

**Section 2007.** Upon the death of a person after ~~his~~ their retirement, including persons receiving allowances on the effective date of this Section, one-half of ~~his~~ their retirement allowance as it was at death, before modification under an option shall be continued throughout life or until the remarriage of the surviving spouse if the remarriage occurs prior to January 1, 1985. If there be no surviving spouse entitled to an allowance hereunder, or if the surviving spouse so entitled dies before every child of such deceased member attains the age of eighteen years, then the allowance which the surviving spouse would have received, or which the surviving spouse would have received had ~~she~~ they lived shall be paid to a child or children under said age, collectively, to continue until every such child dies or attains said age, provided that no child shall receive any allowance after marrying or attaining the age of eighteen years. Should said member leave no surviving spouse and no children under the age of eighteen years, but leave a parent or parents dependent upon ~~him~~ them for support, the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving spouse otherwise would have received, during such dependency. No allowance, however, shall be paid under this section to a surviving spouse, unless ~~he or she~~ they were married to the member at least one year prior to retirement. Contributions necessary for the payment of the continuance of one-half of allowances of persons who are receiving allowances on the effective date of this Section, shall be provided from the reserves held by the Retirement System on account of active members, the necessary amount being transferred upon said effective date from said reserves to the reserves held by the Retirement System to meet obligations on account of benefits that have been granted.

This Section shall become effective on the first day of the month next following approval by the Legislature.

## **SECTION 2008**

**Section 2008.** Upon the death before retirement of a member who is qualified for service retirement under Section 2003 by attainment of the age of at least fifty-two (52) years with credit for twenty (20) or more years of service, or at least sixty (60) years with credit for ten (10) or more years of service, and on account of whose death the benefit provided for in accordance with such Section, is otherwise payable, a monthly allowance equal to one-half of the monthly retirement allowance prior to modification under options provided for in accordance with such Section which the member would have been entitled to receive if ~~he~~ they had retired from service on the date of ~~his~~ their death, shall be payable:

- (a) To the member's surviving spouse ~~widow, or to the member's widower~~ who was receiving at least one-half of ~~her/his~~ their support from the member at the time of the member's death, ~~and with respect to both widow and widower,~~ who was married to such member prior to the occurrence of the injury or onset of the illness which resulted in death; or
- (b) If there is no qualifying spouse, or if such spouse dies or remarries, to unmarried children, including stepchildren, of the member, who are under 18 years of age.

The allowance payable under this Section shall be in lieu of the death benefit provided for in accordance with Section 2003 except for the accumulated additional contributions included herein, but a person qualifying for the allowance or such person's guardian may elect, before the first payment on account of it, to receive such death benefit in lieu of the allowance. The member's accumulated additional contributions shall be paid to the person qualifying for the allowance, and the remainder of the accumulated contributions of the member shall be applied toward providing the allowance, and the balance not so provided shall be payable from contributions of the City.

The allowance shall begin to accrue on the day next following the date of death of the member, and payments to the surviving spouse shall continue only until death or remarriage if remarriage occurs prior to January 1, 1985, and to or on account of children with respect to each child, until the attainment of age 18, death or prior marriage. If payment of the allowance provided by this Section is stopped because of remarriage of the surviving spouse prior to January 1, 1985, or the attainment of the age of 18 years by, or the death or marriage of, a child, before the sum of the monthly payments made equals the death benefit provided for in accordance with Section 2003, exclusive of accumulated additional contributions, a lump sum equal to the difference shall be paid to the remarried spouse who remarried prior to January 1, 1985, or if there is no such spouse, to the surviving children of the member, share and share alike.

This Section shall become effective on the first day of the month next following approval of the Legislature.

#### **SECTION 2009**

**Section 2009.** Should any member discontinue to be an employee of the City, except by death or retirement, ~~he~~ they shall be paid, under such rules as may be established by ordinance of the Council, all of ~~his~~ their accumulated contributions, together with interest thereon at rates to be set by the Council upon the recommendation of the Board of Administration.

The Council may also, by ordinance, define the rights of former employees or of former members of the retirement system upon their re-entry into the City service.

#### **SECTION 2010**

**Section 2010.** Any member who has qualified for service retirement under Section 2003 by attainment of the age of at least fifty-two (52) years, with credit for twenty (20) or more years of City service, or at least sixty (60) years, with credit for ten (10) or more years of City service, may elect as provided in Section 2004 and without right or revocation or change after approval of the election by the Retirement Board, to receive the actuarial equivalent as of the date of ~~his~~ their retirement of the retirement allowance payable to ~~him~~ them when and if ~~he retires~~ they retire for service or disability, in a reduced retirement allowance according to the provisions of either Option 2 or Option 3, as stated in Ordinance No. 713 C.M.S. If such a member at the time of making the election has a living spouse who would qualify for an allowance under Section 2008, the election under this Section shall be invalid and of no effect unless and until the consent of such spouse to it is filed at the office of the Retirement System.

Upon such member's death at least thirty (30) days after the date upon which the election is received in the office of the Retirement System, and prior to the effective date of ~~his~~ their retirement, the person who was nominated by ~~him~~ them under the option ~~he~~ they elected and who survives ~~him~~ them, shall receive an allowance calculated under such option, upon the assumption that such member retired for service on the date of ~~his~~ their death and died immediately thereafter. The payment of such allowance to such person shall be in lieu of both the death benefit provided for in accordance with Section 2004, and the allowance provided by Section 2008, and no such death benefit or such allowance shall be paid on account of such death to any person or beneficiary, regardless of whether the person nominated under the option elected survives the member.

If such member subsequently retires for service or disability, ~~he~~ they shall receive, regardless of whether the person nominated by ~~him~~ them under the option elected is then living, a reduced allowance according to the provisions of Section 2003 and the option elected. The amount of the allowance prior to optional modification shall be calculated on the basis of the member's age at death before retirement, or at retirement as the case may be, but the reduction of such allowance under the option elected shall be based on the ages of such member and the person nominated by ~~him~~ them under such option at the effective date of such election.

This Section shall become effective on July 1, 1959, or the first day of the month next following approval by the Legislature, whichever is later.

#### **SECTION 2011**

**Section 2011.** Every retirement allowance payable by the Oakland Municipal Employees' Retirement System, for time commencing on the effective date of this section, hereby designated as the first day of July, 1953, or the first day of the month next following its approval by the Legislature, whichever is later, to or on account of any person who was retired prior to February 1, 1950, as a member of said system, is hereby increased by the amount of \$25.00 per month, provided such member was entitled to be credited under the Retirement System with at least twenty years of service upon which the retirement allowance was determined at retirement. If the member was entitled to be credited with less than twenty years of such service, said monthly increase shall be an amount which shall bear the same ratio to \$25.00 that the service with which the member was entitled to be credited at the effective date of retirement bears to twenty years. This section does not give any member retired prior to the effective date hereof, or ~~his~~ their successors in interest, any claim against the City for any increase in any retirement allowance paid or payable for time prior to said effective date. If a member elected at retirement to have ~~his~~ their retirement allowance modified under Options 2 or 3, provided by Ordinance 713 C.M.S. and if ~~his~~ their beneficiary is living on said effective date, the increase in ~~his~~ their allowance shall be modified under the option elected at retirement, and on the basis of current ages, mortality tables and interest rate. If the beneficiary of such a person who elected at retirement to have ~~his~~ their allowance modified under one of said options is not living on said effective date and the beneficiary is receiving the modified retirement allowance, then the allowance shall be increased as provided herein for persons who did not elect an option.

The increase in the retirement allowance shall be apportioned between service rendered prior to the entry of the member into the Retirement System and service rendered as a member, in the same proportion that such prior and current service, respectively, bears to the total service

credited at retirement. Contributions to the Retirement System necessary for the payment of the portion of the increases in the retirement allowances provided in this Section, which are based on service as members, shall be provided from reserves held by the Retirement System to meet the obligations on account of benefits that have been granted and on account of prior service of members. If, however, the City's contributions on account of service rendered as members has been changed from an amount equal to members' contributions to an amount derived by applying a percentage to earned compensation of members, contributions to the Retirement System necessary for the payment of the increases in the retirement allowances provided in this section, shall be provided, with respect to the portion of the increase based on service rendered as members, from the reserves held by the Retirement System on account of miscellaneous members, the necessary amount being transferred upon said effective date, from said reserves to the reserves held by the Retirement System to meet the obligations on account of benefits that have been granted and on account of prior service of members. The contribution then being required of the city, as a percentage of salaries of persons who are members of the system, shall be increased by such increase in the percentage as is determined by the actuary as necessary to replace the reserves to be transferred. Contributions to the Retirement System necessary for the payment of the portion of said increases based on service rendered prior to membership in the Retirement System, shall be paid to the System by the City in annual appropriations, provided that such appropriation for any year shall not be less than the amount disbursed during that year on account of said portion of the increases.

### **SECTION 2013**

**Section 2013.** It shall be the duty of the first Board of Administration created under this Section to recommend a retirement system to the Council and to secure from a competent actuary a report of the cost of establishing the same.

The mortality, service, experience, or other tables calculated by the said actuary and the valuations determined by ~~him~~ the actuary and approved by the Board shall be conclusive and final. Any system adopted by the Council shall be based thereon, and no changes shall be made in the system by the Council until the cost of such changes has been estimated by a competent actuary and the changes themselves have been approved by the Board of Administration.

The Board of Administration shall cause the tables on which the system is based to be reviewed at least every three (3) years by a competent Actuary and shall recommend to the Council any changes in the system that the Board may deem necessary as the result of such actuarial review.

### **SECTION 2015**

**Section 2015.** The Board of Administration shall elect one of their number President and shall appoint a Secretary. They may also employ such additional actuarial, clerical, or other assistance as the Council may provide. All regular and permanent employees of the Board, with the exception of the actuaries, shall be appointed under the provisions of Article XIII of this Charter.

The Board shall make all necessary rules and regulations, not inconsistent with this Charter and the ordinances establishing the Retirement System, and it shall be the sole judge, under such general ordinances as may be adopted by the Council, as to the conditions under which persons may be admitted to benefits of any sort under the system.

The Board shall also have exclusive control of the administration and investment of such funds as may be established under the system; provided, that the Auditor shall refuse to allow any warrant drawn for the payment of a benefit if in ~~his~~ the Auditor's opinion such benefit has been granted in contravention of this Section or of any ordinance passed under the authority granted herein; and provided further, that the City Treasurer shall be custodian of the funds under the direction of the Board of Administration as aforesaid.

#### **SECTION 2016**

**Section 2016.** The Council shall enact any and all ordinances necessary, in addition to the ordinance authorized in Section 2000, for the proper operations of the aforementioned Retirement System. The Board of Administration shall make an annual estimate of the cost of administering the Retirement System and shall transmit the same to the City Administrator at such time as ~~he~~ the City Administrator may direct. The amount necessary for the administration of the aforementioned Retirement System shall be paid out of the Oakland Municipal Employees' Retirement Fund.

#### **SECTION 2600**

**Section 2600.** There is hereby added to the Charter of the City of Oakland a new Article to be known as Article XXVI for the purpose of combining into one system, hereby created and to be known as THE POLICE AND FIRE RETIREMENT SYSTEM, and the separate system heretofore created by the provisions of Article XIV and XV of this Charter. All persons who become members of the Police or Fire Departments as defined in former Article XIV\* and XV\* of this Charter, ~~including all persons hereafter employed to perform the duties now performed by matrons and substitute matrons of the City Prison,~~ on or after the effective date of this Article, hereby defined as July 1, 1951, or the first of the month next following approval by the Legislature, whichever is the later, shall be members of the Retirement System established by this Article and shall be subject to the provisions hereof. All members of the Police or Fire Departments who are subject to the Relief and Pension Systems under the provisions of Article XIV and XV of this Charter, and not permanently retired, ~~including matrons and substitute matrons of the City Prison,~~ shall have the option of being members of this Retirement System under the provisions of this Article, said option to be exercised in writing on a form furnished by the Retirement Board as hereinafter defined, to be filed with the Secretary of the Board not later than 90 days after the effective date of this Article. Upon filing said written option, such persons shall be subject to the provisions of this Article as of its effective date, notwithstanding any other provisions of this Charter; provided that any of such persons who are absent by reason of service in the armed forces of the United States, and any persons on disability retirement under Article XIV or XV on the effective date of this Article, shall have the right to exercise said option within 90 days after return of such persons to service in said departments. Members of the Relief and Pension Systems under Articles XIV and XV of this Charter, who do not exercise the option in this section, shall remain members under the provisions of said articles and under the provisions of Section 2619 and benefits being paid, on the effective date hereof, to or on account of persons who are or have been

members under said articles, shall be continued at their existing rates and in accordance with the provisions of said articles, but shall be paid from the fund created under this article.

- (a) Notwithstanding any other provision of this Article XXVI, active members of PFRS shall be permitted to terminate their membership in PFRS and become members of the California Public Employees' Retirement Systems ("PERS") (hereinafter referred to as "~~transfer~~ transfer to PERS"); provided that active members may transfer to PERS only if the following occur:
- (1) the City Council authorizes the transfer to PERS; and
  - (2) the PFRS Board authorizes transfer of PFRS retirement funds representing the employer and employee contributions to PFRS for each PFRS member who exercises the option to transfer to PERS.

The decision to authorize the transfer to PERS shall be based on the City Council's sole judgment and discretion. The City shall have absolutely no obligation to authorize such transfer and the City Council's decision shall be final and binding and without recourse to a court or law, section 910 of the City Charter, which provides for binding interest arbitration, or any other administrative, contractual or legal avenue or remedy.

The decision of the PFRS Board to authorize transfer of PFRS retirement funds to PERS as described above, shall be based upon the board's sole judgment and discretion exercised in accordance with board members' fiduciary obligations, the prudent person standard, the provision of Article XXVI of the City Charter, the California Constitution and other applicable law.

\* This reference is to Articles XIV and XV so designated in the ~~former~~ Charter as it was adopted in 1968. These Articles have been deleted because the Police Relief and Pension Fund (Article XIV) and Firemen's Relief and Pension Fund (Article XV) are obsolete and have been combined in Article XXVI (Police and Fire Retirement Fund).

## **SECTION 2601**

### **Police and Fire Retirement Board**

**Section 2601.** In order to continue in force and make effectual pensions and retirements already existing or that may be granted in the future in favor of members of the Police or Fire Departments, the systems heretofore existing under the provisions of Articles XIV and XV of this Charter are hereby combined into one system to be known as the Police and Fire Retirement System and the funds heretofore created, ~~existing and known as the Police Relief and Pension Fund and the Firemen's Relief and Pension Fund,~~ are hereby combined in a common fund to be known and designated as the Police and Fire Retirement Fund. This System and fund shall be managed and administered by a Board hereby created to be known and designated as the Police and Fire Retirement Board, which shall be the successor of and shall have the powers and duties heretofore possessed and exercised by the Board of Trustees of the obsolete Police Relief and Pension Fund and Board of Trustees of the obsolete Firemen's Relief and Pension Fund. This Retirement Board shall consist of seven (7) members as follows: the Mayor of the City; one active member of the Police Department, or a retired member elected by the active and retired members of the Police Department if no active member of the Police Department is elected to serve on the



Board; one active member of the Fire Department, or a retired member elected by the active and retired members of the Fire Department if no active member of the Fire Department is elected to serve on the Board; a life insurance executive of a local office, a senior officer of a local bank; a community representative; and a Police-Fire retired member who shall be elected from the retired members of the Fire Department for a first three (3) year term commencing the first day of the month next following ~~his or her~~ their election, and from the retired members of the Police Department for the next successive three (3) year term, and thereafter alternately from the retirement rolls of each of said departments for successive three (3) year terms. The election of the first such Police-Fire retired member by the vote of the retired members of the Fire Department shall be held within ninety (90) days following the effective date of this amendment in the manner heretofore established by and under the supervision of the Retirement Board. In the event an active or retired Police-Fire member does not serve out ~~his or her~~ their three (3) year term, ~~his or her~~ their successor shall be elected from the department which has most recently elected ~~him/her or her them~~ for the remainder of said unexpired three (3) year term. All members elected from the Police and Fire Departments or from the police-fire retirement rolls shall be elected by vote of the active or retired Police and Fire Retirement System members of the respective departments as the case may be, and the Retirement Board may from time to time revise the manner of conducting such elections. The representative of a life insurance company, the representative of a bank, and the community representative shall be appointed by the City Council upon the recommendation of the Mayor. The Mayor, with the approval of the City Council, may designate a City officer or official to serve in ~~his or her~~ the Mayor's place and stead as a member of the Retirement Board for the term of ~~his or her~~ the Mayor's office. The terms of the incumbent board members who are serving terms immediately prior to the effective date of this amendment shall not be affected by this amendment, and those members shall be entitled to serve the balances of their respective terms on the Retirement Board; the terms of office of the future elected member of the Fire Department, of the future elected member of the Police Department and of the future insurance and bank representatives shall be five (5) years and shall follow successively the end of the term of the respective incumbent member of the Fire Department, member of the Police Department, and insurance and bank representative members; the first term of office of the community representative shall be two (2) years commencing the first day of the month next following the effective date of this amendment, and thereafter such member shall be appointed for successive five (5) year terms. The Mayor or ~~his or her~~ the Mayor's designated alternate shall serve the term of the Mayor. In the event of a vacancy, a successor shall be elected or appointed as the case may be for the unexpired portion of the term vacated. Election or appointment of successors as hereinabove provided shall be held or made not more than ninety (90) days prior to the expiration of the term of office of the member to be succeeded, or in the event of a vacancy in an office prior to the termination thereof not more than ninety (90) days immediately following the occurrence of such vacancy. The members of the Board shall serve without compensation.

- (a) The City Attorney shall attend all meetings of the Board in person or by authorized representative.
- (b) The Board shall hold regular meetings monthly and special meetings at any time upon the call of its President. A majority of the members of the Board shall constitute a quorum for the transaction of business. The powers conferred by this Article upon the Board shall be exercised by order or resolution adopted by the affirmative votes of at least four (4) members of the Board. At the regular meeting in September of each year, the Board shall

select one of its members to act as President for the ensuing year. The Board shall keep a written record of its proceedings which shall be public.

- (c) The Board shall appoint a Secretary who shall hold office at its pleasure and who shall have the power to administer oaths and affirmations and issue subpoenas in all matters pertaining to the administration and operation of the System. The Board shall also appoint an actuary who shall hold office at its pleasure, and medical examiners in connection with disability retirement, and such additional clerical and other assistants as the City Council may authorize. All regular and permanent employees of the Board shall, with the exception, of the Secretary, Actuary and Medical Examiners, be appointed under the provisions of Article XIII of this Charter.
- (d) The Board shall make an annual estimate of the cost of administering the Retirement System and shall transmit the same to the City Administrator at such time as ~~he~~ the City Administrator may direct. The amount necessary for the administration of the System shall be paid out of the Police and Fire Retirement Fund.
- (e) The Board shall possess power to make all necessary rules and regulations for its guidance and shall have exclusive control of the administration and investment of the fund established for the maintenance and operation of the system, subject to the terms, conditions, limitations and restrictions hereinafter set forth. All funds received by the Board not required for current disbursements shall be invested in, but not limited to:
  - (1) Those investments of a character legal for banks in the State of California.
  - (2) Interest bearing obligations of the United States Government, any agency of the United States Government, any bank which is a member of the Federal Deposit Insurance Corporation, or any corporation whose bonds are eligible for investment by banks in the State of California.
  - (3) Common stocks provided that:
    - a. The Board shall make investment decisions regarding such investments in accordance with the prudent person standard as defined by applicable court decisions and as required by the California Constitution.
    - b. Such stock is registered on a national securities exchange, as provided in the "Securities Exchange Act of 1934" as amended. Such registration shall not be required with respect to the following stocks:
      - 1. The common stock of a bank which is a member of the Federal Deposit Insurance Corporations and has capital funds, represented by capital, surplus, and undivided profits of at least fifty million dollars (\$50,000,000);
      - 2. The common stock of an insurance company which has capital funds, represented by capital, special surplus funds, and

unassigned surplus of at least fifty million dollars (\$50,000,000).

- c. Not more than 2% of the book value of the invested funds of the retirement system may be invested in common stock of a single corporation.
  - d. The total number of shares held in any single corporation single corporation shall not exceed 5% of the issued and outstanding common shares of such corporation.
- (4) Shares of diversified management investment companies (Mutual Funds) provided that:
- a. The Board shall make investment decisions regarding such investments in accordance with the prudent person standard as defined by applicable court decisions and as required by the California Constitution.
  - b. Such diversified management investment companies shall be registered under the "Investment Company Act of 1940" and shall each have total assets of at least \$50,000,000.
- (5) Preferred stocks and securities convertible into common stocks, provided:
- a. That of the funds invested in such stocks or convertibles not more than 2% of the book value of the invested funds of the Retirement System may be invested in such stocks or convertibles of a single corporation; and
  - b. That the total number of such shares or convertibles held in any single corporation shall not exceed 5% of the issued and outstanding preferred stock or convertibles of such corporation; and
  - c. That the corporations in whose preferred stock or convertible securities the funds of the Retirement System are invested shall be only those whose common stock would qualify for investment of funds of the Retirement System under subsection 3 above; and
  - d. That such investments authorized by this subsection 5 does not exceed ten percent of the book value of the invested funds of the Retirement System.
- (6) F.H.A. mortgages, certificates and shares of state or federal chartered savings and loan associations if insured as defined in Title IV of the National Housing Act, provided that such investments shall not exceed fifteen percent of the book value of the invested funds of the Retirement System.
- (7) Equity or mortgage debt investments in existing real property or in property to be constructed, except that no mortgage investments may be funded until the improvements on the property are substantially complete. Such investments shall not exceed twenty percent of the book value of the invested funds of the Retirement Systems. The Board shall

obtain the opinion of competent real estate advisors that such investment is prudent and that it meets the current investment guidelines of the Board, before committing to make such investment, and provided:

- a. The Board is owner in fee title and/or a lease-hold in the real property and/or real property and improvements in and upon which such investment is to be made, with the exceptions of convertible and take-out loans and mortgage pool investments.
- b. Before making such an investment the Board shall appoint a qualified real property appraiser acceptable to the City Administrator who shall examine the property of the plans and specifications of any improvement proposed to be constructed and who shall determine and report to the Board whether the project in his the appraiser's opinion will have a fair rental value sufficient to return the investment together with interest over a period of time not to exceed 30 years.

In order to make the provisions of this section relating to the investment of retirement funds completely effective, the Board is authorized for investment purposes only to purchase, sell or lease real property or to enter into options therefor and when necessary for investment purposes to enter into con-tracts for the construction of buildings and may repair and maintain such property and do any and all things necessary to protect the investment including, but not limited to, purchasing insurance against the loss of the property or the loss of use and occupancy of the property. It may also take any other action necessary to carry out the investment provisions of this section. In the construction of buildings, the Board shall follow, substantially and insofar as applicable, the procedure and limitations prescribed by law for the construction of buildings by the City of Oakland.

The Board may secure from competent investment counsel, not a member of the Board, such counsel and advice as to investing the funds of the Retirement System as it deems necessary. Discretionary powers granted such investment counsel will be at the option of the Board. The Board shall pay for such counsel and advice such compensation as it deems reasonable, payable from Retirement System funds.

The City Treasurer shall be the custodian of the Retirement Fund, subject to the exclusive control of the Board as to the administration and investment of said fund. All payments from the said fund shall be made by the Finance Director as authorized by the Board. All demands against said fund shall be presented, audited and paid as provided in the Charter of the City. Interest on any cash and on any investments constituting a part of the said fund shall be paid into said fund as received. Except as herein provided, no 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 therefrom. And no member or employee of said Board, directly or indirectly, for ~~himself/herself~~ themselves 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 said Board; nor shall any member or employee of said Board become an endorser or surety or become in any manner an obligor for moneys invested by the Board.

- (f) Board shall have such additional power and authority as is conferred by Section 20\* of this Charter.
- (g) If any section, word, clause or provision of this Article shall be held unconstitutional, the remaining sections, clauses, words or provisions thereof shall not be affected thereby. All the provisions of this Article are to be liberally construed.

\* This reference is to the Section or Article so designated in the former Charter.

#### **SECTION 2602 (d)**

**Section 2602(d).** The morality, service, and other tables and the City's members' rates of contribution with respect to persons who become members of the Police or Fire Department after the effective date of this Article, as recommended by the actuary and the valuations determined by ~~him~~ the actuary and approved by the Retirement Board shall be conclusive and final, and the Retirement System shall be based thereon.

#### **SECTION 2603**

**Section 2603.** The Board may and in disputed matters shall hold public hearings in all proceedings pertaining to retirement and to the granting of retirement allowances, pensions, and death benefits. Notice of the time and place of such hearing shall be given in writing to the member or dependents affected thereby either by personal service of a copy of said notice or by depositing a copy thereof in the United States Mail postage prepaid addressed to the member or dependents affected thereby at ~~his~~ the member's or ~~his~~ their dependents' last known address at least five (5) days prior to said hearing. Proof of said service must be made at said hearing. The member or dependents affected thereby shall be entitled to appear personally at said hearing and to have counsel.

#### **SECTION 2604**

**Section 2604.** A rehearing in any matter may be applied for by filing a written petition for rehearing with the Secretary of the Board within ninety (90) days after mailing of notice by registered mail to the interested party or ~~his~~ their attorney, of the rendition of any order or decision of the Board. The Board shall grant or deny such petition within forty (40) days from the filing thereof, provided that the time so limited may be extended by the Board for not to exceed forty (40) additional days. If a hearing is granted, the same shall be heard within forty (40) days after the rendition of the order granting the same. At such rehearing additional evidence not produced at the original hearing may be introduced. The petition must designate the grounds upon which it is based.

## SECTION 2607

**Section 2607.** The following words and phrases, as used in this Article, unless a different meaning is plainly required by the context, shall have the following meaning:

"Retirement allowance," "Death allowance," or "allowance" shall mean equal monthly payments, beginning to accrue upon the date of retirement, or upon the day following the date of death, as the case may be, and continuing for life, unless a different term of payment. is definitely provided by the context.

"Compensation" as distinguished from benefits under the Labor Code of the State of California, shall mean the monthly remuneration payable in cash, by the City, without deduction, for time during which the individual receiving such remuneration is a member of the Police or Fire Department, but excluding remuneration paid for overtime and for special details or assignments as provided in Sections 91 and 97\* of the Charter.

"Benefit" shall include "retirement allowance," "death allowance," "allowance," and "death benefit."

"Compensation attached to the average rank held" shall mean the compensation attached to the lowest rank held during the three years immediately preceding retirement plus one thirty-sixth ( 1/36) of the difference between it and the compensation attached to any higher rank held during that period of each month, and fraction thereof, the higher rank was held.

For the purposes of the Retirement System established by this Article, the terms "member of the Police or Fire Departments," "member of the Department," "member of the System," or "member" shall mean any regularly appointed member of the Police or Fire Department of the City of Oakland who became members of the Retirement System established by this Article, prior to July 1, 1976, ~~including matrons or substitute matrons of the City Prison and emergency patrolmen and horsemen.~~

"Retirement System" or "System" shall mean the Police and Fire Retirement System established by this Article.

"Charter" shall mean the Charter of the City of Oakland.

"Interest" shall mean interest at the rate adopted by the Retirement Board.

"Retirement Board," or "Board" shall mean the Police and Fire Retirement Board created by this Article.

"Children" shall include, with respect to service retirement, children adopted at least five (5) years prior to retirement, and with respect to disability retirement and death before retirement, children adopted at any time prior to such retirement or death.

Words used in the masculine gender shall include the feminine and neuter genders; singular numbers shall include the plural, and the plural the singular, and wife shall include husband, and widow shall include widower.

"Accumulated contributions" shall mean contributions made by the member since May 3, 1943, plus credited interest.

\* This reference is to the Section or Article so designated in the former Charter.

## **SECTION 2608**

### **Section 2608.**

- (a) Any member of the Police or Fire Department who completes at least ten (10) years of service in the aggregate (said service to be computed under Section 2609) may retire at ~~his~~ their option on or after the twenty-fifth (25th) anniversary of ~~his~~ their date of employment. Said member shall receive a retirement allowance equal to twenty percent (20%) of the compensation attached to the average rank held during the three (3) years immediately preceding such retirement, plus an additional allowance at the rate of two percent (2%) for each additional year of service beyond ten (10) years, not to exceed a period of an additional ten (10) years.
- (b) Any member of the Police or Fire Department who completes at least twenty (20) years of service in the aggregate (said service to be computed under Section 2609), regardless of age, may retire at ~~his~~ their option. Said member shall receive a retirement allowance equal to forty percent (40%) of the compensation attached to the average rank held during the three (3) years immediately preceding such retirement, plus an additional allowance at the rate of two percent (2%) for each additional year of service beyond twenty (20) years, not to exceed a period of an additional five (5) years.
- (c) Any member of the Police or Fire Department who completes at least twenty-five (25) years of service in the aggregate (said service to be computed under Section 2609), regardless of age, or any member who completes at least twenty (20) years of service in the aggregate at or after attaining the age of fifty-five (55) years, may retire for service at ~~his~~ their option.
- (d) Members shall be retired on the first day of the month next following the attainment by them of the age of sixty-five (65) years. Any such member who attains the age set forth in the preceding sentence as the compulsory age of retirement during any twelve (12) months, prior to the beginning of the twelve (12) months, shall be retired on the first day of the twelve (12) months.
- (e) A member retired after meeting the requirements of paragraphs (c) or (d) next preceding, shall receive a retirement allowance equal to fifty percent (50%) of the compensation attached to the average rank held during the three (3) years immediately preceding such retirement, plus an additional allowance at the rate of one and two-thirds percent (1- $\frac{2}{3}$ %) of said compensation for each year of service rendered after July 1, 1951, and after qualifying for service retirement, not to exceed ten (10) years. A member required to retire under

paragraph (d) next preceding before completing twenty (20) years of service in the aggregate computed under Section 2609, shall receive a retirement allowance which bears the same ratio to the retirement allowance which said member would receive if ~~he~~ they were entitled to be credited with twenty (20) years of service, as the service with which ~~he is~~ they were entitled to be credited, bears to twenty (20) years.

- (f) Upon the death of member after qualification for service retirement, or after retirement for service or because of disability, and if death shall result from other cause than injury received in or illness caused by the performance of duty, two-thirds ( $\frac{2}{3}$ ) of the retirement allowance to which the member would have been entitled if ~~he~~ they had retired for service at the time of death, or two-thirds ( $\frac{2}{3}$ ) of the retirement allowance as it was at death, as the case may be, shall be continued, regardless of the age of the surviving ~~spouse widow~~, to the dependents of the member in the order of succession as defined in Section 2612, provided that if retirement was for injury received in or illness caused by the performance of duty and if death occurs prior to the date upon which the member would have qualified for service retirement, the allowance continued shall be reduced upon said date in the same manner as it would have been reduced had the member not died.
- (g) After having qualified for service retirement under the provisions of paragraph (a) of this section, a member shall be entitled to retire at any time thereafter and nothing shall deprive said member of said right.
- (h) The age of a member which was accepted for appointment to the Police or Fire Department shall be admissible in evidence as prima facie proof of ~~his~~ their age for retirement purposes.
- (i) If, at the date of retirement for service or disability, said member has no ~~wife~~ surviving spouse, children or dependent parents, who would qualify for the continuance of the allowance after the death of said member, or with respect to the portion of the allowance which would not be continued, regardless of dependents, a member retired under this Article may elect, before the first payment of the retirement allowance is made, to receive the actuarial equivalent of ~~his~~ their allowance or the portion which would not be continued, regardless of dependents, as the case may be, partly in a lesser amount to be received by ~~him~~ them throughout ~~his~~ their life, and partly in other benefits payable after ~~his~~ their death to another person or persons, provided that such election shall be subject to all of the conditions prescribed by the Council to govern similar election by members of the Oakland Municipal Employees' Retirement System.
- (j) The retirement allowances payable pursuant to this section are subject to the limitations provided by Section 2620. This subsection shall be null and void and without further effect should the United States Internal Revenue Code Section 415 be amended to exempt municipal pension plans from the stated benefit limitations.



## **SECTION 2609**

**Section 2609.** The following time and service shall be included in the computation of the service to be credited to a member for the purpose of qualification for retirement and death benefits and for calculation of retirement benefits:

- (1) Time during and for which said member received compensation as a member of the Police or Fire Department prior or subsequent to the effective date of this Article, including all such time said member was unable to perform ~~his~~ their duties by reason of injury or sickness from any cause.
- (2) Time during which said member was absent by reason of service with the armed forces of the United States either during a war involving the United States as a belligerent, or in any other National Emergency and for six (6) months thereafter and who is not dishonorably discharged or released therefrom.
- (3) Any police or fire service outside the limits of the City of Oakland performed by a member of the Police or Fire Department and under orders of a superior officer of such member, shall be considered as city service and any disability or death resulting therefrom shall be considered as received in and arising out of the performance of duty.

## **SECTION 2610 (b)**

**Section 2610(b).** Any member of the Police or Fire Department who is incapacitated for the performance of duty for any cause not included in the provisions of the preceding paragraph (a) and who shall have completed at least five (5) years of service in the aggregate, shall be retired upon a retirement allowance calculated under Section 2608, if ~~he has~~ they have attained the age of fifty-five (55) years, otherwise upon a retirement allowance equal to one and one-half percent (1-½%) of the compensation attached to the average rank held by such member during the three (3) years next preceding such retirement for each year of service, provided that said retirement allowance shall not be less than thirty-three and one-third percent (33-⅓%) of said compensation. The question of retiring a member under this section may be brought before the Board on the Board's own motion, by recommendation of the City Administrator or by petition of said member or ~~his~~ their guardian.

## **SECTION 2611**

**Section 2611.** If a member of the System shall die before or after retirement by reason of an injury received in, or illness caused by or arising out of the performance of duty, an allowance shall be paid to the dependents of such member in the order of succession established by Section 2612, in the following amount:

- (1) If the member at the time of death was qualified for service retirement but had not retired, the allowance shall be equal to the retirement allowance which the member would have received if ~~he~~ they had retired for service on the date of death, but such allowance shall not be less than one-half (½) of the compensation attached to the rank held by such member at the time of ~~his~~ their death.

- (2) If death occurs prior to qualification for service retirement, the allowance shall be equal to one-half (½) of the compensation attached to the rank held by such member at the time of death.
- (3) If death occurs after retirement, the allowance shall be equal to the retirement allowance of the member, except that if retirement was for disability due to performance of duty, and if death occurred prior to the date upon which the member would have qualified for service retirement, the allowance shall be reduced upon said date in the same manner as it would have been reduced had the member not died. If retirement was for disability not due to performance of duty, the allowance shall not be less than one-half (½) of the compensation attached to the average rank held by the member during the one (1) year immediately preceding retirement.
- (4) The allowance provided for in paragraphs (1) and (2) immediately preceding, if payable to the ~~widow~~ surviving spouse of such member, shall be increased while there are children of such member as provided in Section 2612.
- (5) The ~~widow~~ surviving spouse of such member shall be eligible to receive the allowance provided for in this section without regard to the time of ~~her~~ their marriage to such member; provided that in the event the death of such member shall occur after retirement, such marriage shall have occurred at least one year prior to retirement.

## **SECTION 2612**

### **Section 2612.**

- (1) In cases in which a benefit is payable to the dependent of a deceased member under the provisions of this Article, such benefit shall be payable to the family of such member in the following order of succession:
  - (a) To the surviving spouse of such member as long as ~~he or she~~ they shall not remarry prior to January 1, 1985, provided that, if death occurred after retirement, the surviving spouse shall have been married to the decedent at least one (1) year prior to the member's retirement; and provided further that in the event such decedent leaves a surviving child or children and if death occurred prior to retirement, an additional amount shall be paid to such surviving spouse during the lifetime of each child until said child shall have married or attained the age of eighteen (18) years as follows: For one child, twenty-five percent (25%) of the allowance provided for in this Article; for two children, forty percent (40%) of such allowance, and for three or more children fifty percent (50%) of such allowance, provided that the aggregate payments to the surviving spouse under this section shall not exceed seventy-five (75%) percent of the compensation attached to the rank held by the decedent at the time of ~~his or her~~ their death. Upon a remarried spouse's death, the member's retirement allowance shall cease unless there are eligible children.

- (b) In the event the decedent shall not leave surviving an eligible spouse to receive said allowance, but shall leave a child or children under the age of eighteen (18) years, or should the decedent leave an eligible spouse and a child or children under the age of eighteen (18) years and the spouse dies while said child or children are yet under the age of eighteen (18) years, then the retirement allowance is payable to such child or children collectively until the youngest child attains the age of eighteen (18) years, provided that no child shall receive any such allowance after attaining the age of eighteen (18) years or marrying.
  - (c) In the event the decedent shall leave ~~surviving him~~ no eligible ~~widow~~ surviving spouse, child or children but shall leave a parent or parents dependent on said member for their support, then to such parent or parents collectively in an amount or amounts to be determined by the Board in the proportion that the degree of support furnished by decedent bears to the allowance which would have been payable to an eligible ~~widow~~ surviving spouse of such decedent.
- (2) In the event a deceased member leaves no dependents qualified to receive an allowance, there shall be payable a death benefit as follows:
- (a) If death occurs before retirement, a sum equal to the member's accumulated contributions in the Fund plus an amount equal to one-twelfth ( 1/12th) of the annual compensation attached to the rank held by such member at the time of death for each completed year of service as a member at the time of death for each completed year of service as a member of the Police or Fire Department, not to exceed six (6), to ~~his~~ their designated beneficiary, and if none, then to the estate of such member.
  - (b) If death occurs after retirement, then the sum of One Thousand Dollars (\$1,000.00) to the beneficiary designated by such member, or if none, then to the estate of such decedent.

## **SECTION 2615**

### **Section 2615.**

- (1) No member of the System who is retired for service or disability under this Article shall hold an elective or appointive position in the service of the City of Oakland, including membership on Boards or Commissions, except that retired members of the Police and Fire Departments may serve on the Police and Fire Retirement Board as provided in Section 2601, nor shall any such person receive any payment for service rendered to the City, provided that service such as an election officer or juror shall not be affected by this section.

Notwithstanding any other provision of this section 2615 or this City Charter, retired members of the System may hold employment with the City pursuant to a Deferred Retirement Option Plan ("DROP") authorized by the City. DROP shall mean a program

under which, after the effective date of a System member's retirement, (1) ~~he/she continues~~ they continue to work for the City (a) for a period of time prescribed by the City and (b) in the position and assignment determined by the City in its sole judgment and discretion; (2) neither the City nor the System member makes retirement contributions; (3) the System member receives no service credit for the period of time ~~he/she is~~ they are employed by the City; and (4) the System member's monthly retirement allowances are paid into a fund established by PFRS until the member terminates ~~his/her~~ their City employment. DROP is intended to encompass all types of DROP programs.

- (2) Retired members of the System or dependents of such members under the provisions of this Article shall not be subject to residence requirements.

### **SECTION 2617 (b)**

**Section 2617(b).** Where the member does not qualify under the provisions of paragraph (a) next preceding, one-twelfth ( 1/12th) of the annual compensation attached to the rank held by the member at the time of ~~his~~ their death, for each completed year of service in the Police or Fire Department, not to exceed six (6), plus the accumulated contributions of such member in the Fund, said aggregate sum to be payable to the dependents of such member pursuant to the order of succession established by Section 2612.

### **SECTION 2618**

#### **Section 2618.**

- (a) Should a member of the System cease to be a member of the Police or Fire Department through any cause other than death or retirement prior to completing ten (10) years of service, the member's contributions, plus interest thereon credited in accordance with Section 2602(a), shall be refunded to such member.
- (b) Should a member of the System cease to be a member of the Police or Fire Departments after completing at least ten (10) years of service, said member may withdraw ~~his~~ their contributions, plus interest thereon credited in accordance with Section 2602(a) from the fund at any time provided such person is not then an active member of the Police or Fire Department, but such person will not be entitled to a retirement allowance unless ~~he is~~ they are a member who has redeposited in the Fund in accordance with subsection (c) below and who has complied with the requirements of Section 2608.
- (c) If any person who has been refunded ~~his~~ their contributions under paragraph (a) preceding, or who has withdrawn ~~his~~ their contributions under paragraph (b) preceding shall subsequently become a member of the Police or Fire Department, ~~he~~ they shall redeposit in the Fund in a manner to be determined by the Board, the amount so refunded or withdrawn plus interest from the date of the refund or withdrawal to the date of the redeposit, in which event said member shall be entitled to credit for all service rendered prior to withdrawal as such member.

## SECTION 2619

**Section 2619.** All payments provided for or on account of persons who are members under this Article and for or on account of persons who remain as members or who have been members of the Funds under Articles XIV and XV, shall be made from funds derived from the following sources, plus interest earned on said funds.

- (1) The normal rate of contribution of each member who exercised the option in Section 2600 shall be five and one-half percent (5-½%). The normal rate of contribution of each person who became a member of the Police or Fire Department after the effective date of this Article and prior to July 1, 1976, shall be based on ~~his~~ their age taken to the next lower completed quarter year, at the date ~~he becomes~~ they become a member of the Police or Fire Department, and shall be such as, on the average for each such member, will provide, assuming service without interruption, one-fourth (¼) of that portion of the service retirement allowance to which ~~he~~ they would be entitled, without continuance to dependents, upon first qualifying for retirement under Section 2608, and assuming the contribution to be made from the date of ~~his~~ their entrance into the Police or Fire Department. Provided that said members' contribution rates shall never decrease below the table of members' contribution rates in effect as of January 1, 1971, and provided further that no member's contribution rate shall exceed thirteen percent (13%) so long as no improvements in the members' benefits occur after July 1, 1976.
- (2) The dependent rate of contribution of each person who becomes a member of the Police or Fire Department after the effective date of this Article, shall be such as, on the average for such member, will provide, assuming service without interruption, and upon ~~his~~ their first qualifying for service retirement under Section 2608, one-fourth (¼) of the portion of ~~his~~ their allowance which is to be continued under Section 2608, after ~~his~~ their death and throughout the life of a surviving wife whose age at said death is three years less than the age of said member, or, as the case may be, a surviving husband whose age at said death is three years more than the age of said member. The dependent rate of contribution of each member who exercises the option in Section 2600, shall be one and one-half percent (1-½%). If at the date of retirement for service or retirement for disability, said member has no ~~wife~~ surviving spouse who would qualify for the continuance of the allowance ~~to her~~ after the death of said member, the dependent contributions with accumulated interest thereon, shall be paid to ~~him~~ said member forthwith.
- (3) The normal rate of contribution of persons who remain members under Article XIV and XV shall be five percent (5%). Such rate shall be applied to compensation, on and after the effective date of this Article, as described in paragraph 4 of this section. Such persons shall not have dependent contribution rates.
- (4) There shall be deducted from each payment of compensation made to a member throughout ~~his~~ their membership, a sum determined by applying the member's normal and dependent rates of contribution to such compensation payment. Except for persons who remain members under Article XIV and

XV, the sum so deducted shall be accumulated with interest as set from time to time as provided in Section 2602(a). Such accumulated contribution shall be used to provide benefits for said members, or shall be paid to said member or his their estate or beneficiary as provided in this Article.

- (5) Members' contributions deducted from compensation earned prior to the effective date of this Article, and after May 3, 1943, shall not be considered in the determination of allowances, and shall be paid to the Retirement System, with interest, by the City when said accumulated contributions otherwise are payable to or on account of members by the Retirement System.
- (6) The City shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in the preceding paragraphs of this Section, to provide the benefits payable under this Article and Articles XIV and XV. 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. Any fund established pursuant to the 1971 amendment to this subsection and implemented by Retirement Board Resolution No. 3968 which provided for payment of improved or additional benefits shall continue only for the purposes stated herein. Any monies held in such fund as of July 1, 1976, and any interest credited thereon pursuant to Section 2602(a) shall continue to be payable to members of this system as follows:
  - (a) For all individuals who received retirement allowances as of December 31, 1972, said allowance commencing January 1, 1973, shall be increased as follows:
    - (1) A computation of an additional one percent (1%) of the gross allowance due in December, 1972, shall be made for each said individual. Any additional monies added to the basic retirement allowance because of minor children under Charter Section 2612(a) shall not be included in the computation of said one percent (1%).
    - (2) The amount of each said December, 1972, one percent (1%) computation shall become a fixed, non-fluctuating amount which shall be added each month, commencing in January, 1973, to the retirement allowance of each said individual and to any continuation (and in the appropriate percentage to any partial continuation) of each said retirement allowance.
  - (b) For members of the System retiring after December 31, 1972, at the date of retirement, a computation of an additional five percent (5%) of the compensation attached to the average rank held by such member during the three (3) years next preceding said retirement shall be made for each individual retiring with at least twenty-five (25) years of service.

The amount of each said five percent (5%) computation shall become a fixed, non-fluctuating benefit amount which shall be added in monthly installments to the retirement

allowance of each said individual retiring or who is considered as retiring with at least twenty-five (25) years of service and to any continuation (and in the appropriate percentage to any partial continuation) of each said retirement allowance.

No additional monies from any source whatsoever shall be paid into said fund, and said fund shall cease to exist when the monies held payable for the aforementioned purposes are expended.

- (7) During the absence of a member by reason of service with the armed forces of the United States, either during a war involving the United States as a belligerent, or in any other National Emergency and for six (6) months thereafter, and who is not dishonorably discharged or released therefrom, the City shall contribute for and on behalf of such member, amounts equal to the contributions which would have been made by such member and by the City to the Police and Fire Retirement Fund if ~~he~~ they had not been so absent. The contributions made by the City pursuant to the provisions of this paragraph in lieu of contributions which the member otherwise would have made, shall be made available only for the purpose of retirement and death after the completion of ten (10) years of service in the aggregate, and in the event of the resignation or dismissal of said member from service as a member of the Police or Fire Department prior to qualifying for service retirement, or in the event of the death of such member from causes not arising out of the performance of duty prior to the completion of ten (10) years of such service, any withdrawal of accumulated contributions by such member or any death benefit payable by reason of such death shall include only that portion of the accumulated contributions actually made by such member. For the purposes of this Article, a war involving the United States as a belligerent exists: (a) whenever Congress has declared war, and peace has not been formally restored; (b) whenever the United States is engaged in active military operations against any foreign power, whether or not war has been formally declared; or (c) whenever the United States is assisting the United Nations, in actions involving the use of armed force, to maintain or restore international peace and security.

\* Articles XIV (Police Relief and Pension Fund) and XV (Firemen's Relief and Pension Fund) are deleted because these retirement systems were combined in Article XXVI (Police and Fire Retirement Fund) and are obsolete. The provisions of Articles XIV and XV are available for reference in the Charter as it was adopted in 1968.

; and be it

**FURTHER RESOLVED:** That in accordance with the Elections Code and Chapter 3.08 of the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Charter amendment, and said date shall be posted by Office of the City Clerk; and be it

**FURTHER RESOLVED:** That in accordance with the Elections Code and Chapter 3.08 of the Oakland Municipal Code, the City Clerk shall provide for notice and publication as to said proposed Charter amendment in the manner provided for by law; and be it

**FURTHER RESOLVED:** That the City Clerk and City Administrator hereby are authorized and directed to take any and all actions necessary under law to prepare for and conduct the next municipal election and appropriate all monies necessary for the City Administrator and City Clerk to prepare for and conduct the next municipal election, consistent with law.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, ~~GALLO~~, KALB, KAPLAN, REID, TAYLOR, ~~TRAD~~ AND  
PRESIDENT FORTUNATO BAS

NOES -

ABSENT -

ABSTENTION -

*Excused - Gallo, Trad*

ATTEST:



ASHA REED

City Clerk and Clerk of the Council of the  
City of Oakland, California