



CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2013 AUG 29 AM 10:30

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Katano Kasaine,
City Treasurer/Acting HR Director

SUBJECT: Amendment to Ordinance No. 12187 C.M.S. **DATE:** August 19, 2013

City Administrator
Approval

Date

8/26/13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff Recommends that Council Adopt an Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") to change the title for the classification of Investment Supervisor to Investment Officer and increase the salary range to account for additional responsibilities and duties that will be associated with the position. An increase in the salary range will also align it with the salaries associated with similar investment positions with other comparable public sector retirement systems.

OUTCOME

Article XXVI of the Oakland City Charter Section 2601(e) grants the Police and Fire Retirement System (PFRS) Board the exclusive power to make administrative and investment decision regarding the investments of the Fund. The administration of PFRS' investment portfolio is currently handled internally by the PFRS' Retirement Accountant who is also responsible for other operational duties associated with administration of PFRS. The Retirement division is currently understaffed and is unable to adequately monitor the System's complex investment portfolio of approximately \$450 million. The performance of the System's investment portfolio has a direct impact on the System's future funding and the City's required contribution to the System. By not having the classification assigned to the appropriate salary range, the City cannot attract appropriately qualified candidates.

BACKGROUND/LEGISLATIVE HISTORY

The Salary Ordinance (Ordinance No. 12187 C.M.S.) establishes salaries and other terms and conditions of City employment including the classification titles of positions. It is amended from time to time to accommodate the City's evolving classification needs. In 2006, PFRS underwent an independent management audit of the Retirement System conducted by Independent Fiduciary Services (IFS). The final Management Audit report made the following recommendation:

Item: _____
Finance & Management Committee
September 10, 2013

“The Board should seek the assignment to PFRS of staff with investment expertise to assist the Board in setting investment policy and monitoring the performance of the System’s investment managers and consultant.”

At the June 27, 2012 PFRS Regular Board meeting, the City Administrator’s office recommended to the PFRS Board that they add a new investment position to assist with PFRS Investments in accordance with the Management Audit. At the January 30, 2013 Board meeting, the PFRS Board approved the funding to support the investment position to be included in their FY 2013/2014, 2014/2015 budgets. Similarly, the Oakland Municipal Employees’ Retirement System (OMERS) Board approved the funding to support an investment position at their September 13, 2012 meeting.

ANALYSIS

Staff recommends increasing the Investment Officer classification salary range to make the position competitive within the market and to support the skill level and expertise needed to perform the job. The Investment Officer position assigned to the Retirement Unit in the Treasury Division will be in charge of monitoring the PFRS and OMERS investment portfolios which include over 2,000 complex holdings including bonds and international and domestic securities. The PFRS and OMERS investment portfolios also include complex derivatives. Investment consultants and investment managers provide advice on the investment portfolio, but currently there is no designated staff to manage the day to day operations and monitoring of the System’s investments. Similar to other retirement systems, the new Investment Officer will work with the investment consultant, investment managers and custodian to ensure that the PFRS investment managers are in compliance with the risk guidelines as specified in the City’s investment policy. The Investment Officer will also be responsible for performing supervisory responsibilities in the Retirement Unit.

PUBLIC OUTREACH

The proposals to revise the classification specification Investment Supervisor and retitle the classification to Investment Officer was considered and approved by the Civil Service Board at its August 15, 2013 meeting; notice of which was posted publicly in conformance with the Sunshine Ordinance and Brown Act.

COORDINATION

DHRM coordinated revision of the classification specification with staff from the Administrative Services Department, Treasury Division, which includes the Retirement Unit. The International Federation of Professional Engineers, Local 21 was provided the opportunity to meet to discuss the revision of the classification. Following meetings with DHRM, the department, and the representative union, the union expressed no objections to the proposed

changes. The revised classification specification was presented to the Civil Service Board for approval at its regular meeting in August 2013.

COST SUMMARY/IMPLICATIONS

Modifying the salary range for the classification of Investment (Supervisor) Officer has no fiscal impact since it does not represent the addition of staffing nor a change to the department's budget allocation. The new position will be funded by resources already approved by the PFRS and OMERS Funds and included in the baseline budget for Fiscal Year 13/15. This position is fully funded by the Retirement Systems and has no impact on the City's General Fund. No existing personnel will be impacted by this change.

SUSTAINABLE OPPORTUNITIES

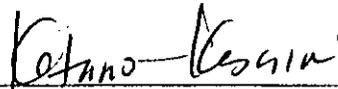
Economic: There are no economic impacts associated with this informational report.

Environmental: There are no environmental impacts associated with this informational report.

Social Equity: There are no social equity impacts associated with this informational report.

For questions regarding this report, please contact Kip Walsh, Recruitment & Classification Manager, at (510) 238-7334.

Respectfully submitted,



KATANO KASAINÉ

Acting Director

Department of Human Resources Management

Prepared by:

Kip Walsh, Recruitment & Classification Manager

Attachment (1)

- 1) *Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") to Change the Title for the Classification of Investment Supervisor to Investment Officer And Increase the Salary Range for the Classification*

Item: _____
Finance & Management Committee
September 10, 2013

INTRODUCED BY COUNCIL MEMBER **FILED**
OFFICE OF THE CITY CLERK
OAKLAND


CITY ATTORNEY

2013 AUG 30 AM 11:06

OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

ORDINANCE AMENDING THE SALARY SCHEDULE OF ORDINANCE NO. 12187 C.M.S. ("SALARY ORDINANCE") TO CHANGE THE TITLE FOR THE CLASSIFICATION OF INVESTMENT SUPERVISOR TO INVESTMENT OFFICER AND INCREASE THE SALARY RANGE FOR THE CLASSIFICATION

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 12187 C.M.S. "The Salary Ordinance" is hereby amended as set forth below. Additions are indicated by underscoring and deletions are indicated by ~~strike-through type~~; portions of ordinances not cited or not shown in underscoring or strike-through type are not changed.

Section 2. Effective upon passage, the following classification is revised in Ordinance No. 12187 C.M.S. in the Unh ~~UH1-75.015~~ UM2.75.017 Pay Grade Table to read as follows:

Classification Title	Class No.	Pay Steps	
Investment Supervisor- <u>Officer</u>	AF042	Step 1	6904.52 <u>7614.81</u>
		Step 2	7267.20 <u>8015.81</u>
		Step 3	7650.40 <u>8437.33</u>
		Step 4	8052.76 <u>8882.13</u>
		Step 5	8477.03 <u>9348.81</u>

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

DATE OF ATTESTATION: _____

ORDINANCE AMENDING THE SALARY SCHEDULE OF ORDINANCE NO. 12187 C.M.S. ("SALARY ORDINANCE") TO CHANGE THE TITLE FOR THE CLASSIFICATION OF INVESTMENT SUPERVISOR TO INVESTMENT OFFICER AND INCREASE THE SALARY RANGE FOR THE CLASSIFICATION

**FILED
OFFICE OF THE CITY CLERK
OAKLAND**

2019 AUG 30 AM 11:06

DIGEST

Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") to Change the Title for the Classification of Investment Supervisor to Investment Officer And Increase the Salary Range for the Classification
