

**CITY OF OAKLAND**  
*Agenda Report*

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2004 SEP 16 AM 9:53

**TO:** Office of the City Administrator  
**ATTN:** Deborah Edgerly  
**FROM:** Finance and Management Agency  
**DATE:** September 28, 2004

**RE: AN ORDINANCE AMENDING SECTION 14.8 OF ORDINANCE NO. 713  
C.M.S. TO PROVIDE A \$75.00 MONTHLY INCREASE TO OAKLAND  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (OMERS) RETIREES  
AND A \$37.50 MONTHLY INCREASE TO OMERS BENEFICIARIES**

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**SUMMARY**

An ordinance has been prepared that will amend section 14.8 of Ordinance No. 713 C.M.S., to provide an increase of \$75.00 per month for members of the Oakland Municipal Employees' Retirement System (OMERS) and \$37.50 per month for beneficiaries, pursuant to a unanimous motion of the OMERS Board of Administration.

**FISCAL IMPACT**

The actuary for OMERS, has estimated the present value cost of the increase(s) to be \$377,000. The OMERS system has sufficient funding to cover this increase. Therefore, no financial support from the City or its general fund is needed to provide the increased benefit to OMERS retirees or beneficiaries.

**BACKGROUND**

At its regular meeting of May 27, 2004, the OMERS Board of Administration voted unanimously to increase monthly benefit payments for annuitants by \$75.00 and \$37.50 per beneficiary. The purpose of this increase is to provide greater purchasing power to OMERS annuitants and beneficiaries.

OMERS is a local retirement system operated by the City of Oakland that has been closed to new members since 1970. During the 1970's the majority of Oakland's civilian employees, by vote, opted to become members in the Public Employees' Retirement System (PERS). The last remaining employed OMERS member transferred to PERS on June 19, 2004. There are 80 impacted annuitants and beneficiaries receiving pension payments.

The table below outlines the previous benefit increases granted to OMERS members and beneficiaries:

Item # \_\_\_\_\_  
Finance and Management Committee  
September 28, 2004

<b>Ordinance #</b>	<b>Effective Date</b>	<b>Amount or %</b>
7448	07/21/66	\$25.00 retiree/beneficiary
9302	04/20/76	\$5.00 per year of service
10111	08/04/81	1% for each year since retirement
10476	06/26/84	8% of difference between the CPI and current allowance
11233	07/17/90	\$50.00 retiree/beneficiary
12283	10/10/00	\$75.00/retiree \$37.50/benefic.
12380	11/27/01	\$70.00/ retiree \$35.00/benefic.

**KEY IMPACTS**

The projected total cost associated with the proposed increase (\$75.00 per member and \$37.50 per beneficiary) will cost approximately \$377,000. The City will not have to use general fund revenues to pay for the proposed increase in benefits payments, as the plan's funds are sufficient to pay all costs associated with this increase.

**RECOMMENDATION AND RATIONALE**

Staff recommends the approval of this ordinance amending Ordinance 713 C.M.S. The approval of this ordinance will provide additional monthly benefits to OMERS annuitants and beneficiaries with minimal financial impact on the systems portfolio.

**ENVIRONMENTAL OPPORTUNITIES**

None

**DISABILITY AND SENIOR CITIZEN ACCESS**

None

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff is requesting the approval of this ordinance that will provide increased pension benefits of \$75.00 and \$37.50 for the 80 OMERS retirees and beneficiaries respectively.

Respectfully submitted,

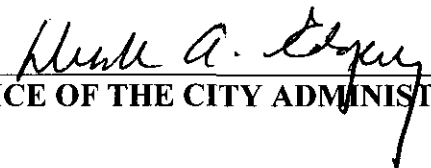


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William E. Noland  
Director, Finance and Management Agency

Prepared by:  
Jim Brown, Retirement Systems Manager  
OPRM, Retirement Systems

APPROVED FOR FORWARDING TO THE  
FINANCE AND MANAGEMENT COMMITTEE:



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OFFICE OF THE CITY ADMINISTRATOR

*Shirley Chin*  
OFFICE OF THE CITY CLERK, ATTORNEY  
OAKLAND

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

2004 SEP 16 AM 10: 02

**ORDINANCE NO. \_\_\_\_\_ C.M.S.**

**AN ORDINANCE AMENDING SECTION 14.8 OF ORDINANCE NO. 713 C.M.S. TO PROVIDE A \$75.00 MONTHLY INCREASE TO OAKLAND MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (OMERS) RETIREES AND A \$37.50 MONTHLY INCREASE TO OMERS BENEFICIARIES**

**WHEREAS**, the Board of Administration for the Oakland Municipal Employees' Retirement System (OMERS) requests that the City Council approve a one-time increase to the retirees and beneficiaries of the OMERS retirement plan; and

**WHEREAS**, the OMERS Board of Administration unanimously voted to increase monthly payments for its plan members; and

**WHEREAS**, said increase shall be in the amount of \$75.00 per month for retirees and \$37.50 per month for beneficiaries; now therefore

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

Section 14.8 of Ordinance No. 713 C.M.S. is hereby amended as follows:

This benefit is to provide an increase to the monthly retirement allowance for OMERS retirees and beneficiaries. The conditions of this increase are as follows:

- (1) Every retired member's monthly retirement allowance payable by the Retirement System shall be increased by the amount of \$75.00 per month.
- (2) Every Beneficiary's monthly retirement allowance payable by the Retirement System shall be increased by the amount of \$37.50 per month.
- (3) The increase shall be paid in addition to the regular 3% Cost-of-Living Adjustment given on July 1, 2004.
- (4) The effective date of this increase is July 1, 2004.

The increase in retirement allowance provided for herein shall not be provided nor paid to the following persons:

- (1) Former employees of the City of Oakland transferred to the County of Alameda effective July 1, 1957.

**ORDINANCE NO. \_\_\_\_\_ C.M.S.**

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, NADEL, REID, QUAN, WAN AND PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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

CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California

NOTICE AND DIGEST

AN ORDINANCE AMENDING SECTION 14.8 OF ORDINANCE NO. 713  
C.M.S. TO PROVIDE A \$75.00 MONTHLY INCREASE TO OAKLAND  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (OMERS)  
RETIRES AND A \$37.50 MONTHLY INCREASE TO OMERS  
BENEFICIARIES