



**MINUTES OF THE REGULAR MEETING
OF THE
PENSION BOARD OF THE CITY OF ALAMEDA
HELD 4:30 P.M., JULY 27, 2015
ALAMEDA CITY HALL
2263 SANTA CLARA AVENUE, ALAMEDA
CONFERENCE ROOM 391**

1. The meeting was called to order by Chair Trish Herrera Spencer at 4:34 p.m.

2. **ROLL CALL:**

Present: Trustees: Trish Herrera Spencer, William Soderlund, Nancy Elzig, and Jill Kovacs. Absent: Bruce Edwards

Staff: Elena Adair, Finance Director; Robin Young, Senior Human Resources Analyst; Sharlene Shikhmuradova, Administrative Technician; and Lelia Faapouli, Administrative Technician from Human Resources.

3. **MINUTES:**

The minutes of the Regular Meeting of April 27, 2015 was moved for approval by Member Soderlund and seconded by Member Elzig. Passed 4-0.

4. **AGENDA ITEMS:**

4-A. Pension Payroll and Financial Reports – Quarter Ending June 30, 2015 and City of Alameda Police & Fire Pension Funds Financial Reports for the Period Ending June 30, 2015 were accepted as presented and moved for approval by Member Elzig and seconded by Member Soderlund. Passed 4-0.

4-B. Recommendation to Produce Pension Trust Funds Annual Financial Reports only in the Comprehensive Annual Financial Report (CAFR).

Elimination of the separate 1079 & 1082 Financial report will save the City \$10,000 per year. Elena Adair, Finance Director, noted that one of the inquiries from the Board at the last meeting was if we can get written notice from the auditors of the reduction in cost of \$10,000 with the elimination of this report.

Finance Director Adair made the request to the auditors for written confirmation but has not heard back from them yet. She has a verbal confirmation and is awaiting written notice from them.

The Mayor inquired if we should wait until we get the written notice. Member Kovacs said that we want to move forward because there is a timing issue. Finance Director Adair said we want to move this issue through because it will be too late if we wait for Board approval at the next meeting in October. As mentioned at the last meeting, the auditors asked if we really need this separate report before the CAFR is produced. City Auditor (elected) Kevin Kearny asked as well. That is why this issue was presented at the April meeting in order to stop the separate report, since it is already presented in the CAFR.

Samples of the reports requested at the last meeting were attached to the agenda for this meeting, and consist of the separate report currently done by auditors with the same information as presented in the CAFR. Also attached were the Ordinances (1079 and 1082). Finance Director Adair first presented the excerpts from the CAFR that shows the Pension funds as of fiscal year ended June 30, 2014, and explained that this is the report to the City Council which includes the Pension Funds Reports and shows cash and benefits. It also shows the income statement: what was contributed to the General Fund and deductions, and how much was paid out to Pensioners for their pension pay and contractual costs. Besides the actual dollars, this report also provides some additional information about the Police and Fire pension plans with the special notes in the financial statements.

Finance Director Adair then presented the separate report proposed for elimination, "City of Alameda, California, Police and Fire Retirement System Pension Plans 1079 and 1082, Basic Financial Statements, for the Years Ended June 30, 2014 and June 30, 2013". Finance Director Adair explained that generally all the information is the same in this report as in the CAFR, except the auditors issue a separate opinion on the Pension Plan that takes a little more work for them to do. The items that are not included in the CAFR are demographic. Also the report includes 10 years of statistical tables that are provided by the Finance Department. If this information of statistical information was needed from previous years, staff could provide them upon request.

Finance Director Adair further explained that there is a requirement in the Ordinances for financial information to be reported, but from what she has read in both the 1079 and 1082 Ordinances, a separate audited report is not required. Therefore, staff is recommending not to have this stand-alone report, because that information is already provided in the CAFR to City Council, and the Pension Board will continue to receive the quarterly reports. She added that this is not an effective way to spend City dollars. Finance Director Adair stated that she has a verbal confirmation from the auditors and she is not concerned that there are any issues particularly since they brought this to our attention.

The Mayor asked where the funds come from to pay for the separate report. Finance Director Adair replied that it comes from the General Fund, as the entire Pension Fund is funded by the General Fund. The Mayor replied that the question is, is this sufficient information to save the City \$10,000, and is the Board still doing it's due diligence to keep track of the Pension funds and to disperse it?

Member Soderland stated that as long as the Board gets financial reports on the Pension Funds to see that the City is still paying the Pensioners, the Board is doing its job. Finance Director Adair stated that quarterly reports will continue to be provided and that the auditors also check Pensioners to see if they are being paid what they should be as part of the random audit picks for the City audit.

Member Elzig moved that the Board accept staff recommendation that Pension reporting only be included in Pension Trust Funds Annual Financials Reports in the Comprehensive Annual Financial Report (CAFR). Motion was seconded by Member Soderlund. Passed 4-0.

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT):

There was no communication from the public.

6. PENSION BOARD COMMUNICATIONS (COMMUNICATIONS FROM BOARD):

Member Soderlund stated he was very appreciative to the City for doing a good job and is thankful for all the City has done over the years in paying these Pensions. He noted Police and Fire personnel are very appreciative of what the City has done for them, to have something they can depend on through the years to come.

7. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 4:50 p.m.

Respectfully submitted,



Jill Kovacs
Secretary to the Pension Board