

Memorandum

TO: OPEB Trust Retirement Board
Peralta Community College District

FROM: Judith W. Boyette
Liz Masson

DATE: May 19, 2016

RE: **UPDATED Responsibilities of Retirement Board and District**

As discussed at the February 25, 2016 and April 14, 2016 Retirement Board meetings, the following chart outlines the responsibilities of the OPEB Trust Retirement Board and those of the Peralta Community College District ("District") with respect to the OPEB Trust:

Retirement Board's Responsibilities	District's Responsibilities
Fiduciary responsibility with respect to investment of Trust Assets	Preparation and maintenance of substantive plan under GASB Statement No. 43 and 45
Adoption and maintenance of Investment Policy Statement	Preparation and maintenance of Comprehensive Compliance Plan under GASB Statement No. 43 and 45
Administrative responsibility with respect to payments from the Trust for eligible benefits and reasonable administrative expenses	Adoption and maintenance of Debt Issuance Policy
Maintenance of Bylaws of the Retirement Board	Adoption and maintenance through amendment of written Plan document defining retiree health benefits to be provided to eligible retirees
Engagement of service providers, including advisors, to assist with fiduciary and administrative responsibilities ¹	Advise Retirement Board regarding determination that conditions are met for use of Trust assets to defease bonds
Adoption and maintenance of appropriate auditing procedures to ensure appropriate use of OPEB Trust assets	Possible establishment of "Trust 2" – irrevocable trust as funding mechanism for benefit liabilities with respect to post-2004 hires and potential naming of OPEB Trust Retirement Board to perform designated functions
	Other settlor functions, including potential changes to plan design and benefit levels, through the collective bargaining process
	Engagement of service providers, including advisors, to assist with settlor responsibilities ¹

Comment [LM1]: Updated per changes requested at April 14, 2016 RB Meeting.

JWB:EJM

¹ We recommend that the Retirement Board and the District clarify the appointment of advisors that provide services to each entity, including any advisor that serves both entities in a separate role with respect to each entity.