

**Peralta Community College District  
Retirement Board Meeting Minutes  
April 14, 2016**

Present: Trustee Bill Riley, Trustee Bill Withrow, Vice Chancellor Ron Little, Michael Wirth (PRO), Tim Brice (Local 39), Judith Boyette (Hanson Bridgett), Joanna Bowes (KNN)

Absent: Trustee Cy Gulassa, Trustee Meredith Brown, Vice Chancellor Trudy Largent, Tae-Soon Park (PFT), Jerry Herman (PRO), Michael Mills (PRO), Ed Berman (Neuberger Berman), Bill Wallace (Neuberger Berman)

Guests: Chancellor Jowel Laguerre, Liz Masson (Hanson Bridgett)

<b>Agenda Item</b>	<b>Discussion</b>	<b>Follow-up Action</b>
<b>Meeting Called to Order</b>	5:11 PM	
<b>III. Approval of Agenda</b>	<p><b>Motion (Little, Riley) to approve the April 14, 2016 agenda.</b></p> <p>AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2</p>	
<b>IV. Approval of Minutes</b>	<p><b>Motion (Riley, Little) to approve the February 25, 2016 meeting minutes. Approved as amended.</b></p> <p>AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 2</p>	
<b>V. Correspondence</b>	None	
<b>VI. Delineation of District Responsibilities and Retirement Board Responsibilities</b>	The Retirement Board reviewed a memorandum from Hanson Bridgett regarding responsibilities of the District and the Retirement Board with respect to the OPEB Trust. VC Little explained that the Substantive Plan delineates the program health benefits for the retirees that the District offers, the funding of the programs, agreements with employee groups with respect to retiree health benefits, and accounting treatments of how the program will be managed by	

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<p>Judy Boyette (Hanson Bridgett)</p>	<p>the District. The CFO in conjunction with the Benefits Office typically drafts the Substantive Plan. The Substantive Plan has been submitted to the Retirement Board in the past. The revised Substantive Plan will be shared with the Retirement Board in May or at the subsequent meeting.</p> <p>Ms. Boyette explained further that the Retirement Board bylaws had originally included the maintenance of a Comprehensive Compliance Plan as a responsibility of the Retirement Board. The Comprehensive Plan deals with complying with the requirements under GASB financial accounting rules. It is a District function, not a Retirement Board function.</p> <p>In terms of audits, the Retirement Board could have a compliance calendar to track oversight functions. Human Resources hired a new broker to review our insurance policies. The District has an Internal Auditor that assists with audits.</p> <p>Concern was expressed by Trustee Withrow in regards to the language on responsibility of the District for making a determination that the conditions in the Indenture of Trust have been met to use Trust assets for the defeasance of bonds. This should be done by the District in coordination with the Retirement Board. Trustee Withrow requested that the memorandum be clarified to provide that the District will advise the Retirement Board regarding a determination that the conditions for use of Trust assets to defease the bonds have been met.</p> <p>VC Little agreed with the requested clarification.</p>	
<p><b>VII. Draft Bylaw Revisions – First Reading</b></p> <p>Judy Boyette (Hanson Bridgett)</p>	<p>Note: If the District were to designate the Retirement Board to be a fiduciary for a new irrevocable trust that designation would be added to the Retirement Board bylaws.</p> <p>The Retirement Board reviewed the draft revised bylaws and a one page memo from Hanson Bridgett summarizing the proposed changes to the bylaws.</p>	

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Retirement Board Meeting Minutes  
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	<p>All proposed changes ensure compliance with Federal/State laws.</p> <p>Suggested edits: Page 4 (section 2.14):</p> <ol style="list-style-type: none"> <li>1. Remove requirement to provide reports “not-less-than quarterly”.</li> <li>2. Remove “written” in “...an annual written report...”</li> </ol> <p>Page 5 (section 3.5): Replace “Advisory committee” with “Advisory members”.</p> <p>The revised bylaws, with the suggested edits, will be presented for a second reading at the Retirement Board’s May meeting.</p>	
<p><b>VIII. Scope of the OPEB Trust</b></p> <p>Judy Boyette (Hanson Bridgett)</p>	<p>Hanson Bridgett was asked by the District to review all documents made available associated with forming this Trust and the continuing operation of this Trust. When the Trust was established, the bonds proceeds were put under a fund that was established under the Indenture of Trust. They are currently held under a Trust agreement with Neuberger Berman, which is the Discretionary Trustee. Hanson Bridgett looked at historical documents that were provided and the actuarial study used in setting up the Trust. In addition to actuarial studies from 2003, they reviewed Collective Bargaining Agreements (CBAs) that were entered into during that time period in which the District and unions representing District employees agreed to change the scope and duration of retiree health benefits for post-2004 hires while maintaining the prior level for the pre-July 1, 2004 hires. The timing of the formation of the Trust coincided with those changes. It also appears that the projected cost of meeting the District’s obligation for the pre-2004 hires as shown in those actuarial and financial figures was what was used in issuing the bonds in the amounts that funded the Trust. All documents related to the Trust formation, the action that the District Board took when they first established the Trust, the bond materials including a special material filed with the validation action for the bonds about the legal obligations, were consistent with the position that this Trust was intended to address retiree health benefit</p>	

**Peralta Community College District  
Retirement Board Meeting Minutes  
April 14, 2016**

	<p>liabilities only for the pre-July 1, 2004 hires.</p> <p>Because the District intends to take the position that the Trust covers liabilities for health benefits for retirees hired by the District prior to July 1, 2004, Hanson Bridgett recommends that the Retirement Board adopt an amendment to the Trust Agreement to clarify that these funds are intended to address pre-July 2004 liabilities. The Retirement Board has the authority to revise the terms of the Trust in this respect (which is modifying the funding mechanism only), not the District. These amendments do not affect the District's obligations to provide medical benefits to individuals.</p> <p>Request was made by Trustee Withrow to document when the July 1, 2004 CBA was approved by the Chancellor and the Board.</p>	
<b>IX. Information Reports</b>	None	
Adjournment:	6:22 PM	
Next meeting:	<b>May 19, 2016 from 4:00 to 6:00 PM</b>	

Minutes taken: Sui Song

Attachments: All handouts for this meeting can be found at <http://web.peralta.edu/retirement-board/meeting-materials/>.