

**Peralta Community College District
Retirement Board Meeting Minutes
March 16, 2017**

Present: Trustee Bill Riley, Trustee Bill Withrow, Trustee Cy Gulassa, Trustee Meredith Brown, Vice Chancellor Ron Little, Vice Chancellor Trudy Largent, Jerry Herman (PRO), Michael Wirth (PRO), Joanna Bowes (KNN), Bill Wallace (Neuberger Berman), Michael Mills (PRO), Ed Berman (Neuberger Berman), Judith Boyette,
 Absent: Tae-Soon Park (PFT), Tim Brice (Local 39), Louie Martirez (Local 39),
 Guests: Liz Masson (Hanson Bridgett), Erwin Tam (KNN), Rick McHale (Keenan), Geoffrey Kischuck (Total Comp.)

Agenda Item	Discussion	Follow-up Action
Meeting Called to Order	3:30 PM	
V. Approval of Agenda	<p>Motion to approve modification to the March 16, 2017 agenda. Approved.</p> <p>AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 0</p>	
VI. Approval of Minutes	<p>Motion to approve the January 12, 2017 meeting minutes. Approved.</p> <p>AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 0</p>	
Correspondence	None.	

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<p>VII. Review of OPEB Actuarial Study</p>	<p>Mr. Kischuck provided a review of the District’s most recent OPEB Actuarial Study. Overall liability is less than expected due to lower medical costs for pre 2004 individuals. However, expect liabilities to increase going forward due to post 2004 employees.</p> <p>Demographic information is based on a census on all active employees and retirees separated hired before or after 2004. Life expectancy based on County tables that CALPERS uses for Veterans purposes. For marital status looking at the actual participation for retirees. For future retirees it is assumed that it will be consistent. Does not reflect the benefits for participants hired after 2004.</p> <p>An evaluation every 2 years should be more than sufficient to satisfy the fiduciary obligation to measure the liability.</p>	
<p>VIII. Investment Portfolio Review</p>	<p>Mr. Wallace gave a brief report. Investment portfolio has a little over \$210 million in assets. Year to date through February 28, 2017, the portfolio is up 3.74 compared to 3.14 last year. Total fixed income portfolio outperformed its policy benchmark by approximately 30 basis points. Equity portfolio performed well the overall. The portfolio outperformed. real and alternative assets. Commodities have been a bit of a drag on performance notably the Commodities funds down 6.24 annualized.</p> <p>For asset allocation, it is important to have investments in commodities with the recent years.</p> <p>It is important to note that the Federal government did raise rates by .25 point yesterday.</p>	

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<p>IX. Review of Revised By-Laws</p>	<p>The following changes are proposed in the By-Laws.</p> <ol style="list-style-type: none">1) In the Preamble, section 9.1 and 10.4 revert the language to the original 2006 By-Laws regarding investing proprietary strategies of either discretionary trustee or investment advisor.2) In section 2.1 addition of new language regarding the change of an alternate board member will replace a regular board member in a vacant position.3) In section 12.1 reference to a Program Coordinator that did not reflect the operations of the trust. Changed the wording from “has appoint” to “may appoint”.4) Paragraph 2.14 proposed modification. Instead of saying, “The Board shall present to the governing Board of the public entity in public session.”, be changed to, “The Board shall prepare, propagate and make available to all interested parties an annual report which includes the summary of the Board proceedings and activities for the preceding year, including information and copies of investment statements and other similar reports regarding the trust and its’ implacable investment performance.” Recommend that it is done on a fiscal year basis. <p>Motion (Trustee Brown, VC Largent) to approve the revised By-Laws incorporating the modification to paragraph 2.14. Approved.</p> <p>AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 0</p>	
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<p>X. Appointment of Meredith Brown to the Retirement Board</p>	<p>The new By-Laws under item IX makes item X. Appointment of Meredith Brown is no longer needed. Meredith Brown was the alternate and under the new By-Laws she is now the new permanent board member.</p> <p>For the next meeting it was recommended to come up with a process for a new alternate and discussion regarding the future appointment of the Retirement Board. A recommendation was made for a procedure or process to be presented to the Board on nominating the vacant position.</p>	
<p>XI. Development of RFP/RFQ for Discretionary Trustee</p>	<p>The Board is now looking at a process that would allow for RFP/RFQ to look at an independent discretionary trustee and/or an investment advisor. In a structure where the oversight of the vendors and not in a decision role in the vendors would remove the liability of the Board for their role such as to be able to find vendors and do research and monitor the most appropriate things for servicing the purpose of the trust. That would be in compliance with state and federal laws and ensure the trust is continuing its judiciary duties.</p> <p>Discretionary Trustee is a type of agreement that we have now. May actually be making the investment decisions or a model where you could have an investment advisors who advises but does not make the decision. An independent advisor does not have any proprietary interests in the investment that are being recommended.</p> <p>Motion (Trustee Withrow, Trustee Riley) for the adoption of a Board action to develop an RFP or RFQ for a Discretionary Trustee and/or an Investment Advisor. Approved.</p> <p>AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 0</p>	

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<p>XII. Approval of contract for legal services and Conflict of Interest Analysis regarding future work</p>	<p>Retirement Board reviewed the current concurrent representation of the District and Retirement Board by Hanson Bridgett, LLP on separate matters and the contract for legal services with Hanson Bridgett, LLP for FY 2016-17 related to those matters. There is currently a contract for the District and another for the Retirement Board. The Retirement Board will consider and may take action to approve that contract.</p> <p>The Retirement Board will also consider a potential conflict of interest with respect to one mater for the Retirement Board and options.</p> <p>Discussion was on the authority of the individual and the authority of the committee and it was understood that no individual, individual council member, nor individual Board member has any authority. The authority is embedded in the body as a whole. If there is a conflict of interest then the member should recluse themselves.</p> <p>Motion (VC Little, Trustee Brown) to approve contract for legal services with Hanson Bridgett, LLP and the conflict of interest analysis regarding future work. Approved.</p> <p>AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 0</p>	
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<p>XIII. Claims Review Audit Process</p>	<p>Vice Chancellor Largent presented information on the audit process related to the district's self-funded health/ medical program.</p> <p>Handout was provided and changes to note on page 5, 139,753 should be number of claims and not a dollars sign. On page 7, the first column 1,290,305 million should read as 1,026,874 million. The totals are correct.</p> <p>District self-funded plan is not about Kaiser. Term self-funded is an issue. Third party entity to assist with internal controls and audit CoreSource. Recommendations from the audit provided, for example any Federal discounts missed, Medicare coordination, and other clauses looked at in the contract. Once a member of JPA the concerns of having to monitor and self- audit goes away.</p> <p>We are still in compliance with Obama Care. We are in compliance with retirees receive the 1095 Tax documents.</p>	
<p>XIV. Future Meetings</p>	<p>Propose next meeting on May 11· 2017 from 3:00 to 5:00 pm.</p>	
<p>XV. Information Reports</p>	<p>Retirement Board Comments</p> <p>Discussion on the closed session for the Retirement Board meeting. No action taken in closed session.</p>	
<p>XVI. Adjournment</p>	<p>4:50 PM</p>	

Minutes taken: Richard Ferreira

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