

**Peralta Community College District  
Retirement Board Meeting Minutes  
February 23, 2023**

Present Board Members: William (Bill) Withrow (Chair), Meredith Brown, William (Bill) Riley, Ronald McKinley, Nathaniel Jones III, Adil Ahmed

Present Advisory Members: Tim Hackett, Jerry Herman, Michael Wirth Michael Mills,

Present Board Advisors: Christine Williams, Cheryl Cannistra, Ed Berman, Sultan Khan

Guests: Dave Olson, Senior Vice President with Backstrom McCarley Berry & Co., LLC

Agenda Item	Discussion	Follow-up Action
<b>I. Call to order</b>	Meeting called to order at 4:05 p.m. by Chair Withrow.	
<b>II. – VI.</b>	Board Members, Advisory Members, Advisors present and absent – listed above.	
<b>VII. Approval of Agenda</b>	Motion to approve the February 23, 2023, meeting agenda. <b>Approved.</b>  AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0	
<b>VIII. Approval of Meeting Minutes</b>	Motion to approve the December 15, 2022, minutes. <b>Approved.</b>  AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0	

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<p><b>IX. Report from Closed Session</b></p>	<p><b>Chair Withrow</b> acknowledged the roll call from Closed Session and called the meeting to order at 4:05pm.</p> <p>Mr. Withrow asked Christine Williams, Executive Administrator to the OPEB Retirement Board (the “Board”), to report out from Closed Session. Ms. Williams said there was no activity to report from Closed Session. Chair Withrow asked Ms. Williams to provide the Trust II performance review.</p>	
<p><b>X. Meketa Investment Performance Review</b></p>	<p><b>Ms. Williams</b> presented the Trust II benchmark acknowledging a slight market value again after the initial investment of 1 million dollars in Trust II. The current market value of the Trust is 1, 188,709. Based on the investment policy statement the Total Fund Investments 3/1/2019 Present 53% MSCI ACWI IMI Net USD / 5% 50% BBg US High Yield TR/50% Credit Suisse Leveraged Loans / 7% Inflation Hedges Custom Index / 35% Bloomberg US Aggregate TR Inflation Hedges 3/1/2019 Present 23% MSCI US REIT (Real Estate Investment Trusts) / 46% Bloomberg US TIPS (Treasury Inflation Protected Securities) TR / 8% MSCI ACWI Energy NR USD / 8% MSCI US IMI Materials NR USD / 15% FTSE Gold Mines PR USD. The beginning market value remained \$1,081,368 with an ending market value of \$1,117,269. The overall return was 3.3%.</p>	
<p><b>XI. Neuberger Berman Investment Performance Review</b></p>	<p><b>Mr. Sultan Khan</b> joined the meeting via Zoom. Mr. Khan provided an update on Trust I’s performance. Mr. Khan started by noting the market was primarily just a mirror image of what took place last year. He explained that growth did well to start off the year. Sultan shared optimism about the second half of the year for risk assets, confirming an overweight portfolio in cash, fixed income, and equities. The portfolio underperformed the policy benchmark in January but was still in line with the underlying policy benchmark. Retirement Board Chair Bill Withrow asked Sultan about job cuts in the high-tech area of Northern California. Sultan explained that most of the job cuts have been consolidated to growth-oriented sectors, such as technology and consumer discretionary. He said there are still 1.7 jobs for every unemployed person. Mr. Khan talked about the financial markets emerging market debt, small caps, and growth strategies. Sultan advised that he has ensured a diversified portfolio. Sultan explained how much of the portfolio is invested in the health care industry. He estimated anywhere between 15 and 20% of the overall</p>	

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	<p>portfolio would be health care related. Overall, Mr. Khan was happy with the performance of some of the strategies. He is now more constructive on emerging market debt and cautious on equities. The portfolio is overweight on commodities and neutral on private markets.</p> <p><b>Investment Policy Benchmark From 12/31/2021 to current</b> consists of: 3% ICE US Treasury 3-Month Bill, 26% Bloomberg U.S. Aggregate, 8% Bloomberg U.S. Corporate High Yield, 8% EMD Blended, 16% S&amp;P 500, 8% Russell 2000, 8% MSCI EAFE, 4% MSCI Emerging Markets, 4% MSCI All Country World, 3% Bloomberg Commodity, 4% HFRX Global Hedge Fund, and 8% Cambridge Associates PE Index. From 6/30/2021 to 12/31/2021 consists of 3% ICE US Treasury 3-Month Bill, 26% Bloomberg U.S. Aggregate, 8% Bloomberg U.S. Corporate High Yield, 8% EMD Blended, 16% S&amp;P 500, 8% Russell 2000, 8% MSCI EAFE, 4% MSCI Emerging Markets, 4% MSCI All Country World, 3% S&amp;P GSCI Commodity, 4% HFRX Global Hedge Fund, and 8% Cambridge Associates PE Index. From 10/31/2013 to 6/30/2021 consists of 30% Bloomberg U.S. Aggregate, 5% Bloomberg U.S. Corporate High Yield, 3% Bloomberg Global Aggregate Ex-USD, 21% Russell 1000, 7% Russell 2500, 10% MSCI EAFE, 5% MSCI Emerging Markets, 4% NAREIT Equity, 3% Bloomberg Commodity, 6% HFRI FoF Composite, and 6% Cambridge Associates U.S. PE Index. From 5/31/2012 to 10/31/2013 consists of 35% Bloomberg U.S. Aggregate, 5% Bloomberg U.S. Corporate High Yield, 23% Russell 1000, 8% Russell 2500, 15% MSCI EAFE, 7% MSCI Emerging Markets, 4% NAREIT Equity, and 3.0% Bloomberg Commodity Index. From 1/31/2006 to 5/31/2012 consists of 35% Bloomberg U.S. Aggregate, 30% S&amp;P 500, 10% Russell 2000, 20% MSCI EAFE, and 5% NAREIT Equity Index.</p>	
<p><b>XII. District's Financial Consultant's</b></p>	<p>Mr. Dave Olson, Senior Vice President with Backstrom McCarley Berry &amp; Co., LLC presented the district's plan to pay down the OPEB (Other Post Employment Benefits) Bonds and the District's plan to reduce debt service request amounts over the next 5 years. As Financial Advisors to PCCD (Peralta Community College District) Finance Department, Mr. Olson shared the district's financial strategy to take on the full responsibility of the payment as the district's fiscal position strengthens. Mr. Olson shared a plan to save 1.5 million a year from the District's General Fund. Mr. Olson talked about the district's resolution 19/20-44.</p> <p>Chair Withrow expressed his concerns about the district replenishing the Trust if the balance fell below the outstanding liabilities amount. Mr. Michael Wirth, Advisory Board</p>	

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	Member, shared his concerns and agreed with Bill Withrow that the withdrawal amounts would become problematic if the district does not plan to replenish the Trust for the amounts withdrawn. Mr. Olson acknowledged the concerns of the Retirement Board Members and assured the Board that the district’s plan to reduce the amount of request for debt service payments are a priority for Trust I. Mr. Olson concluded by committing to providing the Retirement Board with updates on the OPEB Bonds.	
<b>Schedule Future Board Meetings</b>	The next Retirement Board meeting is scheduled for March 30, 2023, from 3 p.m. to 6 p.m. via Zoom	
<b>XIII. Adjournment</b>	The meeting was adjourned at 6:00 p.m.	

Minutes taken: Christine Williams

Meeting Materials are posted on the Retirement Board website: <https://www.peralta.edu/retirement-board>

Agenda Posted: 333 E. 8<sup>th</sup> Street, Oakland, CA 94606