North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee
Meeting Minutes
July 25, 2018

Present: Elena Burnett (via teleconference), Debra Newman, Kim Rolfes, and George Stevens – Committee Members
Lillian Martinez – Board Member
Anne Wimmer – HighMark Capital Representative
Ruth Janka, Jennifer Kaiser, and Michele Marra – Staff Members

Absent: Dan Becerra

I. Call to Order & Introductions

Debra Newman, chair, called the meeting to order at 5:35 p.m. and introductions were made.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Agenda

Item IV. G. was added to the agenda.

M/S/C (G. Stevens/E. Burnett) To approve the agenda as modified.

B. Approval of Minutes of the April 25th Meeting

M/S/C (K. Rolfes/E. Burnett) To approve the minutes as presented.

IV. Committee Business

A. Annual Committee Orientation (Review Policies & Procedures)

Copies of the committee’s policies and procedures were provided and Kim reviewed them with the committee. The committee’s primary purpose is to oversee the PRMT.

B. FY 2018-19 Committee Meeting Schedule
Copies of the meeting schedule were provided. The committee is scheduled to meet 4 times this fiscal year on the following dates:

1. Wednesday, July 25, 2018
2. Tuesday, October 30, 2018
3. Wednesday, January 30, 2019
4. Wednesday, April 24, 2019

The meetings will be held from 5:30 to 6:15 p.m.

C. Review Committee’s FY 2017-18 Action Log

Copies of the action log were provided. The committee took 2 formal actions last fiscal year: 1) to invite an actuary to an upcoming PRMT meeting; and 2) to recommend to the board to continue using a balanced portfolio for the PRMT.

D. HighMark Capital Report: Statement of Current Trust Value

Anne provided copies of HighMark Capital’s quarterly report on the activity of the center’s PRMT and reviewed it with them. The report began with a look at the current financial environment, including economic conditions, interest rates/inflation, and outlook. This was followed by the asset allocation summary, holdings report by asset class, selected period performance, and economic data charts. The value of the trust assets as of July 19, 2018 was $24,480,371, an increase of $585,270 since the last quarterly report. The increase was due to a gain in investments and by a deposit for the fees charged during the prior quarter. The rate of return for the quarter was 1.31% (net of fees) and for the last 12 months was 6.33% (net of fees). The annualized rate of return since the trust’s inception (November 1, 2004) was 6.05% (gross of fees).

E. Annual Discussion re: the Trust Investment Strategy

The trust’s investment strategy, since its inception, has been to use a balanced portfolio. Anne reported that this type of strategy is typical for this type of trust. It is always a trade-off between risk and return when selecting an investment strategy. A balanced portfolio is reasonable for a long-term investment. After discussion, the committee decided that they wanted to continue using the balanced portfolio strategy to remain somewhat cautious of investments while being good stewards of public funds.
M/S/C (K. Rolfes/G. Stevens) To recommend to the Board of Trustees to continue using a balanced portfolio for the PRMT this fiscal year.

F. Quarterly PRMT Market Value History Report

Kim provided copies of the report which reported the trust’s market value for each quarter since its inception in September 2004 through June 30, 2018. During this period of time, the center has contributed $15,347,516 to the trust (including fees), which has gained $8,700,340 in interest for a total trust value of $24,047,856. Kim also provided the committee with a report on the dates and amounts of all the contributions the center has made since the inception of the trust.

G. Trustee Service Fees by Quarter

Kim provided copies of a report which showed the breakdown of the fees paid by the center to oversee the PRMT. For FY 2017-18, the center paid $31,217 in ongoing fees and $77,782 in investment management fees for a total of $108,999. Attached to the report was an explanation of the trust fees and how they are calculated.

V. Board Meeting Agenda Items

The following items were identified for the committee’s section of the August 15th board meeting agenda:

A. Minutes of the July 25th Meeting
B. Statement on Current Trust Value
C. Approval to Continue Trust Investment Strategy

VI. Announcements/Information/Public Input

A. Next Meeting: Tuesday, October 30th, at 5:30 p.m.

VII. Adjournment

Debra adjourned the meeting at 6:18 p.m.
Submitted by,

Jennifer Kaiser
Jennifer Kaiser
Executive Assistant