

North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee
Meeting Minutes
October 30, 2019

Present: Manu Alfaro (via Zoom), Elena Burnett, Anna Hamilton, Kim Rolfes, and Ruth Janka – Committee Members
Anne Wimmer – HighMark Capital Representative
Tim Banach – U.S. Bank Representative
Lillian Martinez – Board Member
Kevin Shields – Vendor Advisory Committee Representative
Jennifer Kaiser, Michele Marra, and Jesse Weller – Staff Members

Absent: All present

I. Call to Order & Introductions

Elena Burnett, chair, called the meeting to order at 5:34 p.m. and introductions were made.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Revised Agenda

M/S/C (M. Alfaro/K. Rolfes) To approve the revised agenda as presented.

B. Approval of Minutes of the July 31st Meeting

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

IV. Committee Business

A. 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. As of September 30, 2019, the value of the trust assets was \$25,661,821, an increase of \$252,549 since the last quarterly report. The increase was due to a gain in investments. The rate of return for the quarter was .88 (net of fees) and for the last 9 months was 12.40 (net of fees). The annualized rate of return since the trust's inception (November 1, 2004) was 5.98% (gross of fees).

B. 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 September 30, 2019. During this period of time, the center has contributed \$15,488,363 to the trust (including fees), which has gained \$10,171,514 in interest for a total trust value of \$25,659,877. 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.

C. 1st Quarter PRMT Fees Report

Kim provided copies of a report which showed the breakdown of the fees paid by the center to oversee the PRMT. During the first quarter of this fiscal year, the center paid \$125 as a flat fee, \$8,081 in ongoing fees, \$21,353 in investment management fees, and \$450 in a one-time fee for a total of \$30,009. Attached to the report was an explanation of the trust fees and how they are calculated.

D. NLACRC CalPERS Pension Contribution Trust

As the committee knows, the California Public Employees Retirement System (CalPERS) is underfunded. As such, the center has an unfunded liability in the millions of dollars. Kim proposed that the center establish a pension trust (similar to the PRMT) to hold and invest funds contributed by the center to better secure the funding of this obligation. Kim presented copies of the proposed board resolution and trust agreement to the committee.

M/S/C (M. Alfaro/K. Rolfes) To recommend to the Board of Trustees to establish a pension trust to address the center's CalPERS unfunded liability.

V. **Board Meeting Agenda Items**

The following items were identified for the committee's section of the board meeting:

- A. Board Resolution for CalPERS Pension Contribution Trust (November 20th)
- B. Minutes of the October 30th Meeting (January 15th)
- C. Statement on Current Trust Value (January 15th)

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, January 29th, at 5:30 p.m.

VII. Adjournment

Elena adjourned the meeting at 6:09 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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