

North Los Angeles County Regional Center  
**Post-Retirement Medical Trust Committee Meeting Minutes**

July 27, 2023

**Present:** Ana Quiles, Brian Gatus, David Coe, Ruth Janka -Committee Members

Liliana Windover, Cristina Preuss, Donna Rentsch, Elizabeth Alvarez, Evelyn McOmie, Malorie Lanthier, Parita Burmee, Hailey Lauderdale – Staff Members

Anne Wimmer – HighMark Capital, Tim Banach – U.S. Bank, Andy Ou- Lindquist, Joe Huie- Lindquist, M Mitchell, Jasmine Barrios-Minutes Services - Guests

**Absent:** Vini Montague

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**I. Call to Order & Introductions**

Ana Quiles called the meeting to order at 5:31 pm.

Committee Members, NLA Board Members and NLA Staff introduced themselves, as well as the guests from HighMark Capital and US Bank.

**II. Public Input**

No public input

**III. Consent Items**

A. Approval of Agenda

**M/S/C** (B. Gatus/D. Coe) To approve the agenda as presented

B. Approval of Minutes of April 26<sup>th</sup> Meeting

**M/S/C** (B. Gatus/D. Coe) To approve the Meeting Minutes as presented. The motion passed with 1 abstention from Brian Gatus.

**IV. Committee Business**

A. Annual Committee Orientation – Vini Montague

Vini reviewed the information as presented in the packet.

1. Review PRMT Policies and Procedures

This document outlines the responsibilities of the Committee. This Committee exists to oversee and guide the distributions from the Post-Retirement Medical Trust and the CalPERS Unfunded liability trust account.

2. Approve Critical Calendar for FY 2023-24

Vini proposed a change to the critical calendar that will include a change for all of the meeting dates to fall on the last Thursday of the month in 2024.

**M/S/C** (D. Coe/B. Gatus) To approve the critical calendar as revised

B. Discussion of Meeting Schedule

This information was discussed in the previous agenda item.

C. HighMark Capital Report – Anne Wimmer

Anne reviewed the report as presented in the packet.

- Economic Conditions
  - o GDP grew 1.1% in Q1 2023
  - o Resilient jobs market, US added 209,000 new jobs in June, with unemployment at 3.6%.
- Interest and Inflation
  - o CPI rose 0.2% in June, lowest in 2 years
  - o 10-year treasury, ~3.8% inverted yield curve continues
- Outlook
  - o Mild recession forecasted for 2023, recovery in 2024.
  - o Concerns include possible recession, geopolitical events

1. Statement of Current PRMT Trust Value

- This statement is for post-retirees and future retiree healthcare benefits, it is a longtime horizon account that can be volatile.
- This account has an investment objective that is identified as Balanced
- As of July 20, the portfolio is at \$31.9 million dollars. This is comprised of multiple asset classes.
  - o Total equities are at 58.9 %
  - o Fixed income - 30.6%,
  - o Alternatives - 6.2%.
  - o Cash and equivalents – 4.3%

2. Statement of Current CalPERS UAL Trust Value

- This statement has a shorter time horizon than the PRMT account. This account carries less in equities, but more in bonds. This account also makes periodic payments to CalPERS in regards to pension obligations. This account has an investment objective that is identified as Income and Growth
- As of July 20, the portfolio is at \$9.6 million dollars. This is comprised of multiple asset classes.
  - o Fixed income – 51.4%
  - o Total Equities – 37.5%
  - o Alternatives – 6.2%.
  - o Cash and equivalents – 4.9%

D. Review Investment Strategy for PRMT Trust

Vini explained that this trust was established with the goal of putting enough money into the account to fund annual premiums for retirees. Currently, premiums for retirees are being funded by operations, which has proven to be very costly for the organization. There has been no distribution taken from this account as of yet. Each July, the Committee is tasked with reviewing the PRMT Trust investment strategy to determine if any changes will be made. The current strategy is a long horizon strategy that could range up to 30 years. Brian Gatus proposed a possible increase in risk for this account to allow for stronger growth over time. The Committee discussed this topic at length and ultimately decided to keep the current strategy at this time. However, the Committee would like to get more information to review the possible options. Vini Montague will compile data points, including percentage of funding, to help the Committee determine if this trust should move to a capital appreciation strategy. The Committee will revisit this item at the January 2024 meeting.

E. Review Investment Strategy for CalPERS UAL Trust

Vini shared that the purpose of this account was to ensure that the account could fund any unfunded liabilities. Last year, the actuarial report indicated that NLA no longer had unfunded liability and a distribution out of the account was not made. The Committee discussed this topic at length and ultimately decided to keep the current strategy at this time. However, the Committee would like to get more information to review the possible options. The Committee will revisit this item at the January 2024 meeting.

F. Quarterly PRMT Market Value History Report

Vini reviewed this report as presented in the packet. As of June 30:

- Market Value - \$28,418,065.69
- Total Contributions – \$14,981,112.01
- Quarterly Fee Reimbursement Payments - \$1,044,697.06

G. Quarterly UAL Market Value History Report

Vini reviewed this report as presented in the packet. As of March 31:

- Market Value - \$9,299,077
- Total Contributions – \$10,787,341
- Cumulative Reimbursement of Bank Fees - \$65,109

The Committee discussed the frequency of the review of items F and G, the Quarterly PRMT and UAL Market Value History Reports. It was determined to review this information on an annual basis.

**M/S/C** (B. Gatus/R. Janka) To approve the review of the Quarterly PRMT and UAL Market Value History Reports on an annual basis.

**M/S/C** (B. Gatus/D. Coe) To approve the Critical Calendar with the revision to remove the October meeting and reserve the date for an emergency or make up meeting

**V. Board Meeting Agenda Items**

- A. Minutes of the July 27<sup>th</sup> Meeting
- B. Statement of Current PRMT Trust Value
- C. Statement of Current UAL Trust Value

**VI. Announcements / Information Items / Public Input**

- A. Next Meeting: January 25, 2024 at 5:30 p.m.
- B. Committee Attendance

**VII. Adjournment**

Ana Quiles adjourned the meeting at 6:39 p.m.

Submitted by:

(\*) *Elizabeth Alvarez*

Executive Administrative Assistant

*(\*) The majority of these minutes are taken from the Minutes Service submission and reviewed/edited as presented herein by NLACRC staff.*