

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

October 26, 2022

Present: Ruth Janka, Vini Montague, David Coe - Committee Members

Liliana Windover, Lizeth Chavez, Malorie Lanthier, Clarence Foster, Evelyn McOmie – Staff Members

Anne Wimmer – HighMark Capital, Tim Banach – U.S. Bank

Azucena Bustillos, Nancy Gallardo - Interpreters, Jasmine Barrios-Minutes Services - Guests

Absent: Ana Quiles (Chair), Alma Rodriguez

I. Call to Order & Introductions

Ruth Janka called the meeting to order at 5:33 pm.

II. Public Input

No public input

III. Consent Items

A. Approval of Revised Agenda

M/S/C (D. Coe/V. Montague) To approve the agenda as revised

B. Approval of Minutes of July 27th Meeting

M/S/C (D. Coe/V. Montague) To approve the July 27th Meeting Minutes as presented.

IV. Committee Business

A. HighMark Capital Report – Anne Wimmer

Anne reported that there are market corrections in both stocks and bonds. Unemployment has declined to 3.5%. The CPI, which measures inflation, rose 8.2% within the last 12 months. Short-term interest rates have risen 5 times since March, and more rate hikes are expected to follow. Concerns about the financial outlook are inflation, rising interest rates, geopolitical events and a possible recession. Anne mentioned that although it has not been affirmed by the government, the United States may be experiencing a mild recession. She would estimate a bounce back from a bear market to be around 16-18 months, but can vary. Anne also recommended no change to NLA's current investment strategy.

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 October 19, the portfolio is at \$27.51 million dollars. This is comprised of multiple asset classes.

- Total equities are at 56.2 %
- Fixed income - 29.9%,
- Alternatives - 9.5%.
- Cash and equivalents – 4.4%

1. Statement of Current 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 October 19, the portfolio is at \$8.5 million dollars. This is comprised of multiple asset classes.
 - Fixed income – 54.5%
 - Total Equities – 34.5%
 - Alternatives – 9.1%.
 - Cash and equivalents – 1.9%

C. Quarterly PRMT Market Value History Report – Vini Montague

Vini reviewed this report as presented. It was noted that the timeframes for this report are different than the HighMark Capital Report. As of September 30, 2022:

- Market Value - \$27,511,593
- Total Contributions – \$14,981,112
- Quarterly Fee Reimbursement Payments - \$918,578.
- The Obligation amount at the end of the year and the Net Benefit Obligation is based on an Evaluation Report that is conducted by an independent entity. This report is still pending.

D. Quarterly UAL Market Value History Report – Vini Montague

Vini reviewed this report as presented. It was noted that the timeframes for this report are different than the HighMark Capital Report. As of September 30, 2022:

- Market Value - \$8,573,844
- Total Contributions – \$10,787,341
- Quarterly Fee Reimbursement Payments - \$45,458
- The Obligation amount at the end of the year and the Net Benefit Obligation is based on an Evaluation Report that is conducted by an independent entity. This report is still pending.

V. Board Meeting Agenda Items

The following items were identified for the committee's section of the next Board Meeting agenda:

- A. Minutes of the October 26th Meeting
- B. Statement of Current PRMT Trust Value
- C. Statement of Current UAL Trust Value

VIII. Announcements / Information Items / Public Input

- A. Next Meeting: January 25th, 2023 at 5:30 p.m.
- B. Committee Attendance

Tim Banach from U.S. Bank asked when in-person meetings would return. For the current FY, all Committees and Board Meetings will continue to meet via Zoom with the exception of the Vendor Advisory Committee, which is currently considering a return to in-person meetings.

IX. Adjournment

Ruth Janka adjourned the meeting at 6:15 p.m.

Submitted by:

(*) *Lizeth Chavez*

Executive Administrative Assistant

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

