

North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee
Meeting Minutes
January 27, 2021

Present: Leticia Garcia, Ruth Janka, Kim Rolfes, Ana Quiles, and Jeremy Sunderland – Committee Members
Anne Wimmer – HighMark Capital Representative
Tim Banach – U.S. Bank Representative
Michele Marra, Yesenia Martinez, Vini Montague, and Jesse Weller – Staff Members

Absent: All present

I. Call to Order & Introductions

Lety Garcia, chair, called the meeting to order at 5:32 p.m. and introductions were made.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Agenda

Item IV.F. “Recommendation to Update PRMT Committee Policy & Procedure” was deleted as it was no longer needed.

M/S/C (K. Rolfes/J. Sunderland) To approve the revised agenda as modified.

B. Approval of Minutes from the October 28th Meeting

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

IV. Committee Business

A. HighMark Capital Report

1. Statement of Current PRMT Trust Value

Anne provided copies of HighMark’s quarterly report on the activity of the center’s PRMT and reviewed it with the committee. 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 January 21, 2021, the market value of the trust assets was \$30,614,199, an increase of \$2,781,063 since the last report dated October 23, 2020. The increase was due to a gain in investments and a deposit for the fees charged in the prior quarter. The rate of return for 3 months was 9.73% (net of fees) and for 12 months was 10.16% (net of fees). The annualized rate of return since the trust's inception (September 30, 2004) was 6.50% (gross of fees).

2. Statement of Current CalPERS Unfunded Liability Trust Value

Anne provided copies of HighMark's quarterly report on the activity of the center's UAL Contribution Trust and reviewed it with the committee. The report was followed by the asset allocation summary, holdings report by asset class, selected period performance, and economic data charts. As of January 21, 2021, the market value of the trust assets was \$3,700,932, an increase of \$212,401 since the last report dated October 23, 2020. The increase was due to gains in investments. The annualized rate of return since the Trust's inception (March 31, 2020) was 9.43% (gross of fees).

Tim informed the committee that there was a mistake with the employer contribution amount that was credited to the CalPERS UAL Trust. The payment received was intended to be allocated and deposited into each two trust accounts. However, the full amount of the payment was mistakenly credited to the CalPERS UAL Trust. The issue is being resolved and US Bank will rerun the statements up thru the December 2020 statement.

Kim informed the committee that in the future payments to the trusts will be issued using separate checks to mitigate this issue in the future.

B. NLACRC's Quarterly PRMT Market Value History Report

Kim provided copies of the report, which reported the PRMT's market value for each quarter since its inception in September 2004. The report shows the market value, the total amount of NLACRC contributions to the PRMT, and the change in market value since the inception of the PRMT. As of December 31, 2020, the market value of the PRMT is \$29,864,190. The report shows that the PRMT has

increased by \$14,225,713 as of December 31, 2020 due to gains in investments. 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 PRMT Trust. Kim shared that the purpose of the PRMT is to cover the Center's retiree healthcare obligation which is currently \$52,454,828 as of the June 30, 2019 actuarial valuation. Kim shared that the June 30, 2020 actuarial valuation is in process and when the FY2019-2020 audited financial statements are finalized, the report will be updated accordingly.

C. NLACRC's Quarterly CalPERS Unfunded Accrued Liability Trust Value

Kim provided copies of the report, which reported the UAL Trust's market value for each quarter since its inception in January 2020. The report shows the market value, the total amount of NLACRC contributions to the UAL Trust, the disbursements made from the UAL Trust, and the change in market value since the inception of the UAL Trust. As of December 31, 2020, the market value of the UAL Trust was \$3,656,064. The report shows that the UAL Trust has increased by \$644,504 as of December 31, 2020 due to gains in investments. 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 UAL Trust. Kim shared that the purpose of UAL Trust is to cover the Center's CalPERS unfunded accrued liability for retiree pension benefits, which is currently \$8,539,839 as of the June 30, 2019 actuarial valuation provided by CalPERS in July 2020. Kim shared that when CalPERS publishes the June 30, 2020 actuarial valuation in July 2021 / August 2021, the report will be updated accordingly.

D. Contribution to Trust

Kim presented and reviewed the UAL & PRMT Contribution Recommendation presentation that was included in the meeting packet. The presentation covered each of the trusts, information about the trust, the purpose of the trusts, contribution goals, and a recommendation for a contribution to the Trust.

M/S/C (M. Davis/R. Janka; no abstentions) To approve to redirect the available FY 2018-2019 encumbered funds from PRMT to the CalPERS UAL to minimize the impact that the annual CalPERS lump sum payments will have on NLACRC's future operations budget.

M/S/C (J. Sunderland/Ana Quiles; no abstentions) To approve to memorialize the PRMT Committee discussion held on April 29, 2020 that the available FY 2019-2020 encumbered funds will be directed to CalPERS UAL.

Kim shared that at the next committee meeting that she will present the proposed contribution amounts allocated from FY2020 and FY2021. Additionally, the Committee reported that the presentation should be provided to Committee on an annual basis at the time the contribution recommendation to the Trust(s) is being made.

E. Revised PRMT Committee Critical Calendar

The PRMT Committee Critical Calendar was included in the meeting packet.

Kim reviewed the Critical Calendar with the committee. It was shared that the actuary, used by the Center, presents the actuarial report to the Committee on an annual basis in April. The Committee recommended that the actuary presentation be part of the Critical Calendar. Kim will add to the calendar the Actuarial Presentation in April.

M/S/C (R. Janka/M. Davis; no abstentions) To approve the PRMT Committee Critical Calendar as modified.

V. Board Meeting Agenda Items

The following items were identified for the PRMT's section of the February 10th board meeting agenda:

- A. Minutes of the January 27th Meeting
- B. Statement of Current PRMT Trust Value
- C. Statement of Current CalPERS UAL Trust Value
- D. Modified PRMT Committee Critical Calendar

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, April 28th, at 5:30 p.m.

VII. Adjournment

The Lety Garcia adjourned the meeting at 6:24 p.m.

Submitted by,

Yesenia Martinez
Executive Assistant

[prmt_jan27_2021]

