

North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee
Meeting Minutes
July 28, 2021

Present: Ruth Janka, Kim Rolfes, Ana Quiles, Leticia Garcia, and Jeremy Sunderland – Committee Members

Anne Wimmer – HighMark Capital Representative

Michele Marra, Vini Montague, Jesse Weller, Liliana Windover and Cheryl Blizin – Staff Members

Absent: All Present

I. Call to Order & Introductions

Lety Garcia asked Jeremy as First Vice President to chair the meeting, and the meeting was called to order at 5:33 p.m. and introductions were made.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Agenda

Ruth requested to add to each committee agenda a discussion on how to handle public input and participation by non-committee members.

M/S/C (R. Janka/K. Rolfes) To approve the agenda as modified.

B. Approval of Minutes from the April 28th Meeting

M/S/C (A. Quiles/R. Janka) To approve the minutes as presented.

IV. Committee Business

A. Annual Committee Orientation

1. Review PRMT Policies & Procedures

Copies of the PRMT committee Policies and Procedures were provided and Kim reviewed the policies and procedures with the committee.

2. Determine How to Handle Public Input (added at meeting)
Deferred this topic until Lety could be present for discussion.

B. HighMark Capital Report: Statement of Current PRMT Trust Value and Investment Strategy

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 July 22, 2021, the market value of the trust assets was \$32,549,972, an increase of \$868,708 since the last report dated April 21, 2021. The increase was due to a gain in investments, a contribution in the amount of \$48,831.95, and a deposit for the fees charged in the prior quarter. The average annualized rate of return (gross of fees) since inception to 6/30/2021 is 6.82%. The rate of return (net of fees) for the past one year is 24.05%, but Anne pointed out this was not a typical year.

C. HighMark Capital Report: Statement of Current CalPERS Unfunded Liability Trust Value and Investment Strategy

Anne provided copies of HighMark's quarterly report on the activity of the center's UAL Contribution Trust and reviewed it with the committee. Anne explained that the Investment objective is different than the PRMT and is a more conservative Income & Growth strategy. Less in equities more in fixed income because of shorter time horizon of investments. The report was followed by the asset allocation summary, holdings report by asset class, selected period performance, and economic data charts. As of July 22, 2021, the market value of the trust assets was \$4,868,923 , an increase of \$111,268 since the last report dated April 21, 2021. The increase was due to gains in investments, and a deposit for the fees charged during the prior quarter. The average annualized rate of return (gross of fees) since inception to 6/30/2021 is 13.54%. The rate of return (net of fees) since inception to 06/30/2021 is 13.25%. The rate of return (net of fees) for the past one year is 13.83%.

Anne reviewed the Strategic Asset Allocation and showed different investment objectives based on return and risk. Kim recommended that the Center continue with its current investment strategy for the PRMT and UAL.

M/S/C (K. Rolfes/A. Quiles) to continue a balanced investment strategy for the Post Retirement Medical Trust portfolio, and a growth and income investment strategy for the Unfunded Accrued Liability Trust portfolio.

1) Update on FY2020-2021 Contribution to UAL and Disbursement to CalPERS

Kim reported that the Center recently made a contribution to the UAL trust account of approximately \$250,000 and disbursed this same amount to the CalPERS from the UAL Trust per the action approved by the Board on June 9th.

D. 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 June 30, 2021, the market value of the PRMT is \$32,476,061.17.

E. 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 June 30, 2021, the market value of the UAL Trust was \$4,477,131.81.

F. Quarterly PRMT Fees Report

Kim reported the PRMT Fees report was deferred because NLACRC has not yet received the quarterly fee invoice from US Bank.

G. Quarterly UAL Fees Report

Kim reported that UAL Fee report were deferred as NLACRC has not yet received the quarterly fee invoice from either USBank or Highmark.

H. Review Critical Calendar for Fiscal Year 2021-2022

The committee reviewed the “draft” Critical Calendar for Fiscal Year 2021-2022

M/S/C (R. Janka/A. Quiles) to approve the Committee Critical Calendar for FY2021-22.

V. Board Meeting Agenda Items

The following items were identified for the PRMT’s section of the August 11th board meeting agenda:

- A. Minutes of the July 28th Meeting
- B. Statement of Current PRMT Trust Value
- C. Statement of Current CalPERS UAL Trust Value
- D. PRMT Critical Calendar FY2021-22

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, October 27th, at 5:30 p.m.

VII. Adjournment

Jeremy Sunderland adjourned the meeting at 6:23 p.m.

Submitted by,
Cheryl Blizin
Executive Assistant
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