

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

August 21, 2025

**Present:** Sharmila Brunjes, Juan Hernandez, Anna Hurst, Vini Montague  
Vini Montague, Lindsay Granger, Danielle Fernandez – Staff Members  
Tim Banach – US Bank and Keith Stribling – US Bank

**Absent:** Angela Pao-Johnson

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**I. Call to Order & Introductions**

Sharmila Brunjes called the meeting to order at 5:02 p.m.

**II. Public Input**

No public input

**III. Consent Items**

A. Approval of the Agenda

**M/S/C** (Anna Hurst/Vini Montague) to approve the agenda for the August 21, 2025 PRMT meeting. Motion carried.

B. Approval of Minutes of the May 22, 2025 Meeting

**M/S/C** (Sharmila Brunjes/Vini Montague) To approve the minutes from the May 22, 2025 meeting. Motion carried.

**IV. Annual Committee Orientation**

A. Review PRMT Policies and Procedures

B. Review Approved Critical Calendar for FY2025-26

Vini Montague provided a recap of the committee's purpose, explaining that it is responsible for reviewing the Post-Retirement Medical Trust (PRMT) and the CalPERS Unfunded Liability Account.

The PRMT was established to ensure that the agency can meet its long-term obligations to retirees who receive medical benefits comparable to those of active employees. Currently, retiree medical benefits are funded through operations, but the goal is to build sufficient reserves in the PRMT to fund these benefits directly from the trust. This would free up operational funds for other priorities such as hiring and employee salaries.

The CalPERS Unfunded Liability Account was created to address the annual unfunded liability assessed by CalPERS. These liabilities are amortized over 20 years, making this account a shorter-term funding need compared to the PRMT.

The committee meets quarterly to review both trust accounts. During these meetings, Keith Stribling provides market reports and updates to help the committee assess performance and ensure financial stability.

**V. Action Items**

A. Approval of Meeting Schedule for FY2025-26

**M/S/C** (Sharmila Brunjes/Anna Hurst) to approve the meeting schedule for fiscal year 2025-26. Motion carried.

B. Review Investment Strategy for PRMT Trust

C. Review Investment Strategy for CalPERS UAL Trust

Both action items B and C were presented and voted on together.

Vini Montague introduced Keith Stribling, Senior Portfolio Manager at U.S. Bank, who oversees the Post-Retirement Medical Trust (PRMT) and CalPERS Unfunded Liability (UAL) investment accounts. Vini Montague explained that the committee conducts an annual review of the investment strategies for both accounts to determine whether any adjustments are necessary.

Keith Stribling shared the quarterly investment report, beginning with the PRMT reviewing the OPEB health benefit plan. The PRMT is a balanced portfolio with a 60/40 allocation between stocks and bonds, structured to support long-term retiree medical benefit obligations. The PRMT operates as a pension-style fund with a target return of approximately 6.8%, consistent with CalPERS' expected rate of return. The portfolio has achieved 6.4% since inception and 6.9% over the past ten years, with annualized returns between 7% and 8% in recent years.

Fixed income performance has averaged 1.1% over the past five years due to previous interest rate increases, but current yields of around 4.3% on ten-year treasuries have strengthened income potential and improved protection against equity market downturns. The higher-rate environment allows bonds to provide both income and risk mitigation. The PRMT portfolio remains diversified and aligned with its long-term purpose.

The CalPERS Unfunded Liability Account follows an income and growth strategy with a 40/60 allocation between stocks and bonds. The fund serves as a reserve to help meet annual CalPERS contribution requirements during periods of budgetary constraint. With inflation affecting fixed-income returns, maintaining 40% in equities allows for modest growth to offset inflationary effects. The portfolio has returned 4.5–5.5% year-to-date, 5.6% since inception, and 5.5% over the past five years.

Anna Hurst asked whether the strategy accounts for a potential market correction following several strong years of performance. Keith Stribling stated that while some analysts expect a market adjustment, the current strategy is designed for long-term stability rather than short-term shifts. Tim Banach emphasized that Keith Stribling actively manages both accounts, monitoring performance daily and making tactical adjustments in response to market and economic conditions.

Vini Montague reported that, based on current funding levels, the agency aims to address the total CalPERS unfunded liability within two to three years, referencing the June 30, 2023, CalPERS valuation and noting that several external factors could influence progress.

Keith Stribling reviewed portfolio performance and economic trends. The PRMT portfolio posted gains of 6% year-to-date and 11.25% over the past year, compounding between 7% and 8% over time. Although performance was slightly below the benchmark for the most recent quarter, long-term results remain strong. International equities underperformed their benchmarks, while real estate and infrastructure performed well. Small-cap investments underperformed but represent only 3% of the total portfolio.

The CalPERS UAL portfolio produced steady results of 4.5–5.5% year-to-date, with improvements in the international sector following a timely rebalancing in April.

Keith Stribling provided an economic overview, noting that financial markets continue to be influenced by federal policy changes, tariffs, and fiscal legislation. The Federal Reserve is closely monitoring inflation and employment indicators, and two potential interest rate cuts are expected within the next six months. Both portfolios remain appropriately positioned for current market conditions.

A minor reporting error was identified in the CalPERS fund data for the Fidelity Emerging Markets Index. The discrepancy did not affect overall performance results, and an updated report will be provided with corrected figures.

Vini Montague recommended maintaining the current investment strategies for both the PRMT and CalPERS UAL accounts.

**M/S/C** (Anna Hurst/Sharmila Brunjes) to keep the existing investment strategies for both the PRMT and CalPERS UAL accounts the same. Motion carried.

## **VI. Committee Business**

- A. PFM Asset Management Report
  - a. Statement of Current PRMT Trust Value
  - b. Statement of Current CalPERS UAL Trust Value

This was reviewed as part of action items B and C.

- B. Quarterly PRMT Market Value History Report; and
- C. Quarterly UAL Market Value History Report

Vini Montague explained that two separate reports were prepared: one for the Post-Retirement Medical Trust (PRMT) and one for the CalPERS Unfunded Liability (UAL) account, both reflecting data as of June 30, 2025. Both reports follow the same format and reflect similar updates.

For the PRMT, the report details cumulative contributions, reimbursements, and investment earnings since the account's inception. Previously, account management fees were deducted from the PRMT and later reimbursed through issued checks. This process has been updated so that all fees are now paid directly from operations, leaving the cumulative fee reimbursement amount the same. The report also illustrated the PRMT's overall growth through investment earnings over time.

The CalPERS UAL report follows the same format and reflects similar updates, detailing cumulative contributions, reimbursements, and investment performance since its inception. Fees for this account are also now paid directly from operations, and the cumulative reimbursements will remain

constant.

Anna Hurst inquired about the net impact of paying account fees directly from the operations budget and suggested addressing this topic in a future Executive Finance Committee meeting. Vini Montague clarified that retiree medical benefit expenses, currently funded from the North Los Angeles County Regional Center's operations budget, total approximately \$1 million annually and are expected to increase as the retiree population grows. If sufficient funds accumulate in the PRMT, investment earnings could eventually fund retiree medical benefits, potentially freeing about \$1 million annually in operational funds.

**VIII. Board Meeting Agenda**

- A. PFM Asset Management Report of Current PRMT Trust Value
- B. PFM Asset Management Report of Current CalPERS UAL Trust Value
- C. Quarterly PRMT Market Value History Report
- D. Quarterly UAL Market Value History Report

These four items will be included in the next Board of Trustees meeting agenda.

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

- A. Next Meeting: Thursday, November 20, 2025, at 5:00 p.m.
- B. Committee Attendance

Sharmila Brunjes shared that the center received its Special Contract Letter from the Department of Developmental Services (DDS). The letter confirms that DDS has significantly reduced the requirements for the agency's special contract, resulting in fewer and more reasonable compliance obligations. The official language will soon be posted on the NLACRC website.

**VII. Adjournment**

Sharmila Brunjes adjourned the meeting at 5:37 p.m.

Submitted by:  
Lindsay Granger  
Executive Administrative Assistant

