

North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee Meeting Minutes
July 25, 2012

Present: Yolanda Bosch, Craig Girard, Eric Leh, Kim Rolfes, and George Stevens – Committee Members
Anne Wimmer and Tessie Powers (via polycom) – Union Bank Representatives
Jennifer Kaiser, Michele Marra, and Vini Montague – Staff Members

Absent: All present

I. Call to Order & Introductions

The meeting was called to order by Yolanda Bosch, chair, at 5:31 p.m.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Agenda

Items IV.E. and IV.F. were added to the agenda.

M/S/C (E. Leh/C. Girard) To approve the agenda as modified.

B. Approval of Minutes of April 25th Meeting

M/S/C (C. Girard/E. Leh) To approve the minutes as presented.

IV. Committee Business

A. Union Bank Report: Statement of Current Trust Value

Anne provided everyone with copies of Union Bank's quarterly report on the activity of the center's PRMT and reviewed it with them. The report contained an outlook on the current financial environment (including economic conditions, interest rates/inflation, and key concerns), followed by the investment portfolio summary, asset allocation summary, and selected period performance.

The report's appendix included graphs from 2002 to present on real gross domestic product, real consumer spending, real capital spending, real federal government purchases, CPI core, CPI, and the unemployment rate.

The value of the trust assets as of July 23, 2012 was \$10,558,691, a decrease of \$33,739 since the last quarterly report. The rate of return for the quarter ending June 30, 2012 was -2.10%, the rate of return for the previous 12 months was .79%, and the annualized rate of return since the trust's inception, 92 months ago, was 4.49% (all net of fees). The fees paid to Union Bank to manage the trust come out of the center's operations budget, not from the trust itself.

B. Quarterly PRMT Market Value History Report

Kim provided copies of the report to everyone present which showed the trust's market value for each quarter since its inception in September 2004 to June 30, 2012. During that time, the center made \$8,815,719.00 in contributions to the trust and \$1,707,181.20 in interest has been made for a total trust value of \$10,522,360.20. The center has paid \$145,439.46 in trust-related fees. Kim noted that we are working to reach a \$25 million obligation.

C. FY 2012-13 Committee Meeting Schedule

The committee will meet quarterly, from 5:30 to 6:15 p.m., on the following dates this fiscal year:

1. Wednesday, July 25, 2012
2. Wednesday, October 24, 2012
3. Wednesday, January 30, 2013
4. Wednesday, April 24, 2013

D. Annual Committee Orientation (Review PRMT Policies & Procedures)

Copies of the policies and procedures were provided. Committee members should take time to review and become familiar with them so they fully understand the responsibilities of the committee and their roles as members.

E. Contribution Update

Kim reported that the center will be able to contribute as much as \$1.5 million to the trust using FY 2011-12 operations funds, but we will wait until December, after the late bills are paid, to make the contribution.

F. Internal Revenue Service (IRS) Ruling

The federal government is developing guidelines which will define a “governmental agency.” The regional center needs to be considered a governmental agency so it can continue its participation in the California Public Employees Retirement System (PERS), which provides retirement and health benefits to our employees. The center had been issued a private letter ruling by the IRS many years ago, but we were unable to locate it. We recently found the private letter ruling and forwarded it to the IRS and also to the Association of Regional Center Agencies (ARCA). Kim reported that the center meets all 6 requirements of a governmental agency and does not meet either of the 2 exceptions.

V. Board Meeting Agenda Items

The following items were identified for the August 8th board meeting agenda:

- A. Minutes of July 25th Meeting
- B. Statement on Current Trust Value

VI. Next Meeting

- A. The next quarterly meeting will be held Wednesday, October 24th, at 5:30 p.m.

Action: Anne will review the center’s current investment strategy at the next committee meeting. If the committee decides to change the current investment strategy, it will require board approval.

VII. Adjournment

Yolanda adjourned the meeting at 6:17 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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