

North Los Angeles County Regional Center  
**Post-Retirement Medical Trust Committee**  
**Meeting Minutes**  
July 30, 2014

**Present:** Jenean Glover, Eric Leh, Kim Rolfes, and George Stevens – Committee Members  
Anne Wimmer – HighMark Capital Representative  
Tim Banach – U.S. Bank Representative (via teleconference)  
Diane Ambrose, Jennifer Kaiser, and Vini Montague – Staff Members

**Absent:** All present

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**I. Call to Order & Introductions**

The meeting was called to order by Jenean Glover, chair, at 5:30 p.m. Jenean announced that Meredith Rimmer was not present because she had to resign her position on the Board of Trustees.

**II. Public Input** – There was no public input.

**III. Consent Items**

A. Approval of Agenda

**M/S/C** (D. Becerra/G. Stevens) To approve the revised agenda as presented.

B. Approval of Minutes of April 30<sup>th</sup> Meeting

**M/S/C** (G. Stevens/D. Becerra) To approve the minutes as presented.

**IV. Committee Business**

A. Annual Committee Orientation (Review Policies and Procedures)

Copies of the policies and procedures were provided. The purpose of the committee is to oversee the PRMT. The PRMT was established to cover the costs of the center's retirees' health care.

B. Review FY 2013-14 Action Log

At the beginning of each fiscal year, the board committees review their action logs from the previous fiscal year. The action log lists all of the formal actions

that were taken by the committee during the previous fiscal year. It is provided to help new committee members understand the types of decisions that were made by the committee members before them. Copies of the action log were provided for review.

C. HighMark Capital Report: Statement on Current Trust Value

Anne provided everyone with copies of HighMark Capital's quarterly report on the activity of the center's PRMT and reviewed it with them. The report began with a look at the current financial environment, including economic conditions, interest rates/inflation, and key concerns. This was followed by the investment portfolio summary, asset allocation summary, selected period performance, strategic asset allocation. The report's appendix included graphs from 2004 to present on real gross domestic product, consumer spending, capital spending, federal government purchases, CPI core, CPI, the unemployment rate, and treasury yield curves.

The value of the trust assets as of July 29, 2014 was \$17,793,040, an increase of \$624,443 since the last quarterly report. The increase was attributed to an increase in investments. The rate of return for the quarter ending June 30, 2014 was 3.18%, the rate of return for the previous 12 months was 13.99%, and the annualized rate of return since the trust's inception, 116 months ago, was 6.39% (all gross of fees).

D. Review the PRMT's Investment Strategy

The committee reviews the investment strategy by Highmark, on an annual basis, to ensure the investment strategy is in line with the center's long term goals. Anne reviewed the current investment strategy with the committee. Currently, Highmark is utilizing a "balanced" investment strategy to invest the PRMT funds, but Anne shared alternative investment strategies with the committee. Anne reported that a balanced objective is fairly typical for long-term portfolios like the center's PRMT. The balanced objective typically provides about a 7% return with only moderate risk. A balanced objective has been used for the PRMT since its inception. Kim added that the center's actuary also bases their information on a balanced portfolio; the actuary needs to be consistent with the PRMT's investment strategy.

**Action:** Anne will give provide information about standard deviations at the next quarterly PRMT meeting.

**Action:** At the next quarterly PRMT meeting, Anne will provide copies of a current asset allocation pie chart, including the international equity holdings of the portfolio.

**Action:** Anne will provide information about the percentage of the S&P 500 at the next quarterly PRMT meeting so the committee can compare “apples with apples.”

**Action:** The committee will defer its decision regarding the investment objective for this fiscal year until the next quarterly PRMT information when they have the opportunity to review this additional information.

E. Covering the Under-Funding of the PRMT

The amount of the under-funding is based on data submitted by June 30<sup>th</sup>. Kim deferred discussion on this item until the next quarterly PRMT meeting because the information was not available yet.

F. 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, 2014. During that time, the center made \$12,990,179.00 in contributions and paid \$145,439.46 in fees for a total of \$13,135,618.46; \$4,663,046.66 in interest has been made for a total trust value of \$17,798,665.12.

The center is planning to contribute approximately \$300,000 in FY 2012-13 funds and \$1.5 million from FY 2013-14 funds to the PRMT in the near future.

**V. Board Meeting Agenda Items**

The following items will be added to the board meeting agenda:

- A. Minutes of July 30<sup>th</sup> Meeting
- B. Statement on Current Trust Value

**VI. Announcements/Information/Public Input**

- A. Tessie Powers, who is currently the PRMT’s account manager at U.S. Bank, will be retiring in March 2015. Tessie is currently training Roya Assadi who will be taking her place.

**Action:** Once Roya Assadi becomes the PRMT's account manager, Tim will invite her to a PRMT meeting so everyone can have the opportunity to meet her.

B. FY 2014-15 Committee Meeting Schedule

Copies of the meeting schedule were provided. The committee will meet on the following dates in FY 2014-15:

1. Wednesday, July 30, 2014, at 5:30 p.m.
2. Wednesday, October 29, 2014, at 5:30 p.m.
3. Wednesday, January 28, 2015, at 5:30 p.m.
4. Wednesday, April 29, 2015, at 5:30 p.m.

A. Next Meeting: Wednesday, October 29<sup>th</sup>, at 5:30 p.m.

**VII. Adjournment**

Jenean adjourned the meeting at 6:29 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

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