

North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee
Meeting Minutes
July 29, 2015

Present: Dan Becerra, Lou Paparozzi, Kim Rolfes, George Stevens, and Tavia Wooley – Committee Members
Debra Newman – Board Member
Anne Wimmer – HighMark Capital Representative
Tim Banach, U.S. Bank Representative (via teleconference)
Diane Ambrose, Jennifer Kaiser, Michele Marra, and George Stevens – Staff Members

Absent: All present

I. Call to Order & Introductions

The meeting was called to order by Tavia Wooley, in Dan Becerra's absence, at 5:33 p.m. Introductions were made.

II. Public Input – There was no public input.

III. Consent Items

A. Approval of Agenda

M/S/C (G. Stevens/L. Paparozzi) To approve the agenda as presented.

B. Approval of Minutes of April 29th Meeting

M/S/C (G. Stevens/K. Rolfes) To approve the minutes as presented.

IV. Committee Business

A. Annual Committee Orientation (Review Policies and Procedures)

Copies of the committee's policies and procedures were provided. The purpose of the trust is to pay for our employees' health care when they retire. We are not drawing any money out of the trust at this point. We are trying to get the trust up to \$40 million before we begin accessing the funds. Anne is our investment advisor and Tim is our banker.

B. FY 2015-16 Meeting Schedule

Copies of the meeting schedule were provided. The committee will meet on the following dates this fiscal year:

1. Wednesday, July 29th, at 5:30 p.m.
2. Wednesday, October 28th, at 5:30 p.m.
3. Wednesday, January 27th, at 5:30 p.m.
4. Wednesday, April 27th, at 5:30 p.m.

C. Review Committee's FY 2014-15 Action Log

Copies of the action log were provided. At the beginning of each fiscal year, all of 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.

D. 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, and selected period performance.

The value of the trust assets as of July 27, 2015 was \$19,429,100, a decrease of \$488,044 since the last quarterly report. The rate of return for the quarter ending June 30, 2015 was -.64%, the rate of return for the previous 12 months was 2.72%, and the annualized rate of return since the trust's inception, 128 months ago, was 6.04% (all gross of fees).

1. Percentage of Fees: At the last quarterly PRMT meeting, Dan stated that as the rates of return are all gross of fees, we can't see the whole picture, as the fees may be .5% or so, which would bring the rates of return down a bit. It was reported that HighMark would be able to determine the rate of return, net of fees, if the fees were paid directly from the trust. The committee agreed that the fees should be directly deducted from the trust

so that HighMark would be able to determine the rate of return net of fees. Kim reported that we could make deposits to the trust to cover the fees being deducted from it so it would remain whole.

Action: Kim will send Tim an e-mail requesting that the fees be directly deducted from the trust.

B. Quarterly PRMT Market Value History Report

Kim provided copies of the report to everyone which reported the trust's market value for each quarter since its inception during September 2004 through June 30, 2015. During this period of time, the center has contributed \$13,851,618.46 to the trust and the trust has gained \$5,166,399.05 through investments, for a total trust value of \$19,018,017.51. 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 trust.

Action: The committee will review the trust's investment strategy at the next quarterly meeting.

V. **Board Meeting Agenda Items**

The following items were identified for the committee's section of the August 12th board meeting agenda:

- A. Minutes of July 29th Meeting
- B. Statement on Current Trust Value

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

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

VII. **Adjournment**

Dan adjourned the meeting at 6:11 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

[prmtmins.jul29.2015]

