

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

October 28, 2015

Present: Lou Paporozzi, Kim Rolfes, and George Stevens – 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 Vini Montague – Staff Members

Absent: Dan Becerra and Dorothy Daniels

I. Call to Order & Introductions

Lou called the meeting to order at 5:36 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/K. Rolfes) To approve the agenda as presented.

B. Approval of Minutes of July 29th Meeting

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

IV. Committee Business

A. HighMark Capital Report: Statement of 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 September 30, 2015 was \$18,143,916, a decrease of \$1,285,184 since the last quarterly report. The rate of return for the quarter ending September 30, 2015 was -4.71%, the rate of return for the previous 12 months was -.81%, and the annualized rate of return since the trust's inception, 131 months ago, was 5.43% (all gross of fees). Anne explained that the market took a downturn during the last quarter, but began a comeback in October. The total trust value as of October 26th, was 18,889,670, an increase of \$745,754 since September 30th.

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 September 30, 2015. During this period of time, the center has contributed \$13,851,618 to the trust and the trust has gained \$4,255,541 through investments, for a total trust value of \$18,107,159. 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.

Kim anticipates receiving an actuary report soon regarding the trust's current obligation.

C. Trust Investment Strategy

The various investment strategies and their average returns were discussed:

1. Income (under 5%)
2. Income and growth (5 to 5.5%)
3. Balanced income (5.5 to 6.5%)
4. Balanced (6.25 to 7%)
5. Capital appreciation (7 to 7.75%)
6. Aggressive growth (7.75 to 8%)

Anne reported that stocks are volatile but historically bring higher returns. However, a balanced investment strategy is pretty typical for long term account, such as the PRMT.

M/S/C (K. Rolfes/G. Stevens) To continue to use a balanced investment objective for the PRMT this fiscal year.

V. Board Meeting Agenda Items

The following agenda items were identified for the committee's section of the November 10th board meeting agenda:

- A. Minutes of October 28th Meeting
- B. Statement on Current Trust Value
- C. Trust Investment Strategy

VI. Announcements/Information/Public Input

- A. Next Meeting: Wednesday, January 27, 2016, at 5:30 p.m.

VII. Adjournment

Lou adjourned the meeting at 6:12 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

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