

North Los Angeles County Regional Center  
**Post-Retirement Medical Trust Committee**  
**Meeting Minutes**  
April 27, 2016

**Present:** Dan Becerra (via teleconference), Lou Paparozzi, Kim Rolfes, and George Stevens – Committee Members  
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:** All present

---

**I. Call to Order & Introductions**

Lou Paparozzi, chair, called the meeting to order at 5:35 p.m. Introductions were made.

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

**III. Consent Items**

A. Approval of Agenda

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

B. Approval of Minutes of January 27<sup>th</sup> Meeting

**M/S/C** (D. Becerra/K. Rolfes) 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 asset allocation summary, holdings report, and selected period performance. The value of the trust assets as of March 31, 2016 was \$18,954,706, an increase of \$365,065 since the last quarterly report. The increase was due to both an increase in investments and a contribution of \$78,995. The rate of return for the quarter was

1.53% (net of fees). The annualized rate of return since the trust's inception, 137 months ago, was 5.56% (gross of fees).

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 March 31, 2016. During this period of time, the center has contributed \$13,952,234 to the trust and the trust has gained \$5,005,415 through investments, for a total trust value of \$18,957,650. 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.

C. Quarterly PRMT Fees by Quarter (Period Ending March 2016)

During the quarterly ending March 31, 2016, the center paid \$6,612 in ongoing fees and \$15,898 in investment management fees for a total of \$22,510. Attached to the report was an explanation of the trust fees and how they are calculated.

D. Money Market Reform

Tim reported that the money market mutual fund industry will undergo substantial changes effective October 14, 2016. All institutional prime funds are changing to a floating net asset value and will contain redemption gates and/or liquidation fees. Current money market mutual funds include prime obligations, government obligations, and treasury funds, there are additional non-money market mutual fund alternatives as well (e.g. bank deposit products). Currently NLACRC is using First American Fund's Prime Obligations Fund. The PRMT Committee requested additional information to better understand any potential impact on the trust. Many institutional clients in prime funds are converting to government obligations because the latter is retaining a stable \$1.00 net asset value.

**Action:** At the next quarterly meeting, Tim and Anne will provide the PRMT Committee with additional information about these money market changes. This discussion will become part of the annual discussion on the PRMT's investment strategy.

**Action:** Tim will work with Anne to get the information about the money market changes to Jennifer ahead of time so she can send it out with the meeting packets.

E. Tentative FY 2016-17 Meeting Schedule

The tentative dates for the 4 quarterly PRMT meetings in FY 2016-17 are:

1. Wednesday, July 27, 2016 at 5:30 p.m.
2. Wednesday, October 26, 2016, at 5:30 p.m.
3. Wednesday, January 25, 2017, at 5:30 p.m.
4. Wednesday, April 26, 2017, at 5:30 p.m.

These meeting dates will be confirmed once the Board of Trustees approves their master calendar for FY 2016-17 at the June 8<sup>th</sup> board meeting.

V. **Board Meeting Agenda Items**

The following items were identified for the committee's section of the May 11<sup>th</sup> board meeting agenda:

- A. Minutes of April 27<sup>th</sup> Meeting
- B. Statement on Current Trust Value

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

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

VII. **Adjournment**

**M/S/C** (G. Stevens/D. Newman) To adjourn the meeting at 6:11 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

