

North Los Angeles County Regional Center  
**Post-Retirement Medical Trust Committee**  
**Meeting Minutes**  
April 26, 2017

**Present:** Dan Becerra (via teleconference), Lou Paparozzi, Kim Rolfes, and George Stevens – Committee Members  
Anne Wimmer – HighMark Capital Representative  
Sarah Murray – Consulting Actuary  
Orli Almog – Vendor Advisory Committee Representative  
Diane Ambrose, Jennifer Kaiser, Michele Marra, and Vini Montague – Staff Members

**Absent:** Bridget Moss

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**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 Revised Agenda

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

B. Approval of Minutes of January 25<sup>th</sup> Meeting

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

**IV. Committee Business**

A. Sarah Murray, Consulting Actuary Reports

1. FY 2015-16 Actuarial Report: Sarah Murray presented a PowerPoint presentation entitled, “NLACRC Review of Actuarial Valuation of Retiree Health Benefits.” For the fiscal year ending June 30, 2016, the center had a net periodic benefit cost of \$4.2 million, a funded status (net amount recognized) of \$30.1 million, and a net post-retirement benefit liability of \$20.1 million.

2. CalPERS Actuarial Changes: CalPERS did not reach their financial goals resulting in an unfunded liability which will need to be covered by their contributors. If amortized over the next 6 fiscal years, this amount would add up to \$2,908,958 (based on projections made in August 2016), which would have to come out of the center's operations budget. In order to reduce the center's portion of the unfunded liability Kim and Vini are recommending that the center make a lump sum payment to CalPERS in the amount of \$1,066,255. The center will also be making a contribution to the PRMT in the amount of \$1 million. Note that the CalPERS liability is expected to increase due to the decision to decrease the discount rate used to calculate pension liabilities from 7.5% to 7.0% over the next three years.

**M/S/C** (G. Stevens/D. Becerra) To recommend to the Board of Trustees to make a contribution of \$1,066,255 to CalPERS to help pay down the unfunded liability.

B. Approved Change to PRMT Policies & Procedures

At the April 13<sup>th</sup> board meeting, the board approved the PRMT Committee's proposed change to their policies and procedures, which was to add "Review periodic annual retirement valuation reports" under their list of duties. Copies of the revised policies and procedures were provided to the committee.

C. 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 outlook. This was followed by the asset allocation summary, holdings report by asset class, selected period performance, and economic data charts. The value of the trust assets as of April 21, 2017 was \$22,074,864, an increase of \$1,593,732 since the last quarterly report. The increase was due to a gain in investments in the amount of \$422,677 and a contribution made by the center in the amount of \$1,171,055. The rate of return for the quarter was 3.28% (net of fees). The annualized rate of return since the trust's inception, 149 months ago, was 5.93% (gross of fees).

D. Quarterly PRMT Market Value History Report

Kim provided copies of the report which reported the trust's market value for each quarter since its inception in September 2004 through March 31, 2017. During this period of time, the center has contributed \$15,192,575 to the trust (in contributions and fees) and the trust has gained \$6,870,615 through investments, for a total trust value of \$22,063,191. 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.

## **V. Board Meeting Agenda Items**

The following items were identified for the PRMT Committee's section of the May 10<sup>th</sup> board meeting agenda.

- A. Minutes of April 26<sup>th</sup> Meeting
- B. Statement on Current Trust Value
- C. Recommended Contribution to CalPERS

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

- A. Next Meeting: Wednesday, July 26, 2017, at 5:30 p.m.

## **VII. Adjournment**

**M/S/C** (G. Stevens/K. Rolfes) To adjourn the meeting at 6:24 p.m.

Submitted by,

*Jennifer Kaiser*

Jennifer Kaiser  
Executive Assistant

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