

MARIN HEALTHCARE DISTRICT

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Board of Directors Finance and Audit Committee Wednesday, May 28, 2025 @ 5:30 pm Marin Healthcare District Office

MINUTES

1. Call to Order

Chair Su called the meeting to order at 5:30 pm.

2. Roll Call / Approval of Agenda / Approval of Minutes

Committee members present: Brian Su, MD (Chair); Ann Sparkman (Board Member);

Staff members present: Eric Brettner (CFO); Jill Kinney (VP Marketing and Communications);

Liz Lasnier (Controller); Tricia Lee, (EA)

Guest Present: Debashis Chowdhury (Canterbury Consulting)

Approval of the Agenda: It was moved, seconded and carried to approve the agenda as presented.

Approval of the Minutes: It was moved, seconded and carried to approve the minutes of the meeting of the committee on March 5, 2025.

3. Public Comment

There was no public comment.

4. Review MHD Corporate Investment Portfolio

Mr. Chowdhury presented an overview of the District's corporate investment portfolio (Tab #2) as of March 31, 2025. He noted that, although the reporting period ended nearly two months ago, market conditions had been exceptionally volatile in April due to policy-driven developments and global uncertainty. However, there had been a significant market recovery in May. The S&P 500 was down 4.2% in Q1 but has since rebounded. U.S. equities, which make up about 20% of the District's portfolio, were down for the quarter but international equities—about 12% of the portfolio—were up approximately 14%. Fixed income performance was up around 2.8%. Despite volatility, the portfolio achieved a modest positive return and is now up approximately 3.5% year-to-date.

Mr. Chowdhury explained the structure of the portfolio and the rationale for maintaining a globally diversified asset allocation. He reviewed major benchmarks including the S&P 500, Russell 2000, MSCI EAFE, and Bloomberg U.S. Aggregate Bond Index. He emphasized that the current underweight in U.S. equities was due to timing of a \$700,000 cash inflow at the end of March, which has since been allocated. The importance of remaining close to the 60/40 policy target, while understanding that minor variances will occur due to earnings and rebalancing cycles.

The District's current cash on hand, which was approximately \$800K, including about \$350K held in the LAIF account was reviewed. Monthly expenses are estimated between \$50–\$70K, and the goal is to maintain around \$300K in operating reserves, or six months of expenses. Mr. Brettner confirmed that additional funds could be moved into investments, and that LAIF funds were in the process of being liquidated, pending final verification and account setup.

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Mr. Chowdhury noted that current allocations are within 1–2% of the policy targets. He also discussed the outlook for international equities, especially in Europe, due to increased defense spending and changing economic dynamics. The investment managers continue to make daily tactical decisions within the established policy guidelines.

5. Review Seminar Budget

Ms. Kinney presented a detailed review of the 2024 and 2025 community education and outreach budgets (Tab #3). She noted the District came in approximately \$88,000 under budget in 2024, due in large part to savings from digitalizing the annual report and unspent discretionary funds. Pop-up events were largely volunteer-run and incurred minimal costs. Seminar costs ranged from \$120–\$160 per attendee. The Committee discussed value assessments and considered whether some of the higher-cost events delivered sufficient community benefit.

In 2025, Ms. Kinney shared that the District has already completed or committed to 6 seminars and 8 pop-up events, exceeding initial projections. She noted that advertising, particularly print in the San Francisco Chronicle and Marin IJ represents a large portion of seminar costs. The Committee requested clearer tracking of cost-per-participant and social media reach metrics by age and geography. They also discussed potentially capping per-event budgets and aligning outreach with targeted community needs.

6. District Financial Reports

Mr. Brettner presented the District's March 2025 year-to-date financials (Tabs #4, #5 & #6). Revenues and expenses were in line with budget. Rental income and investment income matched projections. A \$700K transfer to investments occurred at the end of March, and no other unusual activity was noted. Mr. Brettner noted on the balance sheet, the only significant change was the cash transfer. Committee members briefly discussed investment income variability and agreed it did not warrant concern. The District remains financially stable, with approximately 90 days of cash on hand.

The Committee addressed legal expenses. Mr. Brettner confirmed that District attorneys review such documents and charge accordingly. Copies of legal bills will be provided to Committee members.

7. Adjournment

Chair Su adjourned the meeting at 6:36 pm.