MARIN HEALTHCARE DISTRICT

100-B Drakes Landing Road, Suite 250, Greenbrae, CA 94904 Telephone: 415-464-2090 Fax: 415-464-2094
Website: www.marinhealthcare.org ***Email:*** info@marinhealthcare.org

Board of Directors
Finance and Audit Committee
Tuesday, May 5, 2026
Marin Healthcare District Office

MINUTES

1. **Call to Order**
Chair Su called the meeting to order at 5:32 pm.

2. **Roll Call / Approval of Agenda / Approval of Minutes**
Committee members present: Brian Su, MD (Chair); Edward Alfrey, MD (Board Member);
Staff members present: Eric Brettner (CFO); Liz Lasnier (Controller); Tricia Lee, (EA)
Guest Present: Jason Levey (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 December 15, 2025.

3. **Public Comment**
There was no public comment.

4. **Marin Healthcare District Corporate Investment Portfolio Review**

A. Q4 2025

Mr. Levey reviewed fourth quarter and year-end 2025 investment performance. He reported strong market returns across most asset classes, with U.S. equities returning approximately 18% and international equities outperforming U.S. equities. The District portfolio returned approximately 13% for the year, driven by both equity and fixed-income performance.

Committee members discussed the District's investment allocation and the legal requirement that healthcare districts maintain investments in fixed-income securities rather than equities. Mr. Levey confirmed the portfolio has been transitioned to 100% fixed income.

B. Q1 2026

Mr. Levey reported that equity markets experienced significant volatility during the first quarter of 2026, while bond markets remained relatively flat. He noted that the District benefited from the timely divestiture of equities prior to the market downturn and outperformed its benchmark during the quarter.

Mr. Levey advised that, going forward, portfolio returns will be primarily driven by interest rates, with expected annual returns in the range of 4%–5%.

Committee members discussed simplifying future investment reporting to focus on fixed-income performance and required reporting metrics. Reporting requirements will be reviewed and incorporate them into the updated investment policy.

6. **District Financial Reports**

A. December 2025

Mr. Brettner reviewed the December 2025 financial statements. Investment performance exceeded budget expectations, resulting in favorable revenue variance. Staff also completed year-end accounting adjustments, including reversal of previously accrued community education and advertising expenses that were no longer needed.

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The Committee discussed providing a supplemental report on community education and advertising expenditures. Staff indicated an updated report would be provided following the June 2026 close.

The Committee requested revised financial statement descriptions to more clearly identify inpatient and outpatient behavioral health support programs.

B. January 2026
Mr. Brettner reported strong investment performance during January, with favorable revenue variance driven by investment earnings. Other operating expenses were generally in line with budget expectations.

C. February 2026
Mr. Brettner reviewed February financial results and noted continued positive investment performance. The Committee discussed long-term portfolio growth, operating expenses, rental income from MarinHealth, and potential election-related expenses.

D. March 2026
Mr. Brettner reported unrealized investment losses during March due to bond market volatility, noting that much of the decline had recovered during April.

The Committee discussed the District's Local Agency Investment Fund (LAIF) account and ongoing efforts to obtain access to and transfer funds from the account. Staff will continue working with LAIF representatives and provide updates at future meetings.

The Committee also discussed maintaining approximately 90 days of operating cash reserves and investing excess funds in accordance with District policy.

Committee members requested that staff bring back additional information regarding administrative cost allocations, office space utilization, and support services provided under the lease agreement with MarinHealth for further review at a future Finance and Audit Committee meeting.

7. Adjournment
Chair Su adjourned the meeting at 6:10 pm.