

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (KCERA)
BOARD OF RETIREMENT**

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
October 9, 2024**

8:31 a.m.

Board Members: Contreras (Alternate), Vice-Chair Couch, Duffey, Chair Franey, Gonzalez, Hughes, Kaufman, Kratt, Nunneley (Alternate), Sanders, Seibly (Alternate), Whitezell

ROLL CALL (IN PERSON)

Present: Contreras, Couch, Duffey, Franey, Gonzalez, Kaufman, Kratt, Nunneley, Seibly

Absent: Hughes, Sanders, Whitezell

SALUTE TO FLAG – TRUSTEE COUCH

MOMENT OF SILENCE

NOTE: The vote is displayed in bold below each item. For example, Sanders-Kaufman denotes Trustee John Sanders made the motion and Trustee Jordan Kaufman seconded the motion.

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

CONSENT MATTERS

All consent matter items listed below with an asterisk () were considered to be routine and non-controversial by staff and approved by one motion, unless otherwise noted.*

- *3. Application for service-connected disability pension benefits for Derek Brannan, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Kratt-Couch – 6 Ayes

- *4. Application for service-connected disability pension benefits for Jill Inman Ferguson, Superior Court (General) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Kratt-Couch – 6 Ayes

*5. Summary of proceedings of the following meetings:

- September 5, 2024 Investment Committee
September 11, 2024 Board of Retirement

RECEIVED AND FILED

Kratt-Couch – 6 Ayes

*6. Report from the KCERA office on members retired from service for the month of September 2024 – RATIFIED

Kratt-Couch – 6 Ayes

*7. Report from the KCERA office on deceased retirees for the month of September 2024 – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

*8. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending September 30, 2024 – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

*9. Securities Lending Earnings Summary Report for the period ending August 31, 2024 from Deutsche Bank – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

*10. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of August 2024 – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

*11. Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFIED

Kratt-Couch – 6 Ayes

*12. Report on Special Pay Codes classified by the Chief Executive Officer – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

*13. 2025 Board of Retirement Meeting Schedule – RECEIVED AND FILED; APPROVED

Kratt-Couch – 6 Ayes

- *14. Statements from Auditor-Controller-County Clerk Aimee Espinoza, September 20, 2024, regarding the Certificate of Results of the KCERA Board of Retirement Election held September 17, 2024 – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

- *15. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS Fall Conference, November 12-15, 2024, in Monterey, California – APPROVED ATTENDANCE OF TRUSTEES DUSTIN CONTRERAS, DAVID COUCH, DEON DUFFEY, PHIL FRANEY, JUAN GONZALEZ, JORDAN KAUFMAN, RICK KRATT, AND JOHN SANDERS

Kratt-Couch – 6 Ayes

- *16. Invitation from Fortress Investment Group for Senior Investment Officer Geoff Nolan to attend the 2024 Fortress Credit Conference, October 15-17, 2024, in Dallas, Texas – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

- *17. Invitation from Public Pension Financial Forum (P2F2) for Chief Financial Officer Angela Kruger and Member Services Manager Cory Pruett to attend the 21st Annual P2F2 Conference, October 27-30, 2024 in Indianapolis, Indiana – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

PUBLIC COMMENTS

18. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

INVESTMENT MATTERS

19. Discussion and appropriate action on bank loan recommendation presented by Chief Investment Officer Daryn Miller, CFA, Senior Investment Officer Geoff Nolan, Scott Whalen, CFA, Verus, and the Investment Committee – CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD; SCOTT WHALEN, CFA, VERUS HEARD

APPROVED \$180MM INVESTMENT IN KKR US BROADLY SYNDICATED LOAN FUND; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Kratt – 6 Ayes

ADMINISTRATIVE MATTERS

20. Trustee education regarding Artificial Intelligence Utilization presented by Chief Executive Officer Dominic Brown and Director of Information Technology Security Tyson Harlan – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; DIRECTOR OF INFORMATION TECHNOLOGY SECURITY TYSON HARLAN HEARD; CHAIR PHIL FRANEY HEARD

RECEIVED EDUCATIONAL TRAINING (17 MINUTES TRUSTEE EDUCATION CREDIT)

21. Discussion and appropriate action on KCERA's voting delegation for the State Association of County Retirement Systems (SACRS) Fall 2024 Conference, presented by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHAIR PHIL FRANEY HEARD; TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD

APPOINTED TRUSTEE JORDAN KAUFMAN AS THE VOTING DELEGATE AND CHIEF EXECUTIVE OFFICER DOMINIC BROWN AS ALTERNATE VOTING DELEGATE

Couch-Kratt – 6 Ayes

22. Appointment of Nominating Committee by Chair (two members) and the Board (two members) to propose a slate of officers and designate chair to the Board of Retirement for the 2025 calendar year – CHAIR PHIL FRANEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEE JUAN GONZALEZ HEARD

CHAIR PHIL FRANEY APPOINTED TRUSTEES DAVID COUCH AND DUSTIN CONTRERAS TO NOMINATING COMMITTEE; THE BOARD OF RETIREMENT APPOINTED TRUSTEE JUAN GONZALEZ AND DEON DUFFEY TO NOMINATING COMMITTEE; CHAIR PHIL FRANEY DESIGNATED DUSTIN CONTRERAS AS THE NOMINATING COMMITTEE CHAIR; APPROVED

Couch-Kratt – 6 Ayes

23. Trustee education regarding the Life Cycle of a Member: Purchase of Service (Part 3 of 6) presented by Chief Executive Officer Dominic Brown, Member Services Manager Cory Pruett, and Deputy Chief Member Services Officer Sherry Willard – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD; DEPUTY CHIEF MEMBER SERVICES OFFICER SHERRY WILLARD HEARD; MEMBER SERVICES MANAGER CORY PRUETT HEARD; CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES DUSTIN CONTRERAS, JUAN GONZALEZ, JORDAN KAUFMAN, RICK KRATT, AND ROBB SEIBLY HEARD

RECEIVED EDUCATIONAL TRAINING (53 MINUTES TRUSTEE EDUCATION CREDIT)

STAFF REPORTS

24. Report from Chief Executive Officer:

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- ELECTION UPDATE
- DISABILITY UPDATE
- STAFFING/RECRUITMENTS UPDATE
- NOVEMBER BOARD: INTEREST CREDITING POLICY UPDATES
- KERN 360 PLANNING MEETINGS
- GRAND JURY REPORT: INYOKERN COMMUNITY SERVICES DISTRICT
- OPERATIONS ACTIVITY
- MEMBER OUTREACH AND EDUCATION
- UPCOMING EVENTS
- BOARD OF SUPERVISORS APPROVED INCREASE FOR MANAGERS

SENIOR COMMUNICATIONS MANAGER JEREMY ROWELL HEARD; CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES JUAN GONZALEZ, RICK KRATT, AND ROBB SEIBLY HEARD

25. Report from Chief Investment Officer:

CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, REPORTED THE FOLLOWING:

- REBALANCING – SEPTEMBER ACTIVITY
- POSITIONING – ACTUAL VS POLICY TARGET
- UPCOMING INVESTMENT COMMITTEE MEETINGS
- CLOSED INVESTMENTS
- INVESTMENT ACTIVITY

CHAIR PHIL FRANNEY HEARD; TRUSTEE RICK KRATT HEARD

26. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY AND DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATE
- Q3 2024 METRICS
- OCTOBER CALENDAR

CHAIR PHIL FRANNEY HEARD; TRUSTEE JORDAN KAUFMAN HEARD

COMMITTEE REPORTS

27. Report from Committee Chairs:

- a. Administrative Committee: CONTRERAS – NONE
- b. Finance Committee: SANDERS – NONE
- c. Investment Committee: WHITEZELL – NONE

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S) – NONE

EXECUTIVE SESSION

28. THREAT TO PUBLIC SERVICES OR FACILITIES – ANTICIPATED LITIGATION

Consultation with KCERA counsel and CEO. (Cal. Gov. Code §54957)

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 11:30 A.M.

ROLL CALL

To establish quorum present upon resuming public session

Present: Contreras, Couch, Duffey, Franey, Gonzalez, Kaufman, Kratt, Nunneley, Seibly

Absent: Hughes, Sanders, Whitezell

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 28 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

29. On their own initiative, Board members may make a brief announcement, refer matters to staff (subject to KCERA's rules and procedures), or make a brief report on their own activities – NONE

NEW BUSINESS

30. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE

31. ADJOURNED – 11:32 A.M.



Secretary, Board of Retirement

Chair, Board of Retirement