

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
May 1, 2024**

8:32 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, Duffey, Franey, Gonzalez, Kratt, Nunneley, Seibly

Absent: Couch, Hughes, Kaufman, Sanders, Whitezell

SALUTE TO FLAG – TRUSTEE GONZALEZ

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Items 1 and 2 withdrawn from agenda.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.*

TRUSTEE DAVID COUCH ARRIVED AT 8:33 A.M.

TRUSTEE JORDAN KAUFMAN ARRIVED AT 8:34 A.M.

TRUSTEE RICK KRATT HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

- *3. Application for service-connected disability pension benefits for Breanne Baker, Department of Human Services (General) – **ADOPTED RECOMMENDATION OF SDAG TO DENY, WITH PREJUDICE, SERVICE-CONNECTED DISABILITY PENSION**

Kratt-Couch – 6 Ayes

*4. Summary of proceedings of the following meetings:

- April 10, 2024 Board of Retirement

RECEIVED AND FILED

Kratt-Couch – 6 Ayes

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

Kratt-Couch – 6 Ayes

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

Kratt-Couch – 6 Ayes

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

Kratt-Couch – 6 Ayes

*8. Securities Lending Earnings Summary Report for the period March 1-31, 2024 from Deutsche Bank – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

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

Kratt-Couch – 6 Ayes

*10. KCERA Class Action Proceeds Report from January 1 through March 31, 2024 from the Northern Trust Company – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

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

Kratt-Couch – 6 Ayes

*12. SACRS Business Meeting 2024 Packet for SACRS business meeting on May 10, 2024 in Santa Barbara, California – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

- *13. Invitation from Ares for Senior Investment Officer Geoff Nolan to attend the Ares Firmware Annual Conference, May 13-16, 2024, in Phoenix, AZ – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

- *14. Invitation from ILPA for Chief Investment Officer Daryn Miller, CFA, to attend the ILPA Members Conference, June 4-6, 2024, in Chicago, IL – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

- *15. Invitation from Leap HR for Administrative Services Officer Aimee Morton, SHRM-CP, to attend the Leap HR: State & Local Government Summit, June 4-5, 2024, in Denver, CO – RECEIVED AND FILED

Kratt-Couch – 6 Ayes

- *16. Agreement for Tax Counsel Legal Services with Ice Miller LLP – RECEIVED AND FILED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Couch – 6 Ayes

PUBLIC COMMENTS

17. 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

18. Discussion and appropriate action on the annual asset allocation review presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – SCOTT WHALEN, CFA, VERUS, HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED ASSET ALLOCATION

Couch-Kratt – 6 Ayes

ADMINISTRATIVE MATTERS

19. KCERA Governance Report for the period from January 1 – December 31, 2023 presented by Governance Consultants Julie Becker and Benita Falls Harper, Aon, and the Administrative Committee – BENITA FALLS HARPER, AON, HEARD

RECEIVED AND FILED

Kratt-Contreras – 6 Ayes

20. KCERA 2024 Board Self-Assessment Report presented by Chief Executive Officer Dominic Brown, Governance Consultants Julie Becker and Benita Falls Harper, Aon, and the Administrative Committee – CHAIR PHIL FRANEY HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED AND FILED

Couch-Kratt – 6 Ayes

21. Orientation regarding disability litigation services provided by Nossaman, LLP, presented by John T. Kennedy, Partner, Nossaman, LLP – JOHN T. KENNEDY, NOSSAMAN, HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

HEARD PRESENTATION; RECEIVED EDUCATIONAL TRAINING (9 MINUTES TRUSTEE EDUCATION CREDIT)

22. Review and discussion of the Annual KCERA Human Resources Report presented by Chief Executive Officer Dominic Brown, and the Administrative Committee – TRUSTEE JORDAN KAUFMAN HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

TRUSTEE JOHN SANDERS ARRIVED AT 9:16 A.M.

RECEIVED AND FILED

Kratt-Couch – 7 Ayes

23. Presentation on the inaugural KCERA Communications Plan for years 2024-26 presented by Senior Communications Manager Jeremy Rowell – CHAIR PHIL FRANEY HEARD; TRUSTEES RICK KRATT AND ROBB SEIBLY HEARD

HEARD PRESENTATION

24. Discuss whether to research options to initiate an in-house election process with a third-party election administrator – CHAIR PHIL FRANEY HEARD; TRUSTEES DUSTIN CONTRERAS, JUAN GONZALEZ, JORDAN KAUFMAN, AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN, HEARD

DIRECTED STAFF TO RESEARCH OPTIONS AND PRESENT TO ADMINISTRATIVE COMMITTEE

Kaufman-Couch – 7 Ayes

STAFF REPORTS

25. Report from Chief Executive Officer:

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- RECRUITMENT UPDATE
- DISABILITY UPDATE
- SOLAR PROJECT UPDATE
- SPECIAL ELECTION RESULTS
- OUTREACH UPDATE
- OPERATIONS ACTIVITY
- UPCOMING EVENTS

26. Report from Chief Investment Officer:

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

- REBALANCING – APRIL ACTIVITY
- POSITIONING
- UPCOMING INVESTMENT COMMITTEE MEETINGS

CHAIR PHIL FRANEY HEARD

27. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATE
- LITIGATION UPDATE

CHAIR PHIL FRANEY HEARD

COMMITTEE REPORTS

28. 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

THIS ITEM HEARD OUT OF ORDER

31. THREAT TO PUBLIC SERVICES OR FACILITIES – ANTICIPATED LITIGATION
Consultation with KCERA counsel and CEO. (Cal. Gov. Code §54957)

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 10:46 A.M.

29. CONFERENCE WITH LABOR NEGOTIATORS REGARDING UNREPRESENTED EMPLOYEE (pursuant to Government Code §54957.6(a))
Agency Designated Representatives: Juan Gonzalez and Joseph D. Hughes;
Unrepresented Employee: Chief Executive Officer

TRUSTEE ROBB SEIBLY LEFT AT 11:00 A.M.

30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to Government Code §54957): Title: Chief Executive Officer

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 11:23 A.M.

ROLL CALL

To establish quorum present upon resuming public session

Present: Contreras, Couch, Duffey, Franey, Gonzalez, Hughes, Kaufman, Kratt, Nunneley, Sanders

Absent: Seibly, Whitezell

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 31 – MATTER REFERRED TO STAFF TO INVESTIGATE FURTHER

Couch-Kratt – 8 Ayes, 0 Noes: Couch, Duffey, Franey, Gonzalez, Hughes, Kaufman, Kratt, Sanders

ITEM 29 – NO REPORTABLE ACTION

ITEM 30 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

32. 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 – CHAIR PHIL FRANEY HEARD; TRUSTEE JUAN GONZALEZ HEARD

NEW BUSINESS

33. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
34. ADJOURNED – 11:26 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement