

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
November 6, 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, Franey, Gonzalez, Hughes, Kratt, Nunneley, Sanders, Whitezell

Absent: Couch, Duffey, Kaufman, Seibly

SALUTE TO FLAG – TRUSTEE KRATT

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Items 1 and 2 withdrawn from agenda.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 Edward Ramirez, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *4. Application for service-connected disability pension benefits for Jim Roden, Sheriff (Safety) –

THIS ITEM REMOVED FROM CONSENT AGENDA

- *5. Application for non-service-connected disability pension benefits for Laura Monahan, Water Agency (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT NON-SERVICE-CONNECTED DISABILITY PENSION

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *6. Proposed Decision and Findings of Fact submitted by Hearing Officer Richard Terzian for Valorie Candelaria, Department of Human Services (General) – ADOPTED PROPOSED FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATION OF HEARING OFFICER TO GRANT SERVICE-CONNECTED DISABILITY PENSION

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *7. Memorandum regarding receipt of a Supplemental Disability Allowance under California Government Code §31725.65 by James Burchfield – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *8. Summary of proceedings of the following meetings:

- October 7, 2024 Investment Committee
- October 9, 2024 Board of Retirement

RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *9. Report from the KCERA office on members retired from service for the month of October 2024 – RATIFIED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *10. Report from the KCERA office on deceased retirees for the month of October 2024 – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *11. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending October 31, 2024 – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *12. Securities Lending Earnings Summary Report for the period ending September 30, 2024 from Deutsche Bank – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *15. The KCERA Class Action Proceeds Report from July 1 through September 30, 2024 for the Northern Trust Company – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *16. Public Pension Standards Award for Funding and Administration 2024 received from the Public Pension Coordinating Council (PPCC) – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *17. Proposed revisions to KCERA's Overpayment and Underpayment of Member Benefits Policy – APPROVED PROPOSED CHANGES

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *18. Proposed revisions to KCERA's Overpayment and Underpayment of Member Contributions Policy – APPROVED PROPOSED CHANGES

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *19. Invitation from Harvard Law School's Center for Labor and a Just Economy to Trustee Duffey to attend the Trustee Leadership Forum: Peer Mentoring Project, October 28-29, 2024 and June 2025, in Boston, Massachusetts – RATIFIED AND APPROVED ATTENDANCE OF TRUSTEE DEON DUFFEY

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *20. Cambridge Associates On-Site Due Diligence Meeting Summary – RECEIVED AND FILED

Kratt-Nunneley – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

PUBLIC COMMENTS

21. 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

ADMINISTRATIVE MATTERS

22. Presentation on Managed Medical Review Organization (MMRO) Medical Advisor Overview by Doug Minke, JD, MBA, Vice President Corporate Development & General Counsel, and Michelle Brezinski, MD, MMRO – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; TRUSTEE RICK KRATT HEARD; DOUG MINKE, JD, MBA, AND MICHELLE BREZINSKI, MD, MMRO, HEARD

HEARD PRESENTATION

23. Trustee education regarding the Life Cycle of a Member: Disability (Part 4 of 6) presented by Chief Executive Officer Dominic Brown, Deputy Chief Legal Officer Kristen McDonald, and Deputy Chief Member Services Officer Sherry Willard – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD HEARD; DEPUTY CHIEF MEMBER SERVICES OFFICER SHERRY WILLARD HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEES DUSTIN CONTRERAS AND RICK KRATT HEARD

TRUSTEE DAVID COUCH ARRIVED AT 9:38 A.M.

RECEIVED EDUCATIONAL TRAINING (45 MINUTES TRUSTEE EDUCATION CREDIT)

24. SACRS Fall Conference Business Meeting Packet 2024 for SACRS business meeting on November 15, 2024 in Monterey, California – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED AND FILED

Gonzalez-Kratt – 8 Ayes

25. Presentation on SACRS Legislative Proposals for 2024 presented by Chief Legal Officer Jennifer Zahry – CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

APPROVED SACRS LEGISLATIVE PROPOSALS; DIRECTED VOTING DELEGATE TO CAST VOTES ACCORDINGLY

Gonzalez-Kratt – 7 Ayes

Trustee Dustin Contreras was inadvertently called on to vote instead of Trustee Chase Nunneley. Trustee Contreras' vote was not counted for this item, as he is not eligible to vote for this matter. Trustee Nunneley's vote was not recorded either because he was not called upon.

FINANCE MATTERS

26. Trustee education regarding The 80% Funding Myth presented by Actuary Todd Tauzer, Segal – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEE JUAN GONZALEZ HEARD; TODD TAUZER, SEGAL, HEARD

RECEIVED EDUCATIONAL TRAINING (34 MINUTES TRUSTEE EDUCATION CREDIT)

27. Presentation on proposed revisions to KCERA's Regular Interest and Excess Interest Crediting Policy by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES JUAN GONZALEZ AND TYLER WHITEZELL HEARD; ACTUARY MOLLY CALCAGNO, SEGAL, HEARD

APPROVED PROPOSED CHANGES

Gonzalez-Kratt – 8 Ayes

28. Presentation on development of a KCERA Option Four Policy by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEE JUAN GONZALEZ HEARD

DIRECTED STAFF TO DRAFT POLICY AND PRESENT TO THE FINANCE COMMITTEE FOR REVIEW

Gonzalez-Kratt – 8 Ayes

STAFF REPORTS

29. Report from Chief Executive Officer

CHIEF OPERATIONS OFFICER MATT HENRY REPORTED THE FOLLOWING:

- OFFICE UPDATE
- STAFFING UPDATE
- DECEMBER BOARD: ACFR AND ACTUARIAL REPORTS FOR FY END JUNE 30, 2024
- KERN 360 PLANNING MEETINGS
- REVIEWING DRAFTS OF ACTUARIAL AUDIT AND INAUGURAL INTERNAL AUDIT REPORTS
- OPERATIONS ACTIVITY
- MEMBER OUTREACH AND EDUCATION
- UPCOMING EVENTS

30. Report from Chief Investment Officer

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

- REBALANCING – OCTOBER ACTIVITY
- POSITIONING – ACTUAL VS POLICY TARGET
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETINGS
- DELEGATION
- CLOSED INVESTMENTS
- INVESTMENT ACTIVITY

CHAIR PHIL FRANNEY HEARD; TRUSTEE JUAN GONZALEZ HEARD; SCOTT WHALEN, CFA, VERUS, HEARD

31. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATE
- LITIGATION UPDATE

CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHAIR PHIL FRANNEY HEARD

COMMITTEE REPORTS

32. Report from Committee Chairs:

- a. Administrative Committee: CONTRERAS – MEETING SCHEDULED
- b. Finance Committee: SANDERS – MEETING TO BE SCHEDULED
- c. Investment Committee: WHITEZELL – MEETING SCHEDULED

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

EXECUTIVE SESSION

4. PUBLIC EMPLOYMENT (pursuant to Government Code § 54957) Application for service-connected disability pension benefits:

Jim Roden

Sheriff

Safety

33. 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

34. 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 12:07 P.M.

ROLL CALL

To establish quorum present upon resuming public session

Present: Contreras, Couch, Franey, Gonzalez, Hughes, Kratt, Nunneley, Sanders, Whitezell

Absent: Duffey, Kaufman, Seibly

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 4 – ADOPTED RECOMMENDATION OF SDAG TO DENY SERVICE-CONNECTED DISABILITY PENSION

Gonzalez-Kratt – 8 Ayes

(Couch, Franey, Gonzalez, Hughes, Kratt, Nunneley, Sanders, Whitezell)

ITEM 33 – NO REPORTABLE ACTION

ITEM 34 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS


35. 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

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

37. ADJOURNED – 12:09 P.M.


Secretary, Board of Retirement


Chair, Board of Retirement