

**SUMMARY OF PROCEEDINGS**

**BOARD OF RETIREMENT – COUNTY OF KERN**

**11125 River Run Blvd.  
Bakersfield, California**

**Board of Retirement Meeting  
Wednesday, September 12, 2018**

**8:30 a.m.**

Board Members: Couch, Chair Dodgin, Franey, Gonzalez, Horvat, Jefferson, Kaufman, Vice-Chair Kennedy (Alternate), Kratt, Vacant (Alternate), Skidmore

Roll Call: Dodgin, Franey, Gonzalez, Horvat, Jefferson, Kaufman, Kratt, Skidmore

Absent: Couch, Kennedy

Salute to Flag – TRUSTEE MARKO HORVAT

Moment of Silence

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

\*1. Summary of proceedings of the following meetings:

- August 8, 2018 Board of Retirement
- August 8, 2018 Administrative Committee

RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

\*2. Monthly reports from the KCERA office on members retired from service and deceased retirees – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

\*3. Monthly report of current disability retirement applications and appeals of KCERA Board decisions – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

\*4. Securities Lending Earnings Summary Report for the period July 1-31, 2018 from Deutsche Bank – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

\*5. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of July 2018 – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

\*6. KCERA Strategic Investment Plan for the month of September 2018 – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

- \*7. KCERA Re-balance Analysis as of August 30, 2018 – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

- \*8. KCERA Schedules of Employer Allocations and Pension Amounts by Employer and related notes, including independent auditors' report as of and for the year ended June 30, 2017, and Segal Consulting's Governmental Accounting Standard (GAS) 68 Actuarial Valuation as of June 30, 2018 – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

- \*9. 2018 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVED AND FILED; APPROVED

**Franey-Kratt – 8 Ayes**

- \*10. Letter from Executive Director Dominic Brown, dated August 21, 2018, to the Kern County Board of Supervisors regarding Board of Retirement Election for Seventh Member and Seventh Member Alternate – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

- \*11. Letter from Executive Director Dominic Brown, dated September 11, 2018, to the Kern County Board of Supervisors regarding Board of Retirement Election for Second Member – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

- \*12. PIMCO Due Diligence Report – RECEIVED AND FILED

**Franey-Kratt – 8 Ayes**

- \*13. Invitation from ValueEdge Advisors to trustees and staff to attend the ValueEdge Advisors' 2018 Public Funds Forum, September 4-6, 2018 in Laguna Beach, California – RETROACTIVELY APPROVED THE ATTENDANCE OF TRUSTEE BOB JEFFERSON

**Franey-Kratt – 8 Ayes**

**PUBLIC COMMENT**

14. Receive public comments – NONE

**ANNOUNCEMENTS**

15. Board member announcements or reports – NONE

**BOARD RETREAT**

Kickoff/Introductions – EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

16. **Presentation** – KERN ECONOMIC DEVELOPMENT AND FORECAST, Richard Chapman, President & CEO, Kern Economic Development Corporation – RICHARD CHAPMAN, KERN ECONOMIC DEVELOPMENT CORPORATION, HEARD; TRUSTEE LAUREN SKIDMORE HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

HEARD PRESENTATION

17. **Presentation** – POLICY-FOCUSED BOARDS, Tom Iannucci, President, Cortex Applied Research, Inc. – TOM IANNUCCI, CORTEX APPLIED RESEARCH, INC., HEARD; SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR DUSTIN DODGIN HEARD; TRUSTEES JUAN GONZALEZ, MARKO HORVAT, BOB JEFFERSON, JORDAN KAUFMAN AND RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

TRUSTEE DUSTIN DODGIN LEFT AT 9:30 A.M.

TRUSTEE PHIL FRANNEY TOOK OVER AS CHAIR

PUBLIC COMMENT: KRISTIN BUSH, KERN COUNTY COURTS, HEARD

HEARD PRESENTATION

18. **Presentation** – KCERA 2017 BOARD PERFORMANCE ASSESSMENT, Tom Iannucci, President, Cortex Applied Research, Inc. – TOM IANNUCCI, CORTEX APPLIED RESEARCH, INC., HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEES JUAN GONZALEZ, MARKO HORVAT, JORDAN KAUFMAN AND RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE LAUREN SKIDMORE LEFT AT 10:50 A.M.

TRUSTEE JORDAN KAUFMAN LEFT AT 11:41 A.M.

HEARD PRESENTATION

19. **Presentation** – OVERVIEW OF BENEFITS ADMINISTRATION, Retirement Services Representative Sherry Willard – CHAIR PHIL FRANNEY HEARD; TRUSTEE RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD; RETIREMENT SERVICES MANAGER KAREN FRIESON HEARD; RETIREMENT SERVICES REPRESENTATIVE SHERRY WILLARD HEARD

HEARD PRESENTATION

TRUSTEE JUAN GONZALEZ LEFT AT 12:15

ITEM 21 HEARD OUT OF ORDER

21. **Presentation** – INVESTMENTS: OPPORTUNITIES FOR CONTINUED IMPROVEMENT, Scott Whalen, CFA, Executive Managing Director and Senior Consultant, Verus, Daryn Miller, CFA, Chief Investment Officer, Kern County Employees' Retirement Association – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEE RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

HEARD PRESENTATION

20. **Presentation** – CASE STUDY IN BENEFITS ADMINISTRATION, Executive Director Dominic Brown, General Counsel Jennifer Zahry, Retirement Financial Officer Sheryl Lawrence, Retirement Services Manager Karen Frieson and Technology Services Manager Brenda Greenwood, Kern County Employees' Retirement Association – CHAIR PHIL FRANNEY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD; RETIREMENT FINANCIAL OFFICER SHERYL LAWRENCE HEARD; RETIREMENT SERVICES MANAGER KAREN FRIESON HEARD; TECHNOLOGY SERVICES MANAGER BRENDA GREENWOOD HEARD

HEARD PRESENTATION

Closing Remarks – EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

18. ADJOURNED – 2:20 P.M.

  
Secretary, Board of Retirement

  
Chair, Board of Retirement