

Executive Team

Dominic D. Brown, CPA, CFE
Executive Director

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
General Counsel

Matthew Henry, CFE
Assistant Executive Director

**KERN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**



Board of Retirement

Jordan Kaufman, Chair
Rick Kratt, Vice-Chair
David Couch
Dustin Dodgin
Phil Franey
Juan Gonzalez
Marko Horvat
Bob Jefferson
Lauren Skidmore
Devin Simmons, Alternate
John DeMario, Alternate

February 7, 2019

Members, Board of Retirement
Employee Bargaining Units
Requesting News Media
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association
Board of Retirement

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Board of Retirement will be held on Wednesday, February 13, 2019 at 8:30 a.m. at KCERA, 11125 River Run Boulevard, Board Room, Bakersfield, California. Items of business will be limited to the matters shown on the attached agenda. If you have any questions or require additional service, please contact the KCERA office at your convenience.

Sincerely,

A handwritten signature in blue ink that reads 'Dominic D. Brown'.

Dominic D. Brown
Executive Director

Attachment

AGENDA:

All agenda item supporting documentation is available for public review in the office of the Kern County Employees' Retirement Association, 11125 River Run Blvd., Bakersfield, California 93311 during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location. In addition, all agendas and supporting documentation are now available on the KCERA web page and can be found via the internet at www.kcera.org.

**AMERICANS WITH DISABILITIES ACT
(Government Code §54953.2)**

Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Retirement may request assistance at the Retirement Administration office, 11125 River Run Blvd., Bakersfield, California, or by calling (661) 381-7700. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

Roll Call –

Salute to Flag –

Moment of Silence –

CONSENT MATTERS

ALL ITEMS LISTED WITH AN ASTERISK (*) ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY STAFF AND WILL BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR PUBLIC WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN THE LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN. STAFF RECOMMENDATIONS ARE SHOWN IN CAPS AFTER EACH ITEM.

*1. Summary of proceedings of the following meetings:

- January 9, 2019 Board of Retirement
- January 9, 2019 Administrative Committee
- January 30, 2019 Administrative Committee

RECEIVE AND FILE

- *2. Monthly report from the KCERA office on members retired from service – RATIFY
- *3. Monthly report from the KCERA office on deceased retirees – RECEIVE AND FILE
- *4. Monthly report of current disability retirement applications and appeals of KCERA Board decisions – RECEIVE AND FILE
- *5. Securities Lending Earnings Summary Report for the period December 1-31, 2018 from Deutsche Bank – RECEIVE AND FILE
- *6. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of December 2018 – RECEIVE AND FILE
- *7. KCERA Strategic Investment Plan for the month of March 2019 – RECEIVE AND FILE
- *8. KCERA Re-balance Analysis as of January 30, 2019 – RECEIVE AND FILE
- *9. KCERA Class Action Proceeds Report from October 1, 2018 through December 31, 2018 from the Northern Trust Company – RECEIVE AND FILE
- *10. Corrections in Benefit Payments Report for the period July through December 2018 – RECEIVE AND FILE
- *11. Glass, Lewis, & Co.'s Proxy Voting Management Report, January 1, 2018 through December 31, 2018 – RECEIVE AND FILE
- *12. Invitation for trustees and/or staff to attend the 2019 California Association of Public Retirement Systems (CALAPRS) General Assembly, March 2-5, 2019 in Monterey, California – APPROVE THE ATTENDANCE OF TRUSTEES DAVID COUCH, PHIL FRANEY, BOB JEFFERSON, EXECUTIVE DIRECTOR DOMINIC BROWN, CHIEF INVESTMENT OFFICER DARYN MILLER AND ASSISTANT EXECUTIVE DIRECTOR MATTHEW HENRY
- *13. Letter from Segal Consulting, dated January 18, 2019, on annual cost-of-living adjustment (COLA) rates for 2019 – ADOPT THE FOLLOWING ITEMS:

RETIREMENT DATE	COLA
ON OR BEFORE APRIL 1, 2019	2.5%

- *14. Letter from Executive Director, dated February 5 2019, to the Kern County Board of Supervisors regarding the recommended employer and employee contribution rates for fiscal year 2019-20 – RECEIVE AND FILE

- 15. Public Comments:

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 Chairman, 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.

ADMINISTRATIVE MATTERS

- 16. SACRS outreach presentation – HEAR PRESENTATION
- 17. Response to referral and recommendation regarding pending Over/Underpayment Policy presented by Executive Director Dominic Brown and General Counsel Jennifer Zahry – APPROVE

INVESTMENT MATTERS

- 18. Presentation on the 4th Quarter Investment Performance Review period ending December 31, 2018 by Scott Whalen, CFA, Verus – RECEIVE AND FILE
- 19. Presentation on the 4th Quarter 2018 Portfolio Review presented by Lincoln Smith, Albourne America LLC¹ – RECEIVE AND FILE

STAFF/COMMITTEE REPORTS & NEW BUSINESS

- 20. Report from Executive Director
- 21. Report from Chief Investment Officer
- 22. Report from General Counsel

¹ Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code §6254.26, §6255, and §54957.5.

23. Report from Committee Chairs:
 - a. Administrative Committee – Gonzalez
 - b. Finance Committee – Skidmore
 - c. Investment Committee – Dodgin
 - d. KCERA Property, Inc. Board – Franey

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

24. On their own initiative, Board members may make a brief announcement or a brief report on their own activities.
25. Adjournment