

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
John DeMario, Alternate
Safety Alternate (Vacant)

August 8, 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, August 14, 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. Application for service-connected disability pension benefits for Richard Garcia, SHERIFF (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT
- *2. Proposed Decision and Findings of Fact submitted by Hearing Officer for Paul Wilson, SHERIFF (Safety) – ADOPT THE PROPOSED DECISION TO GRANT THE SERVICE-CONNECTED DISABILITY RETIREMENT
- *3. Proposed Decision and Findings of Fact submitted by Hearing Officer for Elizabeth Gearhart, HUMAN SERVICES (General) – REQUIRE A TRANSCRIPT OR SUMMARY OF ALL TESTIMONY, PLUS ALL OTHER EVIDENCE RECEIVED BY THE HEARING OFFICER; RETURN TO BOARD FOR FUTHER ACTION; FIND LAST DAY PAID TO BE APRIL 18, 2012
- *4. Proposed Decision and Findings of Fact submitted by Hearing Officer for Gloria Morgan, SHERIFF (General) – ADOPT THE PROPOSED DECISION TO DENY THE SERVICE-CONNECTED DISABILITY RETIREMENT
- *5. Summary of proceedings of the following meetings:
 - July 10, 2019 Board of Retirement
 - July 10, 2019 Investment Committee
 - July 31, 2019 Finance Committee

RECEIVE AND FILE

- *6. Monthly report from the KCERA office on members retired from service – RATIFY
- *7. Monthly report from the KCERA office on deceased retirees – RECEIVE AND FILE
- *8. Monthly report of current disability retirement applications and appeals of KCERA Board decisions – RECEIVE AND FILE
- *9. Securities Lending Earnings Summary Report for the period June 1-30, 2019 from Deutsche Bank – RECEIVE AND FILE
- *10. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of June 2019 – RECEIVE AND FILE
- *11. KCERA Class Action Proceeds Report from April 1 through June 30, 2019 for the Northern Trust Company – RECEIVE AND FILE
- *12. Corrections in Benefit Payments Report for the period January through June 2019 – RECEIVE AND FILE
- *13. Corrections in Benefit Contributions Report for the period January through June 2019 – RECEIVE AND FILE

- *14. Board of Retirement Semi-annual Trustee Education Report – RECEIVE AND FILE
- *15. 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, 2018, and Segal Consulting's Governmental Accounting Standard (GAS) 68 Actuarial Valuation as of June 30, 2019 – RECEIVE AND FILE
- *16. Letter from Segal Consulting, dated July 8, 2019, regarding KCERA Tier 3 Supplemental Retiree Benefit Reserve Benefits for the period from July 1, 2019 through June 30, 2020 – APPROVE
- *17. Fiduciary Liability Insurance Renewal Application for policy period July 8, 2019 – July 8, 2020 – RATIFY; AUTHORIZE CHAIR OR VICE-CHAIR, IN THE ABSENCE OF THE CHAIR, TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
- *18. Invitation from California Association of Public Retirement Systems (CALAPRS) to staff to attend the CALAPRS Principles of Pension Governance for Trustees, August 28, 2019 in Malibu, California – APPROVE THE ATTENDANCE OF CHIEF INVESTMENT OFFICER DARYN MILLER
- *19. Invitation from PIMCO to staff and trustees to attend the PIMCO Institute Seminar 2019, September 16-19, 2019 in Newport Beach, California – APPROVE ATTENDANCE OF RETIREMENT INVESTMENT OFFICER STEVEN SWARTLEY
- *20. Invitation from California Association of Public Retirement Systems (CALAPRS) to staff to attend the CALAPRS Administrators' Institute, September 25-27, 2019 in Carmel, California – APPROVE THE ATTENDANCE OF EXECUTIVE DIRECTOR DOMINIC BROWN
- 21. 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.

FINANCIAL MATTERS

- 22. Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting awarded to the Kern County Employees' Retirement Association for the 2018 fiscal year end comprehensive annual financial report (CAFR) – RECEIVE AND FILE

23. Declining Employer Payroll Policy Overview presented by John Monroe, Segal Consulting, and the Finance Committee – RECEIVE AND FILE
24. Discussion and appropriate action regarding application of Declining Employer Payroll Policy to Inyokern Community Services District presented by the Finance Committee – APPROVE FINANCE COMMITTEE RECOMMENDATION FINDING THAT THE PLAN SPONSOR IS COVERED BY KCERA’S DECLINING EMPLOYER POLICY AND THAT A “TRIGGERING EVENT” HAS OCCURRED
25. Discussion and appropriate action regarding application of Declining Employer Payroll Policy to Berrenda Mesa Water District presented by the Finance Committee – APPROVE FINANCE COMMITTEE RECOMMENDATION FINDING THAT THE PLAN SPONSOR IS COVERED BY KCERA’S DECLINING EMPLOYER POLICY AND THAT A “TRIGGERING EVENT” HAS OCCURRED
26. Discussion and appropriate action regarding application of Declining Employer Payroll Policy to Buttonwillow Recreation and Park District presented by the Finance Committee – APPROVE FINANCE COMMITTEE RECOMMENDATION FINDING THAT THE PLAN SPONSOR IS COVERED BY KCERA’S DECLINING EMPLOYER POLICY BUT THAT A “TRIGGERING EVENT” HAS NOT OCCURRED AT THIS TIME

INVESTMENT MATTERS

27. Presentation on the 2nd Quarter Investment Performance Review period ending June 30, 2019 by Scott Whalen, CFA, Verus – RECEIVE AND FILE
28. Presentation on the 2nd Quarter 2019 Portfolio Review presented by Lincoln Smith and Spencer Edge, Albourne America¹ – RECEIVE AND FILE

STAFF/COMMITTEE REPORTS & NEW BUSINESS

29. Report from Executive Director
30. Report from Chief Investment Officer
31. Report from General Counsel
32. Report from Committee Chairs:
 - a. Administrative Committee – Gonzalez
 - b. Finance Committee – Skidmore
 - c. Investment Committee – Dodgin
 - d. KCERA Property, Inc. Board – Kratt

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.

