

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

Dustin Dodgin, Chair
Juan Gonzalez, Vice-Chair
David Couch
Phil Franey
Jordan Kaufman
Rick Kratt
Edward Robinson
Lauren Skidmore
Tyler Whitezell
Bradly Brandon, Alternate
Chase Nunneley, Alternate
Robb Seibly, Alternate

March 4, 2021

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, March 10, 2021 at 8:30 a.m. via teleconference, pursuant to Executive Order N-25-20, issued by Governor Newsom on March 12, 2020, Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and Executive Order N-35-20, issued by Governor Newsom on March 21, 2020. Items of business will be limited to the matters shown on the attached agenda.

If you wish to listen to the teleconference meeting, please dial one of the following numbers and enter Meeting ID# 289-998-6429:

- (669) 900-9128
- (888) 788-0099 (U.S. Toll-free)
- (877) 853-5247 (U.S. Toll-free)

If you have any questions or require additional service, please contact KCERA at (661) 381-7700 or send an email to administration@kcera.org.

Sincerely,

Dominic D. Brown
Executive Director

Attachment

AGENDA:

All agenda item supporting documentation is available for public review on KCERA's website at www.kcera.org 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.

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

Disabled individuals who need special assistance to listen to and/or participate in the teleconference meeting of the Board of Retirement may request assistance by calling (661) 381-7700 or sending an email to administration@kcera.org. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials and access available in alternative formats. Requests for assistance should be made at least two (2) days in advance of a meeting whenever possible.

ROLL CALL

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 Timothy Acosta, Sheriff (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *2. Application for service-connected disability pension benefits for Saul Ayon, Sheriff (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *3. Application for service-connected disability pension benefits for Durinda Montoya-Cearley, San Joaquin Valley Air Pollution Control District (General) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *4. Application for service-connected disability pension benefits for Amber Simmons, Probation (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *5. Application for service-connected disability pension benefits for Zachary Snyder, Fire (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *6. Application for service-connected disability pension benefits for Kimberly Van Doorn, Sheriff (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *7. Application for service-connected disability pension benefits for Laura Wimberly, Probation (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION AND REQUEST FOR SUPPLEMENTAL BENEFITS UNDER G.C. §31725.5
- *8. [Summary of proceedings of the following meetings:](#)
 - February 3, 2021 Administrative Committee
 - February 5, 2021 Investment Committee
 - February 10, 2021 Board of Retirement
 - February 26, 2021 Finance Committee

RECEIVE AND FILE

- *9. [Monthly report from the KCERA office on members retired from service – RATIFY](#)
- *10. [Monthly report from the KCERA office on deceased retirees – RECEIVE AND FILE](#)
- *11. [Monthly report of current disability retirement applications and appeals of KCERA Board decisions – RECEIVE AND FILE](#)

- *12. [Securities Lending Earnings Summary Report for the period January 1-31, 2021](#) from Deutsche Bank – RECEIVE AND FILE
- *13. [KCERA asset allocation, budget status, cash flow position and investment fees](#) status report for the month of January 2021 – RECEIVE AND FILE
- *14. [Service provider evaluation period initiated pursuant to Evaluation Period Policy](#) – RATIFY
- *15. [Amendment 1 to Agreement for Actuarial Services with Segal, effective April 1, 2021](#) – RECEIVE AND FILE; AUTHORIZE EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
- *16. [Report on Special Pays Codes classified by the Executive Director](#) – RECEIVE AND FILE

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.

ADMINISTRATIVE MATTERS

- 18. [Review of the 2021-2022 Executive Director Performance Evaluation Criteria](#), presented by Executive Director Dominic Brown and the Administrative Committee – APPROVE THE EXECUTIVE DIRECTOR PERFORMANCE EVALUATION CRITERIA FOR EVALUATION PERIOD OF 2021-2022

STAFF REPORTS

- 19. [Report from Executive Director](#)
- 20. [Report from Chief Investment Officer](#)
- 21. [Report from General Counsel](#)

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

Wimberly, Laura

Probation

Safety

23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. (numerous potential cases)

24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. (1 potential case)

25. THREAT TO PUBLIC SERVICES OR FACILITIES (pursuant to Government Code §54957 (a)): Report by Thad Kennedy, KCERA Retirement Administrative Services Manager responsible for implementing security operations

26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed. (1 potential case)

27. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title – Executive Director

RETURN TO PUBLIC SESSION

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

28. 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.

NEW BUSINESS

29. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – CONSIDER; DISCUSS; AND TAKE ACTION ON WHETHER TO AGENDIZE PROPOSED ITEMS, IF ANY, FOR A FUTURE MEETING

30. Adjournment

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Administrative Committee
February 3, 2021**

12:59 p.m.

Committee Members: Brandon (Alternate), Dodgin, Chair Franey, Robinson, Seibly

ROLL CALL

Present: Brandon, Dodgin, Franey, Robinson, Seibly

Absent: None

NOTE: The vote is displayed in bold below each item. For example, Robinson-Seibly denotes Trustee Edward Robinson made the motion and Trustee Robb Seibly seconded the motion.

1. KCERA Governance Report for the Fiscal Year ending June 30, 2020 presented by Governance Consultant Tom Iannucci, Cortex Applied Research – TOM IANNUCCI, CORTEX APPLIED RESEARCH, HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEES DUSTIN DODGIN, EDWARD ROBINSON AND ROBB SEIBLY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD; RETIREMENT ADMINISTRATIVE SERVICES MANAGER AIMEE MORTON HEARD

RECEIVED AND FILED; RECOMMENDED THE FOLLOWING TO THE BOARD OF RETIREMENT: APPROVE PROPOSED CHANGES; REFERRED TO STAFF TO WORK WITH CORTEX APPLIED RESEARCH ON THE EVALUATION PERIOD POLICY REVISIONS DISCUSSED AND BRING BACK TO MARCH BOARD OF RETIREMENT MEETING

Seibly-Dodgin – 4 Ayes

2. Discussion and appropriate action on review of the Board Operations Policy and related portion of the KCERA Board of Retirement CERL Regulations presented by Executive Director Dominic Brown and Governance Consultant Tom Iannucci, Cortex Applied Research – TOM IANNUCCI, CORTEX APPLIED RESEARCH, HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEES DUSTIN DODGIN, EDWARD ROBINSON AND ROBB SEIBLY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECOMMENDED THE FOLLOWING TO THE BOARD OF RETIREMENT:
APPROVE STAFF'S PROPOSED CHANGES, AND INCLUDE PROPOSED REVISIONS DISCUSSED

Robinson-Dodgin – 4 Ayes

3. KCERA 2020 Board Self-Evaluation Survey presented by Executive Director Dominic Brown and Governance Consultant Tom Iannucci, Cortex Applied Research – TOM IANNUCCI AND JENNY TAM, CORTEX APPLIED RESEARCH, HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

HEARD PRESENTATION; REVIEWED AND CONSIDERED EDITS TO SELF-EVALUATION SURVEY; COMMENCED SURVEY

Seibly-Dodgin – 4 Ayes

PUBLIC COMMENTS

4. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee 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 Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

5. On their own initiative, Committee 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

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

EXECUTIVE SESSION

6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (PURSUANT TO GOVERNMENT CODE §54957) – TITLE: EXECUTIVE DIRECTOR

RETURN TO PUBLIC SESSION

ADMINISTRATIVE COMMITTEE RECONVENED AT 3:30 P.M.

ROLL CALL

All Committee members present (noted by Board Clerk, but roll not called)

Present: Brandon, Dodgin, Franey, Robinson, Seibly

Absent: NONE

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

- ITEM 6 – NO REPORTABLE ACTION

7. ADJOURNED – 3:30 P.M.

Secretary, Board of Retirement

Chair, Administrative Committee

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Investment Committee
February 5, 2021**

1:30 p.m.

Committee Members: Couch, Dodgin (Alternate), Gonzalez, Kaufman, Chair Kratt

ROLL CALL

Present: Couch, Dodgin, Kaufman, Kratt

Absent: Gonzalez

NOTE: The vote is displayed in bold below each item. For example, Gonzalez-Couch denotes Trustee Juan Gonzalez made the motion and Trustee David Couch seconded the motion.

1. Discussion and appropriate action on short duration recommendation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and Retirement Investment Officer Brian Long, CFA – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR RICK KRATT HEARD; TRUSTEES DUSTIN DODGIN AND JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

RECOMMENDED THE FOLLOWING TO THE BOARD OF RETIREMENT: A) APPROVE INVESTMENT IN BLACKROCK SHORT DURATION INVESTMENT STRATEGY; B) WAIVE ON-SITE DUE DILIGENCE REQUIREMENT PER THE INVESTMENT POLICY STATEMENT (IPS); C) AUTHORIZE EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Kaufman – 4 Ayes

Trustee Dustin Dodgin voted for Trustee Juan Gonzalez

PUBLIC COMMENTS

2. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee 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 Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

3. On their own initiative, Committee 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
4. ADJOURNED – 1:53 P.M.

Secretary, Board of Retirement

Chair, Investment Committee

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

February 10, 2021

8:30 a.m.

Board Members: Brandon (Alternate), Couch, Chair Dodgin, Franey, Vice-Chair Gonzalez, Kaufman, Kratt, Nunneley (Alternate), Robinson, Seibly (Alternate), Skidmore, Whitezell

ROLL CALL

Present: Brandon, Couch, Dodgin, Franey, Gonzalez, Kaufman, Kratt, Nunneley, Robinson, Seibly, Skidmore, Whitezell

Absent: None

MOMENT OF SILENCE

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

- *1. Application for service-connected disability pension benefits for James Ashley, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Whitezell-Kaufman – 9 Ayes

- *2. Application for service-connected disability pension benefits for Denise Ramsey, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Whitezell-Kaufman – 9 Ayes

- *3. Application for non-service-connected disability pension benefits for Pamela Deacon, Child Support Services (General) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT NON-SERVICE-CONNECTED DISABILITY PENSION**

Whitezell-Kaufman – 9 Ayes

*4. Summary of proceedings of the following meetings:

- January 15, 2021 Investment Committee
- January 20, 2021 Board of Retirement
- January 29, 2021 Finance Committee

RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

*5. Monthly report from the KCERA office on members retired from service – RATIFIED

Whitezell-Kaufman – 9 Ayes

*6. Monthly report from the KCERA office on deceased retirees – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

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

Whitezell-Kaufman – 9 Ayes

*8. Securities Lending Earnings Summary Report for the period December 1-31, 2020 from Deutsche Bank – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

*9. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of December 2020 – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

*10. KCERA Class Action Proceeds Report from October 1, 2020 through December 31, 2020 from the Northern Trust Company – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

*11. Corrections in Benefit Payments Report for the period July through December 2020 – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

*12. Corrections in Benefit Contributions Report for the period July through December 2020 – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

- *13. Glass Lewis Proxy Voting Management Report for the period January 1, 2020 through December 31, 2020 – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

- *14. Letter from Segal Consulting, dated January 21, 2021, regarding annual cost-of-living adjustment (COLA) adjustments for 2021 – ADOPTED THE FOLLOWING:

RETIREMENT DATE	COLA
BETWEEN APRIL 2, 2020 AND APRIL 1, 2021	1.5%

Whitezell-Kaufman – 9 Ayes

- *15. Letter from Segal, dated February 2, 2021, regarding the Five-Year Projection of Employer Contribution Rates – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

- *16. Letter from Segal, dated February 2, 2021, regarding FY 2021-2022 Required Contributions with Adjustments to Reflect Three-Year Phase-in of Increases in Employer Unfunded Actuarial Accrued Liability (UAAL) Contribution Rate Due to Assumption Changes – RECEIVED AND FILED

Whitezell-Kaufman – 9 Ayes

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

Whitezell-Kaufman – 9 Ayes

PUBLIC COMMENTS

18. 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

19. Presentation on Annual Private Markets Plan presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Anelise Hohl, Investment Director, Cambridge Associates, Chief Investment Officer Daryn Miller, CFA, and Retirement Investment Officer Brian Long, CFA – ANDREA AUERBACH, KEIRSTEN LAWTON, KELLY JENSEN AND ANELISE HOHL, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE EDWARD ROBINSON HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

RECEIVED AND FILED

Kratt-Couch – 9 Ayes

20. Discussion and appropriate action on short duration recommendation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, Retirement Investment Officer Brian Long, CFA, and the Investment Committee – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR DUSTIN DODGIN HEARD; VICE-CHAIR JUAN GONZALEZ HEARD; TRUSTEES RICK KRATT AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED INVESTMENT IN BLACKROCK SHORT DURATION INVESTMENT STRATEGY; WAIVED ON-SITE DUE DILIGENCE REQUIREMENT PER THE INVESTMENT POLICY STATEMENT (IPS); AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Couch – 8 Ayes; 1 Absent (Skidmore)

21. Presentation on the 4th Quarter Investment Performance Review for the period ending December 31, 2020 presented by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS, HEARD

RECEIVED AND FILED

Kratt-Whitezell – 9 Ayes

22. Presentation on the 4th Quarter 2020 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA, HEARD; CHAIR DUSTIN DODGIN HEARD

RECEIVED AND FILED

Kratt-Couch – 8 Ayes; 1 Absent (Skidmore)

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. Presentation on the capital efficiency program presented by Chief Investment Officer Daryn Miller, CFA, and Retirement Investment Officer Brian Long, CFA – TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Kaufman-Kratt – 9 Ayes

FINANCIAL MATTERS

24. Discussion and appropriate action on review of the Actuarial Audit of the June 30, 2019 Actuarial Valuations and Peer Review of the July 1, 2016 through June 30, 2019 Experience Study performed by Segal, presented by Anne D. Harper, Principal Consulting Actuary, and Graham A. Schmidt, Consulting Actuary, Cheiron, Inc., and the Finance Committee – ANNE D. HARPER AND GRAHAM A. SCHMIDT, CHEIRON, INC., HEARD; PAUL ANGELO, SEGAL, HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Franey-Gonzalez – 9 Ayes

ADMINISTRATIVE MATTERS

25. KCERA Governance Report for the Fiscal Year ending June 30, 2020 presented by Governance Consultant Tom Iannucci, Cortex Applied Research, and the Administrative Committee – TOM IANNUCCI, CORTEX APPLIED RESEARCH, HEARD; TRUSTEE PHIL FRANNEY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

APPROVED PROPOSED CHANGES

Franey-Kaufman – 9 Ayes

26. Discussion and appropriate action on review of the Board Operations Policy and related portion of the KCERA Board of Retirement CERL Regulations presented by Executive Director Dominic Brown, Governance Consultant Tom Iannucci, Cortex Applied Research, and the Administrative Committee – TOM IANNUCCI, CORTEX APPLIED RESEARCH, HEARD; CHAIR DUSTIN DODGIN HEARD; VICE-CHAIR JUAN GONZALEZ HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

APPROVED PROPOSED CHANGES

Robinson-Gonzalez – 9 Ayes

27. KCERA 2020 Board Self-Evaluation Survey presented by Executive Director Dominic Brown, Governance Consultant Tom Iannucci, Cortex Applied Research, and the Administrative Committee –

THIS ITEM WITHDRAWN FROM AGENDA

28. Discussion and appropriate action on Amendments to Government Code sections 31662.2 and 31670 of the CERL presented by Executive Director Dominic Brown and General Counsel Jennifer Zahry – CHAIR DUSTIN DODGIN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

APPROVED STAFF RECOMMENDATION REGARDING DELEGATION TO STAFF TO APPROVE RETIREMENT APPLICATIONS

Franey-Gonzalez – 9 Ayes

29. Discussion and appropriate action on Amendments to Government Code section 31672 of the CERL presented by Executive Director Dominic Brown and General Counsel Jennifer Zahry – EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

APPROVED STAFF RECOMMENDATION TO EXTEND THE 60 DAY TIME LIMIT TO SUBMIT RETIREMENT APPLICATIONS

Franey-Couch – 9 Ayes

30. Discussion and appropriate action on Amendments to Government Code section 31646 of the CERL presented by Executive Director Dominic Brown and General Counsel Jennifer Zahry – VICE-CHAIR JUAN GONZALEZ HEARD; TRUSTEES DAVID COUCH, PHIL FRANNEY, JORDAN KAUFMAN AND RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

APPROVED STAFF RECOMMENDATION REGARDING PLAN SPONSOR ELECTION TO ALLOW PARENTAL LEAVE PURCHASES

Franey-Kratt – 9 Ayes

31. Appointment of Retiree Extra-Help Thad Kennedy, effective February 13, 2021 – CHAIR DUSTIN DODGIN HEARD; TRUSTEE RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

APPROVED APPOINTMENT

Kratt-Franey – 9 Ayes

STAFF REPORTS

32. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- AUTO-ATTENDANT REVISION AND UPDATE
- ALAMEDA PHASE 3 UPDATE
- COMMITTEE MEETINGS UPDATE
- STAFF AND HIRING UPDATE
- OPERATIONS ACTIVITY
- UPCOMING EVENTS
- REQUESTS FOR PROPOSALS IN PROGRESS

33. Report from Chief Investment Officer

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

- REBALANCING REPORT
- INVESTMENT ACTIVITIES AND INITIATIVES
- PORTFOLIO UPDATE

34. Report from General Counsel

GENERAL COUNSEL JENNIFER ZAHRY REPORTED THE FOLLOWING:

- THOLE VS. U.S. BANK CASE UPDATE
- JANUARY 2021 METRICS
- CALENDARED ITEMS FOR FEBRUARY

COMMITTEE REPORTS

35. Report from Committee Chairs:

- a. Administrative Committee: FRANEY – NO MEETING SCHEDULED
- b. Finance Committee: WHITEZELL – UPCOMING MEETING AT END OF FEBRUARY
- c. Investment Committee: KRATT – NO MEETING SCHEDULED
- d. KCERA Property, Inc.: WHITEZELL – NONE

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

TRUSTEE LAUREN SKIDMORE LEFT AT 11:37 A.M.

EXECUTIVE SESSION

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

BARNETT, Donald FIRE (Safety)

37. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title – Executive Director

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED AT 12:37 P.M

ROLL CALL

Board Clerk noted the following Trustees were present:

Present: Brandon, Couch, Dodgin, Franey, Kaufman, Kratt, Nunneley, Robinson, Seibly, Whitezell

Absent: Gonzalez, Skidmore

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

- ITEM 36 – ADOPTED FINDINGS OF FACT AND SUPPLEMENTAL RESPONSE OF HEARING OFFICER AND RECOMMENDATION TO DENY SERVICE-CONNECTED DISABILITY RETIREMENT AND GRANT NON-SERVICE-CONNECTED DISABILITY RETIREMENT

Robinson-Kaufman – 6 Ayes; 2 Noes (Dodgin and Kratt); 1 Absent (Skidmore)

- ITEM 37 – NO REPORTABLE ACTION

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

38. 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 – TRUSTEE EDWARD ROBINSON HEARD

NEW BUSINESS

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

40. ADJOURNED – 12:39 P.M.

Secretary, Board of Retirement

Chair, Board of Retirement

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Finance Committee
February 26, 2021**

1:31 p.m.

Committee Members: Couch, Franey, Gonzalez (Alternate), Skidmore, Chair
Whitezell

ROLL CALL

Present: Couch, Franey, Gonzalez, Whitezell

Absent: Skidmore

NOTE: The vote is displayed in bold below each item. For example, Couch-Skidmore denotes Trustee David Couch made the motion and Trustee Lauren Skidmore seconded the motion.

1. Trustee Education regarding Supplemental Retiree Benefit Reserve (SRBR), presented by Executive Director Dominic Brown, and Paul Angelo and Molly Calcagno, Segal – **PAUL ANGELO AND MOLLY CALCAGNO, SEGAL, HEARD; CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH, PHIL FRANAY AND JUAN GONZALEZ HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD**

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

RECEIVED EDUCATIONAL TRAINING (82 MINUTES TRUSTEE EDUCATION CREDIT)

2. Discussion and appropriate action regarding Supplemental Retiree Benefit Reserve (SRBR) – CHAIR TYLER WHITEZELL HEARD; TRUSTEES PHIL FRANNEY AND JUAN GONZALEZ HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

TRUSTEE DAVID COUCH LEFT AT 3:02 P.M.

DIRECTED STAFF TO REVIEW STRUCTURE OF SRBR PROGRAM, BASED ON DISCUSSION, CONSIDER POLICY CHANGES TO ALLOW INCREASED FLEXIBILITY AND RETURN TO FINANCE COMMITTEE

Franey-Gonzalez – 3 Ayes

PUBLIC COMMENTS

3. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee 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 Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

4. On their own initiative, Committee 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
5. ADJOURNED – 3:21 P.M.

Secretary, Board of Retirement

Chair, Finance Committee



PRUDENT INVESTMENT • QUALITY SERVICE

**Kern County Employees' Retirement Association
New Retirees- February 1, 2021 to February 28, 2021**

Employer Name: County Of Kern

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Cavazos	Jesus	12/15/2020	Safety Tier I	2210S - Sheriff
Deatherage	Richard	01/02/2021	Safety Tier I	2340S - Probation-Safety
Douglas	Gail	01/16/2021	General Tier I	2183 - Dept Of Child Support Svc
Funston	Kathleen	01/30/2021	General Tier I	1160 - Information Technology Sv
Garcia Silvestre	Ramona	01/04/2021	General Tier I	5120 - Depart Of Human Services
Gardea	Jose	01/02/2021	General Tier I	8954 - Public Works-Public Ways
Geronimo	Ernie	01/16/2021	Safety Tier I	2340S - Probation-Safety
Gorman	Marjorie	01/02/2021	General Tier I	5120 - Depart Of Human Services
Hernandez	Gilbert	01/16/2021	General Tier II	5120 - Depart Of Human Services
Hoffman	Randy	01/16/2021	General Tier I	8954 - Public Works-Public Ways
Leatherwood	Joyce	01/16/2021	General Tier I	4120 - Behavioral Health & Reco
Lesaca	Felix	01/16/2021	Safety Tier I	2415S - Fire
Oldham	Delores	12/01/2020	General Tier I	4123 - Substance Abuse Program
Ortiz	Alicia	01/30/2021	General Tier I	1130 - Assessor
Patrick	Laura	01/30/2021	General Tier I	2183 - Dept Of Child Support Svc



PRUDENT INVESTMENT • QUALITY SERVICE

**Kern County Employees' Retirement Association
New Retirees- February 1, 2021 to February 28, 2021**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Rosenberg	Sherri	01/09/2021	General Tier I	5120 - Depart Of Human Services
Sprague	Felicia	01/02/2021	General Tier I	4120 - Behavioral Health & Reco
Stecki	Carolyn	01/02/2021	General Tier I	1130 - Assessor
Tellez	Jaime	01/01/2021	Safety Tier I	2210S - Sheriff
Viscuso	Kenneth	01/02/2021	General Tier I	5120 - Depart Of Human Services
Wedeking	Darrin	01/16/2021	Safety Tier I	2210S - Sheriff
Williams	Theron	01/16/2021	General Tier I	1610 - General Services Division

Employer Name: KC Superior Court

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Espinoza	Eliseo	01/30/2021	General Tier I	9410 - Superior Court
Garcia	Irma	01/13/2021	General Tier I	9410 - Superior Court

Employer Name: Kern County Hospital Authority

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Cameron	Jennifer	12/22/2020	General Tier I	9460 - Kern County Hospital Authority
Hardin	Frances	01/02/2021	General Tier I	9460 - Kern County Hospital Authority
Thomas	Mini	01/16/2021	General Tier I	9460 - Kern County Hospital Authority
Witcher	Karen	01/16/2021	General Tier I	9460 - Kern County Hospital Authority



PRUDENT INVESTMENT • QUALITY SERVICE

**Kern County Employees' Retirement Association
New Retirees- February 1, 2021 to February 28, 2021**

Employer Name: San Joaquin Valley APCD

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Marjollet	G.-Arnaud	01/16/2021	General Tier I	0959 - San Joaquin Valley Air Pollution Control District
Scheller	Scott	01/05/2021	General Tier I	0959 - San Joaquin Valley Air Pollution Control District

Employer Name: West Side Cemetery

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Bauer	Joel	01/02/2021	General Tier I	0985 - West Side District Cemetery



PRUDENT INVESTMENT • QUALITY SERVICE

Kern County Employees' Retirement Association Decedents- February 1, 2021 to February 28, 2021

Pre-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Bennett	Wendell	General	County Of Kern

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Bostick	Karyn	General	County Of Kern
Butler	Donna	General	County Of Kern
Garner	Dannie	Safety	County Of Kern
Hayes	John	General	County Of Kern
Hunter	Cheryl	General	County Of Kern
Jones	Charles	General	County Of Kern
Kent	Howard	Safety	County Of Kern
Kooren	Otto	General	County Of Kern
Lampson	Herbert	General	Berrenda Mesa Water District
Mcghee	Gaye	General	County Of Kern
Ortiz	Doris	General	County Of Kern
Patterson	Perry	General	County Of Kern
Poh	Sue	General	County Of Kern
Robinson	Linda	Safety	County Of Kern
Sanchez	Kathlene	General	County Of Kern
Shinn	Donald	General	West Side Mosquito
Spann	Kelsey	General	County Of Kern
Starkey	William	Safety	County Of Kern
Tamayo	Margaret	General	County Of Kern
Williams	Cathryn	General	County Of Kern

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 02/28/2021**

NAME	DEPARTMENT	TYPE	DATE FILED	DATE OF LAST CONTACT	NUMBER OF DAYS
Bankston, Josh	SHERIFF	SCD/SF	02/09/21	02/09/21	19
Cushman, Harris	SHERIFF	SCD/SF	12/22/20	02/12/21	16
Carrillo, Mabelle	ANIMAL CONTROL	SCD/GEN	11/18/20	02/26/21	2
Burchfield, James	PUBLIC WORKS	SCD/GEN	11/17/20	02/26/21	2
Tisinger, Douglas	KERN COUNTY WATER AGENCY	SCD/GEN	10/05/20	02/24/21	4
Diffenbaugh, Anthony	FIRE	SCD/SF	06/11/20	02/20/21	8
NAME	DEPARTMENT	TYPE	DATE FILED	MMRO ASSIGNED	MMRO RECEIVED
Fleeman, Justin	SHERIFF	SCD/SF	09/17/20	02/08/21	
Haight, Anita	COURTS	SCD/GEN	05/14/20	09/29/20	
Conner, James	SHERIFF	SCD/SF	05/14/20	08/31/20	
Burgess, Daniel	ANIMAL CONTROL	SCD/GEN	04/21/20	07/17/20	
Brown, Michael	SHERIFF	SCD/SF	04/14/20	08/31/20	
Baker, Breanne	HUMAN SERVICES	SCD/GEN	04/02/20	09/29/20	
Chandler, Ian (Melanie Chandler)	SHERIFF	SCD/SF	01/06/20	08/28/20	
Zdarstek, Derek-ADP	PROBATION	SCD/SF	11/22/19	06/29/20	
Terry, Leann	SHERIFF	SCD/SF	10/17/19	06/30/20	
Milton, Dawn	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	NSCD/GEN	09/19/19	06/18/20	
Weiting, Neil	SHERIFF	SCD/SF	08/14/19	06/18/20	
Day, Lester	SAN JOAQUIN VALLEY AIR POLLUTION CONTROL	SCD/GEN	08/02/19	06/15/20	
Ayon, Saul	SHERIFF	SCD/SF	08/01/19	06/19/20	02/23/21
Avila, Andy	SHERIFF	SCD/SF	07/05/19	05/20/20	
Jefferson, Jill	AGRICULTURE AND MEASUREMENT STANDARDS	NSCD/GEN	04/02/19	07/17/20	
Wimberly, Laura (Rodriguez)	PROBATION	SCD/SF	02/01/19	05/19/20	02/23/21
Martinez de Moore, Brenda	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	SCD/GEN	12/10/18	09/08/20	
Snyder, Zachary	FIRE	SCD/SF	12/07/18	05/05/20	02/23/21
Boren, Colleen	RISK MANAGEMENT	SCD/GEN	08/02/18	09/03/20	
Champlin, Timothy	PROBATION	SCD/SF	04/25/18	04/30/20	
Hulsey, Jonathan	PROBATION	SCD/SF	04/18/18	04/22/20	
Alaniz, Maria D.	PUBLIC HEALTH	NSCD/GEN	04/13/18	10/17/20	
Herman, Mark	DISTRICT ATTORNEY	SCD/SF	04/04/18	04/21/20	
Acosta, Timothy	SHERIFF	SCD/SF	04/03/18	04/08/20	02/23/21
Gonzalez, Richard	FIRE	SCD/SF	02/14/18	03/23/20	
Coletti, John	SHERIFF	SCD/SF	01/30/18	04/07/20	
Van Doorn, Kimberly	SHERIFF	SCD/SF	01/05/18	03/19/20	02/23/21
Houston, Jeffrey	SHERIFF	SCD/SF	11/20/17	03/07/20	
Tennison, Robyn (McClain)	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	NSCD/GEN	07/17/17	02/20/20	
Rodriguez, Ted	SHERIFF	SCD/SF	06/22/17	02/20/20	
Montoya-Cearley, Durinda	SJV AIR POLLUTION CONTROL	SCD/GEN	05/23/17	02/20/20	02/22/21
Hsu, Sue	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	SCD/GEN	04/05/17	02/06/20	
Reed, Robert T	SHERIFF	SCD/SF	03/22/17	11/05/19	
Paxson, Kalae	SHERIFF	SCD/SF	03/15/17	11/05/19	
Carvel, Scott	DISTRICT ATTORNEY	SCD/SF	01/27/17	11/05/19	

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 02/28/2021**

NAME	DEPARTMENT	TYPE	DATE FILED	MEDICAL ADVISOR ASSIGNED	MEDICAL ADVISOR RECEIVED	DATE OF LAST CONTACT	NUMBER OF DAYS
Simmons, Amber	PROBATION	SCD/SF	07/21/16	08/13/20	12/16/20	01/20/21	39

Criteria for Contacting Applicants for Status Updates:

- 1) Following SDAG Meeting
- 2) Following Referral to Medical Advisor
- 3) Following 30-Day Notify Letter sent to Applicant to notify there will be a recommendation to deny the application and providing the opportunity to appeal
- 4) Following 60-Day Notice letter sent to applicant to notify they have 60 days to provide additional medical records
- 5) Every three months if no other activity on case

COMPLETED IN 2021

NAME	DEPARTMENT	TYPE	FILED	DATE COMPLETED
Ramsey, Denise	SHERIFF	SCD/SF	08/13/18	02/10/21
Ashley, James	SHERIFF	SCD/SF	07/10/18	02/10/21
Deacon, Pamela	CHILD SUPPORT SERVICES	NSCD/GEN	04/13/18	02/10/21
Panero, Paul	KERNHOSPITAL AUTHORITY	SCD/GEN	05/17/17	01/20/21
Rubio-Estaban, Maria	SERVICES	NSCD/GEN	06/20/17	01/20/21

**KCERA
APPEALS PENDING
AS OF 02/28/21**

ADMINISTRATIVE HEARING	DEPARTMENT	TYPE	DATE FILED	SDAG RECOMMENDATION	APPEAL RECEIVED	SENT TO COUNTY COUNSEL	HEARING OFFICER ASSIGNED	HEARING DATE
Ashley, Mark	SHERIFF	SCD/SF	09/03/15	SDAG to deny SCD but grant NSCD	05/06/20	08/20/20	09/15/20	03/23/21
Winn, Jay M.	DISTRICT ATTORNEY	SCD/SF	03/16/16	SDAG referred to HRO	05/28/20	06/02/20	06/25/20	11/09/20

WRIT OF MANDATE	DEPARTMENT	TYPE	DATE FILED	BOARD DECISION
Candler, Laura	SHERIFF	SCD/GEN	10/13/14	Board denied SCD
Morgan, Gloria	SHERIFF	SCD/GEN	03/26/15	Board denied SCD

COURT OF APPEAL	DEPARTMENT	TYPE	DATE FILED	BOARD DECISION
Blue, Michael	SHERIFF	SCD/SF	06/14/13	Board denied SCD

HEARINGS COMPLETED IN 2021				
NAME	DEPARTMENT	TYPE	DATE FILED	DATE COMPLETED
Barnett, Donald	FIRE	SCD/SF	08/23/11	2/10/2021

SECURITIES LENDING

Summary Earnings Report

Run Time: 08-Feb-2021 12:01 EST
 Date Range: 01-JAN-2021 To 31-JAN-2021
 Location: Not specified
 Currency: Not Specified
 Client ID: Not Specified
 Master Client: CAKERN
 Grouping Type: None
 Level: Individually

	Client ID	Average Contract Amount	Gross Earnings	DB Earnings	Client Earnings	Custody Account
New York						
USD						
KNCTY - Harvest Midstream	CAKE18	546,471.30	234.93	23.49	211.44	KNC15
KNCTY - PIMCO Midstream	CAKE19	3,098,315.16	1,116.07	111.61	1,004.47	KNC16
KNTCY - Alliance Bernstein	CAKE15	16,788,492.51	3,928.02	392.80	3,535.22	2664130
KNTCY - Geneva	CAKE16	29,127,632.21	7,177.55	717.75	6,459.79	2667336
KNTCY - Gramercy	CAKE08	771,115.00	232.91	23.29	209.62	KNC12
KNTCY - Pimco	CAKE07	2,915,246.45	875.64	87.56	788.08	KNC11
KNTCY - Western Asset MGMT Co 01	CAKE03	15,895,666.37	4,146.88	414.69	3,732.19	KNC06
KNTCY - Western Asset MGMT Co 02	CAKE04	27,571,415.38	8,484.86	848.49	7,636.38	KNC08
CCY Total USD:		96,714,354.38	26,196.86	2,619.69	23,577.18	

This document is intended for discussion purposes only and does not create any legally binding obligations on the part of Deutsche Bank AG and/or its affiliates ("DB"). Without limitation, this document does not constitute a DB's view, an offer, an invitation to offer or a recommendation to enter into any transaction. DB is not acting as your financial advisor or in any other fiduciary capacity with respect to this document. The transaction(s) or product(s) mentioned herein may not be appropriate for all users and before entering into any transaction you should take steps to ensure that you fully understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment. If you decide to enter into a transaction with DB, you do so in reliance on your own judgment. The information contained in this document is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Any opinions expressed herein may differ from the opinions expressed by other DB departments. DB may engage in transactions in a manner inconsistent with the views discussed herein. DB trades or may trade as principal in the instruments (or related derivatives) discussed herein. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission. DB SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS DOCUMENT FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREFORE. Deutsche Bank AG, including its subsidiaries and affiliates, does not provide legal, tax or accounting advice. The recipient of this communication should seek advice from an independent tax advisor regarding any tax matters addressed herein based on its particular circumstances. Copyright © 2020 Deutsche Bank AG. All rights reserved.

KCERA ASSET ALLOCATION*
1/31/2021

Manager Name	Type	(\$000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) (\$000)
AllianceBernstein	Small Cap Value	88,610	1.8%			
Henderson Geneva Capital	Small Cap Growth	78,761	1.6%			
Mellon Capital Management EB DV	Large Cap Passive	339,147	6.8%			
Mellon Dynamic US Equity Fund	Large Cap	99,276	2.0%			
PIMCO StockPlus	Large Cap Enhanced	120,509	2.4%			
Total Domestic Equity		\$726,303	14.6%	19.0%	(4.4%)	(\$221,860)
BlackRock International Alpha Tilts	International Large	238,027	4.8%			
Cevian Capital II LP	International Large	30,018	0.6%			
Fidelity-Pyramis	International Small	618	0.0%			
Mellon Capital Management-EB DV	International Large Passive	255,410	5.1%			
Total International Developed Equity		\$524,073	10.5%	13.0%	(2.5%)	(\$124,670)
AB Emerging Markets Strategic Core	Emerging Markets	114,228	2.3%			
American Century	Emerging Markets	80,000	1.6%			
DFA Emerging Markets Value Portfolio	Emerging Markets	102,223	2.0%			
Mellon Emerging Markets	Emerging Markets	87,894	1.8%			
Total Emerging Market Equity		\$384,345	7.7%	5.0%	2.7%	\$134,828
TOTAL EQUITY		\$1,634,721	32.8%	37.0%	(4.2%)	(\$211,701)
Mellon Capital Management Ag Bond	Core	231,918	4.6%			
PIMCO	Core Plus	272,984	5.5%			
Western Asset Management	Core Plus	270,977	5.4%			
Total Core		\$775,879	15.5%	14.0%	1.5%	\$77,233
TCW Securitized Opportunities LP	Securitized Opportunities	128,647	2.6%			
Western Asset Management	High Yield	243,786	4.9%			
Total Credit		\$372,433	7.5%	6.0%	1.5%	\$73,013
PIMCO EM Beta	Emerging Markets	143,892	2.9%			
Stone Harbor Global Funds	Emerging Markets	110,757	2.3%			
Total Emerging Market Debt		\$254,649	5.1%	4.0%	1.1%	\$55,036
TOTAL FIXED INCOME		\$1,402,961	28.1%	24.0%	4.1%	\$205,282
Gresham Commodity Builder Fund	Active	76,597	1.5%			
Wellington Trust Company (WTC)	Active	135,257	2.7%			
TOTAL COMMODITIES		\$211,854	4.2%	4.0%	0.2%	\$12,241
Aristeia International Ltd	Hedge Fund - Direct	62,413	1.3%			
Brevar Howard Fund Limited	Hedge Fund - Direct	66,574	1.3%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	49,790	1.0%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	51,615	1.0%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	92,205	1.8%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	37,897	0.8%			
Magnetar Structured Credit Fund	Hedge Fund - Direct	10,367	0.2%			
Myriad Opportunities Offshore Fund	Hedge Fund - Direct	53,396	1.1%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	71,851	1.4%			
PMF LTD	Hedge Fund - Direct	58,503	1.2%			
River Birch International Ltd	Hedge Fund - Direct	1,309	0.0%			
Sculptor Enhanced LP (Formerly OZ Domestic)	Hedge Fund - Direct	57,985	1.2%			
TOTAL HEDGE FUND		\$613,905	12.3%	10.0%	2.3%	\$114,872
ASB Capital Management	Core	117,007	2.3%			
JPMCB Strategic Property Fund	Core	107,564	2.2%			
TOTAL CORE REAL ESTATE		\$224,571	4.5%	5.0%	(0.5%)	(\$24,946)
Davidson Kempner	Hedge Fund - Direct	50,971	1.0%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	50,000	1.0%			
HBK Spac Fund	Hedge Fund - Direct	30,000	0.6%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	26,788	0.6%			
TOTAL CE ALPHA POOL		\$157,759	3.2%	5.0%	(1.8%)	(\$91,758)
Harvest Midstream	Midstream	74,163	1.5%			
PIMCO Midstream	Midstream	51,043	1.0%			
TOTAL MIDSTREAM ENERGY		\$125,206	2.5%	0.0%	2.5%	\$125,206
DB Investor's Fund IV	Opportunistic	27,850	0.6%			
TSSP Adjacent Opportunities Partners (D)	Opportunistic	39,679	0.8%			
TOTAL OPPORTUNISTIC		\$67,529	1.4%	0.0%	1.4%	\$67,529
Abbott Capital Funds	Private Equity Fund of Funds	37,914	0.8%			
Brighton Park	Private Equity	7,697	0.2%			
Pantheon Funds	Private Equity Fund of Funds	15,932	0.3%			
Vista	Private Equity	92	0.0%			
TOTAL PRIVATE EQUITY		\$61,635	1.2%	5.0%	(3.8%)	(\$187,882)
Blue Torch Credit Opportunites	Private Credit	4,479	0.1%			
Brookfield Real Estate Finance Fund V	Private Credit	26,342	0.5%			
Colony Distressed Credit Fund	Private Credit	52,848	1.1%			
Fortress	Private Credit	2,000	0.0%			
H.I.G Bayside Loan Opportunity Fund	Private Credit	9,853	0.2%			
Magnetar Constellation Fund V	Private Credit	52,326	1.0%			
TSSP Adjacent Opportunities Partners (B)	Private Credit	33,324	0.7%			
TOTAL PRIVATE CREDIT		\$181,172	3.6%	5.0%	(1.4%)	(\$68,345)
Covenant Apartment Fund	Private Real Estate	8,322	0.2%			
Invesco Real Estate Funds III & IV	Private Real Estate	25,504	0.5%			
KCERA Property	Private Real Estate	4,629	0.1%			
Landmark Real Estate Partners VIII	Private Real Estate	21,547	0.4%			
Long Wharf Real Estate Partners VIII	Private Real Estate	10,145	0.2%			
TOTAL PRIVATE REAL ESTATE		\$70,147	1.4%	5.0%	(3.6%)	(\$179,370)
Northern Trust STIF	Short Term	37,050	0.7%			
Parametric	Overlay	197,784	4.0%			
Treasurers Pooled Cash	Short Term	3,313	0.1%			
Wells Fargo Bank	Short Term	560	0.0%			
TOTAL CASH AND OVERLAY		\$238,707	4.8%	0.0%	4.8%	\$238,707
Transition Accounts	Liquidation	164	0.0%			
Other		\$164	0.0%	0.0%	0.0%	\$164
As Allocated to Managers **		\$4,990,331	100.0%	100.0%	0.0%	\$0

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement April 2020.

**Physical securities market value only. Does not include notional market values of the overlay or capital efficiency program

KCERA
Operating Expense Budget Status Report
For the Month Ended January 31, 2021

Expense Type	Budget FY 2020/21	Expenses	Over (Under)
Staffing			
Salaries	\$ 2,564,452	\$1,289,950	\$ (1,274,502)
Benefits	1,826,937	906,910	(920,027)
Temporary staff	27,000	24,826	(2,174)
Staffing Total	4,418,389	2,221,686	(2,196,703)
Staff Development	80,000	11,683	(68,317)
Professional Fees			
Actuarial fees	200,000	27,606	(172,394)
Audit fees	131,500	94,450	(37,050)
Consultant fees	75,000	24,960	(50,040)
Legal fees	60,000	87,017	27,017
Professional Fees Total	466,500	234,033	(232,467)
Office Expenses			
Building expenses	72,000	33,071	(38,929)
Communications	32,548	22,131	(10,417)
Equipment lease	13,000	5,470	(7,530)
Equipment maintenance	8,670	2,000	(6,670)
Memberships	14,000	9,495	(4,505)
Office supplies & misc. admin.	52,640	23,617	(29,023)
Payroll & accounts payable fees	8,000	1,388	(6,612)
Postage	25,000	1,994	(23,006)
Subscriptions	13,500	5,625	(7,875)
Utilities	50,000	21,457	(28,543)
Office Expense Total	289,358	126,248	(163,110)
Insurance	130,313	134,401	4,088
Member Services			
Benefit payment fees	5,220	1,642	(3,578)
Disability- legal fees	75,000	16,133	(58,867)
Disability- medical advisors	15,000	14,463	(538)
Disability – professional services	50,000	7,000	(43,000)
Disability- administration MMRO	170,000	81,800	(88,200)
Member communications	20,000	637	(19,363)
Member Services Total	335,220	121,674	(213,546)
Systems			
Audit – security & vulnerability scan	15,000	-	(15,000)
Business continuity expenses	24,500	8,740	(15,760)
Hardware	40,707	21,398	(19,309)
Licensing & support	155,297	114,596	(40,701)
Software	67,121	54,243	(12,878)
Website design	2,280	390	(1,890)
Systems Total	304,905	199,368	(105,537)
Board of Retirement			
Board compensation	12,000	5,594	(6,406)
Board conferences & training	58,000	2,505	(55,496)
Board elections	-	-	-
Board meetings	3,500	48	(3,452)
Board of Retirement Total	73,500	8,146	(65,354)
Depreciation / Amortization	656,101	327,760	(328,341)
Total Operating Expenses	\$ 6,754,286	\$ 3,384,998	\$ (3,369,288)

KCERA
CASH FLOW POSITION
January, 2021
TREASURERS POOLED CASH

Beginning Cash Balance:		\$	3,312,947
Employer Contributions	32,069,891		
Employee Contributions	4,687,787		
Service Purchases	21,294		
Miscellaneous - Including erroneous deposit	39,177		
Total Receipts:			36,818,150
Operating Expenses	(675,629)		
Investment Expenses	(571,629)		
Transfers-out	(26,000,000)		
Total Disbursements:			(27,247,258)
Ending Cash Balance:		\$	12,883,839

NORTHERN TRUST


Beginning Cash Balance:			67,094,316
Private Equity - Distributions	5,732,323		
Commingled Funds - Distributions	10,000,004		
Hedge Funds - Distributions	8,006,658		
Redemption Fidelity	8,853,492		
Interest	15,590		
Securities Lending Earnings (NET)	14,984		
Total Receipts:			32,623,050
Capital Calls Vista	(279,290)		
Capital Calls Blue Torch	(2,441,627)		
Contribution Harvest Midstream	(20,000,000)		
Contribution HBK	(10,000,000)		
Contribution PIMCO EM	(20,000,000)		
Other Expenses	(7,150)		
Transfers-out	(6,000,000)		
Total Disbursements:			(58,728,067)
Ending Cash Balance:		\$	40,989,299

WELLS FARGO BANK

Beginning Cash balance:		\$	559,728
Transfer-In	32,000,000		
Total Receipts:			32,000,000
Pension Payments	(30,739,358)		
Lump Sum Payments	(443,821)		
Bank Service Charges	(2,134)		
Cash Clearing (NET)	79,167		
Total Disbursements:			(31,106,146)
Ending Cash Balance:		\$	1,453,582

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED JANUARY, 2021**

Description	July	August	September	October	November	December	January	Total
Investment Base Fees:								
Domestic Equity:								
AllianceBernstein	\$ 233,327			\$ 143,969			\$ 186,278	\$ 563,574
Henderson Geneva Capital		113,510			119,220			232,730
Mellon Capital		149,441		172,936				322,377
International Equity:								
BlackRock	63,279							63,279
Fidelity Institutional Asset Management	155,402							155,402
Sustainable Growth Advisers	140,678							140,678
Fixed Income:								
Gramercy Funds Management LLC								-
Mellon Capital								-
Pacific Investment Management Company	112,033				70,755			182,788
Western Asset Management	252,103			266,555				518,659
Commodities:								
BlackRock		61,483				66,932		128,415
Wellington Trust Company	162,944				193,536			356,480
Real Estate:								
ASB Capital Management		229,198			229,430			458,628
JP Morgan	246,309							
Subtotal	1,119,766	553,632	-	583,460	612,942	66,932	186,278	3,123,009
Investment Performance Fees:								
International Equity:								
Fidelity Institutional Asset Management		125,233			156,972			282,205
Fixed Income:								
Pacific Investment Management Company		68,463			65,530			133,992
Subtotal	-	193,696	-	-	222,502	-	-	416,198
Investment Professional Fees:								
Consulting:								
Albourne America LLC	33,333	33,333	33,333	33,333	33,333	42,783	33,333	242,783
Cambridge Associates	150,000		150,000				161,951	461,951
Glass, Lewis & Co.							14,588	14,588
Verus	31,667	31,667	31,667	31,667	31,667	34,167	34,167	226,667
Custodial:								
The Northern Trust Co.				80,000			116,313	196,313
Legal:								
Foley & Lardner LLP				270				270
Hanson Bridgett LLP	2,700	20,000	11,520	7,680		180		42,080
Nossaman LLP		45,000	2,984	32,626		25,000	25,000	130,610
Overlay								
Parametric					9,934			
Due Diligence / Investment-Related Travel:								-
Subtotal	217,700	130,000	229,503	185,576	74,934	102,130	385,351	1,325,194
Total Investment Fees	\$ 1,337,466	\$ 877,328	\$ 229,503	\$ 769,036	\$ 910,377	\$ 169,062	\$ 571,629	\$ 4,864,401
Market Value of Investments \$(000)	\$ 4,536,279	\$ 4,644,526	\$ 4,587,636	\$ 4,550,423	\$ 4,814,859	\$ 4,969,614	\$ 4,990,331	

Date: March 10, 2021
To: Trustees, Board of Retirement
From: Jennifer Zahry, General Counsel 
Subject: **Initiation of Service Provider Evaluation Period**

The Board of Retirement's Evaluation Period Policy was established to help ensure that decisions involving the selection, retention, or termination of KCERA service providers are consistent with fiduciary standards of conduct, and that service providers being considered by KCERA are treated fairly.

An "evaluation period" is initiated in the following situations:

- a) when a request for proposals (RFP) has been issued by KCERA or a short list of candidate firms has been identified for consideration by KCERA, or
- b) the Board otherwise deems it to be in the best interest of KCERA and its members and beneficiaries to do so.

The Executive Director has initiated the evaluation period for the following:

- 1) Linden Capital Partners

The Executive Director has exercised his discretion to institute an evaluation period for the above provider.

Trustees shall comply with the evaluation period restrictions upon receipt of the Executive Director's written notification.

Pursuant to the aforementioned policy, staff recommends your Board ratify the evaluation period that has been instituted by Executive Director Dominic Brown on March 3, 2021.

AMENDMENT 1 TO AGREEMENT FOR ACTUARIAL SERVICES

(Segal)

THIS AMENDMENT 1 TO AGREEMENT is made and entered into this 1st day of April 2021, by and between the Board of Retirement ("Board") of the Kern County Employees' Retirement Association ("KCERA") and Segal, a corporation formed under the laws of the State of Delaware, with its principal place of business located in 180 Howard Street, Suite 1100, San Francisco, CA ("Actuaries").

WITNESSETH:

WHEREAS:

- (a) By AGREEMENT commencing April 1, 2020 ("Agreement"), KCERA engaged the services of Actuaries to conduct various actuarial services including an annual valuation, an experience investigation and evaluation, testing for tax qualification, and other actuarial services on an "as needed" basis;
- (b) The Board desires to amend the Agreement for the purpose of extending the period for an additional one (1) year ending on April 1, 2022.

NOW, THEREFORE, in accordance with Section 15 of the Agreement, the parties hereto agree to amend the Agreement as set forth below.

- 1. Section 7 of the Agreement is hereby amended so all references to "April 1, 2021" are changed to "April 1, 2022."
- 2. Exhibit "B" of the Agreement shall be amended and restated in its entirety and replaced with **Exhibit "B"** attached hereto.
- 3. Except as expressly amended hereinabove, all terms and conditions of the Agreement dated April 1, 2020, shall remain in full force and effect.

[The remainder of this page was intentionally left blank.]

IN WITNESS WHEREOF, each party to this Agreement has signed this Agreement upon the date indicated, and agrees, for itself, its employees, officers, partners, and successors, to be fully bound by all terms and conditions of this Agreement.

APPROVED AS TO CONTENT:
Kern County Employees'
Retirement Association

KERN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

By _____
Dominic D. Brown, Executive Director
"KCERA"

By _____
Dustin Dodgin, Chairman
Board of Retirement "KCERA"

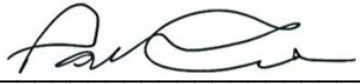
Date _____

Date _____

APPROVED AS TO FORM:
KCERA General Counsel

THE SEGAL COMPANY (WESTERN
STATES), INC. d/b/a SEGAL

By _____
Jennifer Esquivel Zahry

By  _____
Paul Angelo, Senior Vice President
& Actuary
("Actuaries")

Date _____

Date March 1, 2021

Exhibit B

ACTUARIAL FEE SCHEDULE

Fixed Fee Structure

Calendar Year	April 2020 through March 2021	April 2021 through March 2022	
A. Annual Valuations—includes one presentation to the Board of Retirement and one presentation to the Board of Supervisors Contract sections 1.B. (1) & (3)	\$66,000 06/30/20 Valuation	\$68,000 06/30/21 Valuation	
B. GASB 67 Valuation Contract section 1.C. (1)	\$12,500	\$13,000	
C. GASB 68 Valuation ¹ Contract section 1.C. (1)	\$19,000	\$19,500	
D. SRBR Tier 3 Contract section 1.C. (3)	\$ 9,250	\$9,500	
E. Annual COLA and COLA bank Contract section 1.C. (2)	\$ 2,100	\$2,200	
F. 415 Limit Calculations* Contract section 1.C. (4)	—		
G. Triennial Experience Study Included in contract section 1.B.(2)	\$48,000		
Total for Fixed Fees	\$156,850	\$112,200	

¹This does not include the additional work we have been asked to do each year for the Hospital Authority. That work will continue to be performed on an hourly rate basis.

These fees include attendance at two Board or other meetings per year (as part of annual valuations), plus two additional meetings to present the experience analysis.

* This work will be performed on an hourly rate basis.

Segal does not charge or load for computer time or system usage, nor do we charge for clerical support. Actual travel expenses will be billed for meetings in excess of two per year (excluding the presentation of the experience analysis).

Hourly Rates

Class of Personnel	Standard Hourly Rate		
	Year 2020/2021	Year 2021/2022	
Principal Actuary (Angelo)	\$540	\$550	
Reviewing Actuaries	\$520	\$530	
Supervising Actuary (Calcagno)	\$500	\$510	
Senior Actuarial Analysts	\$330 – \$420	\$340-\$430	
Actuarial Analysts	\$230 – \$320	\$240-\$330	
Compliance Consultants	\$500	\$510	
Clerical	No Charge	No Charge	

The above rates are all-inclusive. Segal does not charge or load for computer time or system usage, nor do we charge for clerical support. Actual travel expenses will be billed for meetings in excess of two per year (excluding the presentation of the experience analysis).

SPECIAL PAY CODE – NON-PENSIONABLE

Dept./BU	Code	Title	Details	Legal Authority
KCPOA	BT	Boot Allowance EXCLUDED FOR PEPRA MEMBERS	“All employees required by departmental regulations to wear uniforms will be provided an annual boot allowance of one hundred and twenty dollars to be paid the first full pay period in January.” (Side Letter Agreement No. 2, 11/10/20, #4).	<i>Cal. Gov. Code § 7522.34(c)(7)</i> (pensionable compensation does not include payments for “[a]ny employer-provided allowance, reimbursement, or payment, including, but not limited to , one made for housing, vehicle or uniforms”).

SPECIAL PAY CODE – PENSIONABLE

Dept./BU	Code	Title	Details	Legal Authority
KCPOA	BT	Boot Allowance INCLUDED FOR LEGACY MEMBERS	“All employees required by departmental regulations to wear uniforms will be provided an annual boot allowance of one hundred and twenty dollars to be paid the first full pay period in January.” (Side Letter Agreement No. 2, 11/10/20, #4).	<i>Cal. Gov. Code § 31461(a)</i> (compensation earnable means the average compensation earned by persons in the same grade or class of positions during the period and at the same rate of pay)

THE FOLLOWING SPECIAL ALLOWANCE DESIGNATION DISPLAYS THE SPECIAL ALLOWANCES CLASSIFIED BY THE EXECUTIVE DIRECTOR PURSUANT TO KCERA BOARD'S ADMINISTRATION OF SPECIAL ALLOWANCES POLICY & CA SUPREME COURT ALAMEDA DECISION (7/30/2020)

COMPENSATION EARNABLE


THE FOLLOWING SPECIAL ALLOWANCES ARE CONSIDERED **COMPENSATION EARNABLE** FOR APPLICABLE MEMBERS (MEMBERSHIP BEFORE 1/1/2013).

<u>CODE</u>	<u>SPECIAL ALLOWANCE</u>	<u>FULL LEGEND</u>
BT		BOOT ALLOWANCE (KCPOA)

PENSIONABLE COMPENSATION

THE FOLLOWING SPECIAL ALLOWANCES ARE **NOT** CONSIDERED **PENSIONABLE COMPENSATION** FOR APPLICABLE MEMBERS (MEMBERSHIP ON OR AFTER 1/1/2013).

<u>CODE</u>	<u>SPECIAL ALLOWANCE</u>	<u>FULL LEGEND</u>
BT		BOOT ALLOWANCE (KCPOA)

Date: March 10, 2021
To: Trustees, Board of Retirement
From: Dominic D. Brown, Executive Director 
Subject: **2021-22 Executive Director Performance Evaluation Criteria**

In accordance with the Executive Director Performance Evaluation Policy, the Executive Director Performance Evaluation Criteria must be reviewed by the Administrative Committee each year, for the twelve-month period in which the criteria is effective. Following is the criteria with weightings that were approved for 2020-2021, and will be used for 2021-2022:

**EXECUTIVE DIRECTOR
PERFORMANCE EVALUATION CRITERIA**

1. General Management Abilities as determined by the ED Evaluation Survey	30%
2. Financial Accounting and Reporting	15%
3. Budgetary Control	15%
4. Strategic Plan Implementation	40%
	<hr/> <hr/> 100%

The Executive Director is required to annually complete a self-evaluation and to share that with the Board, along with the results of a Climate Survey.

The Executive Director Performance Evaluation Criteria and weightings listed above were approved by unanimous vote of the Administrative Committee at their March 3, 2021 meeting.

Therefore, it is recommended that your Board approve the Executive Director Performance Evaluation Criteria for the evaluation period of 2021-2022.



EXECUTIVE DIRECTOR REPORT

KCERA | DOMINIC D. BROWN | MARCH 2021

BY MATTHEW HENRY, ASSISTANT EXECUTIVE DIRECTOR



OFFICE UPDATE

- In the last two weeks the Finance and Administrative Committee had meetings
- Staffing update
- Monthly staff education: Lean Six Sigma
- Annual Benefits statements were posted to the portal last week with the paper to be mailed out this week
- Upturn in the number of disability cases brought to your board over the next couple of months
- AB 845 introduced last week would create a temporary COVID presumption
- KCERA vendors are maintaining continuity of operations and providing KCERA with essential services
- KCERA is currently closed to members, but appointments are available for any members that require in-person services. All staff are continuing to work primarily remotely, with a few spending time in the office each week

OPERATIONS ACTIVITY

- Member Services
 - 31 new retirements and calculations
 - 58 death benefit calculations
 - 28 service-credit purchase calculations
 - 49 retirement estimates
 - 95 new active members
 - 60 terminations with disposition packets
 - 0 In-Person Appointments
 - 1 Walk-ins
 - 582 Phone calls
 - 186 Emails
- Accounting & Reporting
 - All monthly tasks are being maintained, including investment transactions
- Information Technology
 - IT staff is continuing to work with ADP on payroll transition for the last two special districts

UPCOMING EVENTS

- Administrative Committee – Next meeting is targeted for late March to continue working on policy review and response to Board referral regarding Board meeting accessibility
- Finance Committee – No meetings currently scheduled
- Investment Committee – Next meeting is targeted for April
- KCERA Property, Inc. – No meetings currently scheduled
- Board of Retirement – Next regular monthly meeting will be on April 14



CIO REPORT

INVESTMENT PROGRAM | MARCH 2021



REBALANCING REPORT

- Capital efficiency
 - +\$20MM HBK Opportunities—SPAC Series (alpha pool)
 - +\$40MM Parametric equity
 - Transfer \$20MM to Parametric cash
- Midstream build-out
 - +\$25MM Harvest midstream
 - +\$20MM PIMCO midstream
 - -\$30MM Western Asset core plus
- Reporting period covers 2/3/2021 to 3/2/2021
 - Prior reporting period: 1/12 to 2/2/2021, February CIO Report
- Reallocate credit overweight
 - -\$65MM Western Asset high yield
 - +\$35MM Wellington commodities
 - +\$20MM PIMCO emerging market debt
- Reduce exposure to DFA
 - -\$30MM DFA emerging market equity
 - +\$30MM Mellon emerging market equity

Note: Generally, investment transactions previously approved by the Board are not included in the Rebalancing Report

POSITIONING

Asset Class	Current Exposure	Target	Difference
Equity	40.8%	37%	+3.8%
Fixed Income	25.9%	24%	+1.9%
Core	14.5%	14%	+0.5%
Credit	6.1%	6%	+0.1%
EM Debt	5.3%	4%	+1.3%
Commodities	5.2%	4%	+1.2%
Midstream	3.5%	5%	-1.5%
Hedge Funds	12.0%	10%	+2.0%
Alpha Pool	4.2%	5%	-0.8%
Core Real Estate	4.4%	5%	-0.6%
Opportunistic	1.5%	0%	+1.5%
Private Markets	5.7%	15%	-9.3%
Cash	-3.1%	-5%	+1.9%

■ Since the previous update, notable allocation changes include:

- Core -2.2%
- Credit -1.4%
- EM Debt +0.2%
- Commodities +0.9%
- Midstream +1.0%
- Alpha Pool +0.4%

*Estimates as of February 28, 2021. Current Exposure includes notional values from overlay and capital efficiency.
Source: KCERA.*

INVESTMENT COMMITTEE MEETINGS

- The last Investment Committee (IC) meeting was held on February 5th.
- The next IC meeting will be in early April 2021. Discussion topics include:
 - Asset allocation review
 - Private equity fund recommendation



March 2021 General Counsel Report

Jennifer Zahry, General Counsel
Maggie Peralta-Lee, Senior Paralegal
Irma Jimenez, Legal Secretary

Proposed Legislation AB 845

COVID-19 Presumption

- ▶ Introduced: February 17, 2021
- ▶ Author: Assembly Member Freddie Rodriguez - Chino
- ▶ Statutory Location: Adds Article 5 to PEPRA, beginning at Cal. Gov. Code section 7523 et seq.
- ▶ Status: Referred to committee of Public Employment and Retirement - 1st reading
- ▶ Application: Public pension plans subject to PEPRA
- ▶ Limitations: Sunset date January 1, 2023
- ▶ SACRS Legislative Council to discuss this week

COVID Presumption

AB 845

- ▶ Proposed Action: Creates temporary presumption of service-connection for certain employees permanently incapacitated by COVID-19.
- ▶ Eligible Members:
 - Classifications described in Cal. Labor Code section 3212.87 and
 - Others infected by COVID-19, if their workplace experienced an “outbreak” .
- ▶ Rebuttable

February 2021 Metrics

	Completed
RFP	1
Contracts	1
Investment Contracts/ Documents	8
Board Documents	11
Community Property Matters	8
Public Record Requests	6
Powers of Attorney	8
Post-Retirement Employment Certifications	3
Disability Reports reviewed	6
GC Responses to inquiries/ Legal Review of Docs	160+

On Calendar - March

	Pending General Counsel Review
Operational Contracts	7
Investment/ Custodial Documents	5
Disability Matters	3
Community Property Matters	5
Staff Inquiries	19
Administrative Appeals	11

ASSEMBLY BILL

No. 845

Introduced by Assembly Member Rodriguez

February 17, 2021

An act to add and repeal Article 5 (commencing with Section 7523) to Chapter 21 of Division 7 of Title 1 of the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 845, as introduced, Rodriguez. Disability retirement: COVID-19: presumption.

Existing law, until 2023, defines “injury” for purposes of workers’ compensation insurance to include illness or death resulting from the 2019 novel coronavirus disease (COVID-19) under specified circumstances, and creates a disputable presumption, as specified, that the injury arose out of the course of employment and is compensable. This presumption is applicable to specified public safety, firefighter, and medical occupation, among others, as specified.

Existing law prescribes various requirements for the organization and administration of public retirement systems, which typically provide pension, disability, and death benefits to their members. These systems are governed by their boards of administration, to which the California Constitution grants the sole and exclusive responsibility to administer the system in a manner that will ensure prompt delivery of benefits and related services.

Existing law provides that participants in certain membership categories may be entitled to special benefits if death or disability arises in the course of employment. The California Public Employees’ Pension Reform Act of 2013 (PEPRA) generally requires a public retirement

system, as defined, to modify its plan or plans to comply with that act and establishes, among other things, limits on defined benefit formulas and caps on pensionable compensation.

This bill, until January 1, 2023, would create a presumption, applicable to the retirement systems that PEPPRA regulates and to specified members in those systems, that would be applied to disability retirements on the basis, in whole or in part, of a COVID-19-related illness. In this circumstance, the bill would require that it be presumed the disability arose out of, or in the course of, the member’s employment. The bill would authorize the presumption to be rebutted by evidence to the contrary, but unless controverted, the board of administration of the applicable retirement system would be required to find in accordance with the presumption. The bill would apply this presumption to members employed in specified firefighter, public safety officer, and health care job classifications, or their functional equivalents, and to members in other job classifications who test positive for COVID-19 during an outbreak of the disease at their places of employment, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 5 (commencing with Section 7523) is
2 added to Chapter 21 of Division 7 of Title 1 of the Government
3 Code, to read:

4
5 Article 5. COVID-19 Disability Retirement Presumption

6
7 7523. For purposes of this article:

8 (a) “COVID-19” means the 2019 novel coronavirus disease.
9 (b) “Member” means a member of a public retirement system

10 who meets either of the following:
11 (1) Whose job classification is either described in subdivision
12 (a) of Section 3212.87 of the Labor Code or is the functional
13 equivalent of a job classification described in that subdivision.

14 (2) Whose job classification is neither described in subdivision
15 (a) of Section 3212.87 nor is the functional equivalent the job
16 classifications described in that subdivision, but who tests positive
17 during an outbreak at the member’s specific place of employment.

1 The definitions set forth in subdivision (m) of Section 3212.88 of
2 the Labor Code shall apply to this paragraph.

3 (c) “Public retirement system” means any pension or retirement
4 system that is subject to the California Public Employees’ Pension
5 Reform Act of 2013 (Article 4 (commencing with Section 7522)).

6 7523.1. (a) For purposes of a member who retires for disability
7 on the basis, in whole or in part, of a COVID-19-related illness,
8 it shall be presumed that the disability arose out of, or in the course
9 of, the member’s employment.

10 (b) The presumption described in subdivision (a) may be
11 rebutted by evidence to the contrary, but unless controverted, the
12 board of administration of the applicable retirement system shall
13 be bound to find in accordance with the presumption.

14 7523.2. This article shall remain in effect only until January
15 1, 2023, and as of that date is repealed.

O