

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

April 14, 2021

8:31 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, Dodgin, Gonzalez, Kaufman, Kratt, Nunneley, Robinson, Seibly, Skidmore, Whitezell

Absent: Couch, Franey

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 Andy Avila, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

*4. Summary of proceedings of the following meetings:

- March 3, 2021 Administrative Committee
- March 10, 2021 Board of Retirement

RECEIVED AND FILED

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

*8. Securities Lending Earnings Summary Report for the period February 1-28, 2021 from Deutsche Bank – RECEIVED AND FILED

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

*9. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of February 2021

THIS ITEM WAS REMOVED FROM CONSENT AGENDA

*10. Report on Special Pays Codes classified by the Executive Director – RECEIVED AND FILED

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *11. Amendment 1 to Agreement for Legal Services Tax Counsel with Ice Miller LLP, effective May 9, 2021 – RECEIVED AND FILED; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Robinson-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

TRUSTEE DAVID COUCH ARRIVED AT 8:35 A.M.

9. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of February 2021 – TRUSTEES RICK KRATT AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; RETIREMENT FINANCIAL OFFICER ANGELA KRUGER HEARD

RECEIVED AND FILED

Robinson-Kratt – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

PUBLIC COMMENTS

12. 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

13. Presentation on the annual asset allocation review 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; TRUSTEES RICK KRATT AND EDWARD ROBINSON HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED ASSET ALLOCATION

Kratt-Kaufman – 8 Ayes; 1 No (Robinson)

Trustee Robb Seibly voted in place of Trustee Phil Franey

14. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Investment Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, Retirement Investment Officer Brian Long, CFA, and the Investment Committee – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEES RICK KRATT AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED UP TO \$22.5MM COMMITMENT TO THE LINDEN CAPITAL PARTNERS FUND V; APPROVED UP TO \$7.5MM COMMITMENT TO THE LINDEN CAPITAL CO-INVESTMENT FUND V; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Whitezell – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

15. Discussion and appropriate action on recommendation for Hedge Fund Consultant presented by Executive Director Dominic Brown, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – CHAIR DUSTIN DODGIN HEARD; VICE-CHAIR JUAN GONZALEZ HEARD; TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED HEDGE FUND CONSULTANT; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

ADMINISTRATIVE MATTERS

16. Presentation and update regarding implementation of *Alameda* decision and plan to initiate corrective distributions presented by Executive Director Dominic Brown – EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Couch-Kratt – 8 Ayes; 1 Abstention (Robinson)

Trustee Robb Seibly voted in place of Trustee Phil Franey

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.

17. KCERA 2020 Board Self-Evaluation Survey 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; TRUSTEE EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Kratt-Skidmore – 9 Ayes*

Trustee Robb Seibly voted in place of Trustee Phil Franey

**Prior to passage of the above action, the following motion occurred:*

MOVED TO REFER TO STAFF TO CONSIDER TIME LIMITS ON DISCUSSION

Robinson-No Second

MOTION DIED FOR LACK OF SECOND

18. KCERA 2021 Board Education Needs Assessment Report presented by Governance Consultant Tom Iannucci, Cortex Applied Research – CHAIR DUSTIN DODGIN HEARD; VICE-CHAIR JUAN GONZALEZ HEARD; TRUSTEE EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Gonzalez-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

19. Discussion and appropriate action on review of the KCERA Board of Retirement CERL Regulations presented by Executive Director Dominic Brown, General Counsel Jennifer Zahry, and the Administrative Committee – EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

APPROVED PROPOSED CHANGES AND PRESENTATION TO THE KERN COUNTY BOARD OF SUPERVISORS FOR FINAL APPROVAL

Gonzalez-Kaufman – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

20. Discussion and appropriate action on KCERA's voting delegate for the State Association of County Retirement Systems (SACRS) Virtual Spring 2021 Conference, presented by Executive Director Dominic Brown – CHAIR DUSTIN DODGIN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

APPOINTED EXECUTIVE DIRECTOR DOMINIC BROWN AS VOTING DELEGATE AND TRUSTEE PHIL FRANEY AS THE ALTERNATE VOTING DELEGATE

Kratt-Skidmore – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

21. Suggested slate of candidates for the State Association of County Retirement Systems (SACRS) Board of Director 2021-2022 Electronic Elections – GENERAL COUNSEL JENNIFER ZAHRY HEARD

DIRECTED VOTING DELEGATE TO ELECTRONICALLY VOTE FOR THE SLATE OF CANDIDATES AS SUGGESTED BY THE SACRS NOMINATING COMMITTEE

Gonzalez-Kratt – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

22. Memorandum from General Counsel Jennifer Zahry, dated April 14, 2021, regarding SACRS Legislative Proposal for 2021 concerning Sponsorship of SB 634 (Committee on Labor, Public Employment and Retirement) – GENERAL COUNSEL JENNIFER ZAHRY HEARD

APPROVED SACRS LEGISLATIVE PROPOSAL; DIRECTED VOTING DELEGATE TO ELECTRONICALLY CAST VOTES ACCORDINGLY

Couch-Whitezell – 8 Ayes; 1 Abstention (Robinson)

Trustee Robb Seibly voted in place of Trustee Phil Franey

STAFF REPORTS

23. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- KCERA LOBBY REOPENING
- STAFF AND HIRING UPDATE
- DISABILITY FILES UPDATE
- UPDATE ON TRUSTEE POLICY REVIEW REQUEST
- OPERATIONS ACTIVITY
- UPCOMING EVENTS

TRUSTEES JORDAN KAUFMAN AND EDWARD ROBINSON HEARD

24. Report from Chief Investment Officer

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

- REBALANCING REPORT
- POSITIONING UPDATE
- INVESTMENT COMMITTEE MEETINGS

25. Report from General Counsel

GENERAL COUNSEL JENNIFER ZAHRY REPORTED THE FOLLOWING:

- POST-RETIREMENT EMPLOYMENT COVID-19 EMERGENCY AUTHORIZATION
- UPDATE ON SJCERA V TRAVELERS
- MARCH 2021 METRICS
- APRIL 2021 CALENDAR ITEMS

COMMITTEE REPORTS

26. Report from Committee Chairs:

- a. Administrative Committee: DODGIN – NONE
- b. Finance Committee: WHITEZELL – MEETINGS TO COME
- c. Investment Committee: KRATT – NONE
- d. KCERA Property, Inc.: WHITEZELL – NONE

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

27. 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 – CHAIR DUSTIN DODGIN HEARD; TRUSTEE EDWARD ROBINSON HEARD

NEW BUSINESS

28. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – CHAIR DUSTIN DODGIN HEARD; TRUSTEES DAVID COUCH, EDWARD ROBINSON AND ROBB SEIBLY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

MOVED TO CONSIDER ADDING THE FOLLOWING ITEM TO A FUTURE AGENDA: PRESENTATION OF INFORMATION ON CERL SECTION 31602 REGARDING A HOME LOAN PROGRAM FOR MEMBERS

Robinson-Couch – 4 Ayes; 5 Noes (Dodgin, Kaufman, Kratt, Seibly, Whitezell)

Trustee Robb Seibly voted in place of Trustee Phil Franey

MOTION FAILED

29. ADJOURNED – 11:04 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement