

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

1115 Truxtun Avenue
Bakersfield, California

Audit-Actuarial Committee Meeting Monday November 3, 2008

2:04 p.m.

Committee Members: Franey, Frapwell, Chairman Hughes, Jefferson,
Alternate Ratekin

Roll Call: Franey, Frapwell Chairman Hughes, Jefferson

Absent: Alternate Ratekin

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

1. Discussion and appropriate action on the draft KCERA audited financial statements for the fiscal year ending June 30, 2008, presented by presented by Steven Starbuck and Connie Perez, Brown Armstrong, Paulden, McCown, Starbuck & Keeter – **STEVE STARBUCK AND CONNIE PEREZ, BROWN ARMSTRONG, PAULDEN, MCCOWN, STARBUCK & KEETER, HEARD; CHAIRMAN HUGHES HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD.**

RECEIVED AND FILED; APPROVED FISCAL YEAR 2007-08 AUDIT PROGRAM, RECOMMEND TO BOARD OF RETIREMENT TO APPROVE THE KCERA AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Franey-Frapwell – 4 Ayes

2. Discussion and appropriate action on experience study for 2006, 2007 and 2008, presented by Karen Steffen and Daniel Wade, Milliman Inc. – **KAREN STEFFEN AND DANIEL WADE, MILLIMAN, INC. HEARD; TRUSTEES FRAPWELL AND FRANNEY HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD; DEPUTY COUNTY COUNSEL PATRICIA RANDOLPH HEARD**

RECEIVED AND FILED; RECOMMEND ADOPTION OF ECONOMIC AND NON-ECONOMIC ASSUMPTIONS TO THE BOARD OF RETIREMENT

Frapwell-Franey – 4 Ayes

3. Discussion and appropriate action on revision to the KCERA's funding policy to create a new Cost Group for the Total Normal Cost rate for Tier II members, reestablish the aggregate Cost Group for the Total Normal Cost rate for Tier I members, create three new groups for County member contributions, and provide more cost sharing with one aggregate member contribution offset of 3.0% presented by Karen Steffen and Daniel Wade, Milliman Inc. – **KAREN STEFFEN, MILLIMAN, INC. HEARD; TRUSTEES FRANNEY AND FRAPWELL HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD**

Continue item 3:

RECEIVED AND FILED; RECOMMEND FUNDING POLICY REVISIONS
TO THE BOARD OF RETIREMENT

Franey-Frapwell – 4 Ayes

4. Demonstration of the Projection Modeling Tool - a customized asset liability model for KCERA to evaluate the potential impacts of future experience on funding status and benefit levels presented by Karen Steffen and Daniel Wade, Milliman, Inc. – KAREN STEFFEN AND DANIEL WADE, MILLIMAN, INC. HEARD; TRUSTEES FRAPWELL, FRANNEY AND JEFFERSON HEARD; DEPUTY COUNTY COUNSEL, PATRICIA RANDOLPH HEARD

RECEIVED AND FILED

Franey-Frapwell – 4 Ayes

PUBLIC COMMENTS

5. 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 Chairman, 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 and address for the record prior to making a presentation – NONE

COMMITTEE MEMBER ANNOUNCEMENTS AND REPORTS

6. On their own initiative, Committee members may make a brief announcement or a brief report on their own activities. In addition, Committee members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for factual information or, through the Chairman, request staff to report back to the Committee at a later meeting concerning any matter. Furthermore, the Committee, through the Chairman, may take action to direct staff to place a matter of business on a future agenda – NONE

ADJOURNED

Frapwell-Franey – 4 Ayes

Secretary, Board of Retirement

Chairman, Audit-Actuarial Committee