

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

9500 Ming Avenue, Third Floor,
Bakersfield, California

Regular Board Meeting
Wednesday February 25, 2009

8:34 a.m.

Board Members: Barnes, Briggs, Denney, Frapwell, Chairman Hughes, Jefferson, Maggard, Mainland, Ratekin, Alternate Camps, Alternate Franey, Alternate Kaufman

Roll Call: Barnes, Briggs, Denney, Frapwell, Chairman Hughes, Jefferson, Mainland, Alternate Camps Alternate Franey, Alternate Kaufman

Absent: Maggard, Ratekin

Salute to Flag – LED BY CHAIRMAN HUGHES

Moment of Silence –

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

- *1. Correspondence from Sulema Peterson, SACRS Administrator, regarding the final vote on the CRCEA/SACRS Co-Sponsorship vote at the Fall 2008 Business Meeting – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *2. AXA Rosenberg performance as of January 30, 2009 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *3. Correspondence from Daniel McLaughlin, BlackRock, Inc., thanking the Board of Retirement for the opportunity to present BlackRock's Core Bond Enhanced Index; dated February 6, 2009 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *4. Goldman Sachs Asset Management, US Core Plus Fixed Income, Fourth Quarter 2008 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *5. Goldman Sachs Asset Management, US High Yield Fixed Income, Fourth Quarter 2008 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *6. Correspondence from Patrick Byrne, Goldman Sachs Asset Management, regarding the downgrading of Spectrum Brand Inc. Bonds February 4, 2009 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *7. Pacific Investment Management Company (PIMCO) StocksPLUS® L.P. Fund B investment report as of December 31, 2008 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *8. Pyramis Global Advisors, Pyramis Client Update, February 9, 2009 – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *9. Invitation for trustees and/or staff to attend the Pension Bridge 130/30 Uncovered and Annual Conference, April 14 through 16, 2009, in San Francisco – RECEIVED AND FILED; APPROVED THE ATTENDANCE OF TRUSTEE NORMAN BRIGGS

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *10. Invitation for trustees and/or staff to attend the Wilshire Consulting 2009 Client Conference, April 19 through 21, 2009, in Huntington Beach – RECEIVED AND FILED; APPROVED ATTENDANCE OF TRUSTEE PHIL FRANEY, COUNTY COUNSEL PATRICIA J. RANDOLPH AND EXECUTIVE DIRECTOR ANNE M. HOLDREN

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *11. Invitation for trustees and/or staff to attend the State Association of County Retirement Systems (SACRS) 2009 Spring Conference, May 12 through 15, 2009, in San Francisco – RECEIVED AND FILED; APPROVED THE ATTENDANCE OF EXECUTIVE DIRECTOR ANNE M. HOLDREN, ASSISTANT EXECUTIVE DIRECTOR LEE BLAIR; DEPUTIES COUNTY COUNSEL PATRICIA J. RANDOLPH AND KIRK PERKINS, UP TO TWO KCERA STAFF MEMBERS AND ALL TRUSTEES

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *12. Invitation for trustees and/or staff to attend the California Association of Public Retirement Systems Annual Conference 2009, March 1 through 3, 2009, in Monterey – RECEIVED AND FILED; APPROVED THE ATTENDANCE OF CHAIRMAN HUGHES AND DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *13. Report from Chairman Joseph Hughes concerning his attendance at the Public Funds Board Forum, December 13 through 16, 2008, in San Francisco – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

- *14. Report from Trustee Phil Franey concerning his attendance at the Public Funds Board Forum, December 13 through 16, 2008, in San Francisco – RECEIVED AND FILED

Barnes-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

PUBLIC COMMENTS

15. 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 and address for the record prior to making a presentation – NONE

16. Discussion and appropriate action on order from the National Futures Association to suspend Paul Greenwood and Stephen Walsh, sole proprietors of W.G. Trading Company, LP, a company employed as broker to Westridge Capital Management, Inc. from NFA membership and actions taken by Executive Director Anne M. Holdren, in consultation with KCERA's investment consultant and legal counsel to terminate Westridge Management Company, Inc., revoke consent of employment of W. G. Trading Company, LP by Westridge Management Company, Inc., and revoke all authority to trade in the Westridge account held by Northern Trust Company, as custodian, other than proceeds into account, presented by James Rice, Wilshire Associates, Inc. and Executive Director Anne M. Holdren – JAMES RICE, WILSHIRE ASSOCIATES, INC., HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED; RATIFIED TERMINATION NOTICE TO WESTRIDGE MANAGEMENT COMPANY, INC.; RATIFIED REVOCATION OF AUTHORITY TO EMPLOY W.G. TRADING COMPANY LP AS BROKER AFTER FUTURES POSITIONS ARE LIQUIDATED ON OR BEFORE MARCH 20, 2009; AND RATIFIED REVOCATION OF AUTHORITY TO TRADE IN THE WESTRIDGE ACCOUNT HELD BY NORTHERN TRUST COMPANY

Frapwell-Camps – 7 Ayes; 2 Absent – Maggard, Ratekin

RECOMMENDATION TO ADD ITEM 16A. TO THE AGENDA

Frapwell-Denney – 7 Ayes; 2 Absent – Maggard, Ratekin

ADJOURNED TO EXECUTIVE SESSION

Denney-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

EXECUTIVE SESSION

- 16A. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
(Subdivision (c) of California Government Code Section 54956.9)
One case

RETURNED TO PUBLIC SESSION

Mainland-Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

17. Discussion and appropriate action on accountancy of building located 11103 River Run Boulevard, Bakersfield, CA 93311 as investment or asset including rent abatement presented by Andrew Paulden, Brown Armstrong, Paulden, McCown, Starbuck & Keeter – ANDREW PAULDEN, BROWN ARMSTRONG, PAULDEN, MCCOWN, STARBUCK & KEETER, HEARD; TRUSTEES BARNES, BRIGGS, FRAPWELL, FRANEY AND KAUFMAN HEARD; DEPUTY COUNTY COUNSEL PATRICIA RANDOLPH HEARD; EXECUTIVE DIRECTOR ANNE M HOLDREN HEARD

RECEIVED AND FILED; APPROVED TREATMENT FOR BUILDING ACCOUNTANCY METHOD AS INVESTMENT

Frapwell- Barnes – 7 Ayes; 2 Absent – Maggard, Ratekin

18. Discussion and appropriate action on building requirements and design for property development located at 11103 River Run Boulevard, Bakersfield, CA 93311, by Daniel Robinson, American Realty Advisors and Clay Davis and Jesus Pelayo, Taylor Teter Partnership, Architects and Engineers – DANIEL ROBINSON, AMERICAN REALTY ADVISORS, HEARD; CLAY DAVIS, TAYLOR TETER PARTNERSHIP, HEARD; TRUSTEES BARNES, BRIGGS, FRANEY, FRAPWELL, MAINLAND HEARD; DEPUTY COUNTY COUNSEL PATRICIA RANDOLPH HEARD

RECEIVED AND FILED; APPROVED OPTION ONE SITE PLAN FOR 11103 RIVER RUN BLVD, BAKERSFIELD, CALIFORNIA.

Barnes- Camps – 7 Ayes; 2 Absent – Maggard, Ratekin

19. Discussion and approval of allocation of roles for KCERA Property, Inc. and the Kern County Employees' Retirement Association during the design and construction of building at property located at 1103 River Run Boulevard, Bakersfield, CA 93311, by Daniel Robinson, American Realty Advisors and Mark Bateman, LeBeau-Thelen, Inc. – DANIEL ROBINSON, AMERICAN REALTY ADVISORS AND MARK BATEMAN, LEBEAU-THELEN, INC., HEARD

RECEIVED AND FILED; APPROVED ALLOCATION OF ROLES FOR KCERA PROPERTY, INC. AND THE KCERA BOARD

Briggs- Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

20. Report from KCERA Management – NONE
21. Report from County Counsel – DEPUTY COUNTY COUNSEL PATRICIA RANDOLPH GAVE AN UPDATE ON KERN COUNTY BOARD OF SUPERVISORS' APPROVAL OF THE CONTRIBUTION RATES.
22. Report from Committee Chairs:
- A. Audit/Actuarial Committee – NONE
 - B. Budget Committee – NONE
 - C. Disability Application Committee – NONE
 - D. Human Resources Committee – NONE

CONTINUED ITEM 22:

E. Information Technology Committee – NONE

F. Investment Committee – NONE

G. KCERA Property Inc. - NONE

BOARD MEMBER ANNOUNCEMENTS AND REPORTS

23. On their own initiative, Board members may make a brief announcement or a brief report on their own activities. In addition, Board 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 Board at a later meeting concerning any matter. Furthermore, the Board, through the Chairman, may take action to direct staff to place a matter of business on a future agenda – NONE

ADJOURNED TO WEDNESDAY, March 11, 2009 AT 8:30 A.M.

Briggs- Frapwell – 7 Ayes; 2 Absent – Maggard, Ratekin

Secretary, Board of Retirement

Chairman, Board of Retirement