

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

9500 Ming Avenue, Third Floor,
Bakersfield, California

Regular Board Meeting
Wednesday June 24, 2009

8:33 a.m.

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

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

Absent: Denney, Maggard

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. Application for service-connected disability pension benefits for Kenneth Bonner, FIRE (Safety) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HIS DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *2. Application for service-connected disability pension benefits for Jennifer Buss, SUPERIOR COURT (General) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HER DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *3. Application for service-connected disability pension benefits for Connie Croley, SHERIFF (Safety) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HER DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *4. Application for service-connected disability pension benefits for Valeriano Garcia, SHERIFF (Safety) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HIS DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *5. Application for service-connected disability pension benefits for Charles Haney, PARKS AND RECREATION (General) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HIS DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *6. Application for service-connected disability pension benefits for David Hosman, KERN MOSQUITO AND VECTOR CONTROL (General) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HIS DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *7. Application for service-connected disability pension benefits for Jimmy Ray Tomasi, FIRE (General) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HIS DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *8. Application for service-connected disability pension benefits for Frieda Driskill, FIRE (General) – RECEIVED AND FILED ADDITIONAL MEDICAL; REFERRED TO HEARING OFFICER

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *9. Application for service-connected disability pension benefits for Zarana Williams, MENTAL HEALTH (General) – RECEIVED AND FILED ADDITIONAL MEDICAL; REFERRED TO HEARING OFFICER

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *10. Abolish Board of Retirement's Disability Application Committee Charter – RECEIVED AND FILED; APPROVED; DISBANDED DISABILITY APPLICATION COMMITTEE

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *11. Report to the Board of Retirement on proposed 2009 Supplemental Retirement Benefit Reserve payments – RECEIVED AND FILED; APPROVED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *12. KCERA asset allocation, cash flow position, investment fees status report and budget status reports for the month of May 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *13. CPAS Steering Committee updates for May and June, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *14. Memorandum to the County of Kern, Superior Courts and the Special Districts, dated June 15, 2009, from Executive Director Anne M. Holdren pertaining to revision of the Funding Policy Statement – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *15. Memorandum to the Board of Supervisors dated June 17, 2009 from Executive Director Anne M. Holdren regarding employer contribution projections as prepared by Milliman, Inc. – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *16. Revisions to the Pyramis Group Trust for Employee Benefit Plans pertaining to the Pyramis International Commingled Large Cap Investment – RECEIVED AND FILED; APPROVED REVISIONS TO THE TRUST DOCUMENT

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *17. Proposed Consent to Assignment and Transfer of Agreement for Personal/Professional Agreement (American Realty Advisors), including amendments thereto, from the Kern County Employees' Retirement Association to KCERA Property, Inc., effective November 6, 2008 – RECEIVED AND FILED; AUTHORIZED CHAIRMAN TO SIGN

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *18. AXA Rosenberg performance summary as of May 29, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *19. Correspondence from Blake R. Grossman, Barclays Global Investors (BGI), dated June 11, 2009, regarding the sale of BGI to BlackRock, Inc., – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *20. Press release from the Board of Directors, Barclays PLC, June 12, 2009, regarding a binding offer from BlackRock for the purchase of Barclays Global Investors (BGI) – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *21. Correspondence from Richard Ballsrud, The Clifton Group, announcing his retirement effective June 30, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *22. Goldman Sachs Asset Management, Monthly Portfolio Analytics Report as of May 31, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *23. Pyramis Global Advisors, Fidelity Real Estate Growth Fund, L.P., Monthly Investment Update, May 31, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *24. Pyramis Global Advisors, Fidelity Real Estate Growth Fund III, L.P., Monthly Investment Update, May 31, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *25. State Street Global Advisors account summary as of May 31, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

- *26. Western Asset Management Company, Performance Summary Report, May 31, 2009 – RECEIVED AND FILED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

PUBLIC COMMENTS

27. 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

28. Receive teleconference presentation to discuss Unrelated Business Taxable Income (UBTI) presented by Joel Almquist and Tom Hickey, K & L Gates LLP – TOM HICKEY AND JOEL ALMQUIST, K & L GATES, LLP, HEARD; CHAIRMAN HUGHES HEARD; TRUSTEES BARNES, BRIGGS, FRAPWELL, JEFFERSON AND MAINLAND HEARD; DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED PRESENTATION, MOTION MADE TO MOVE FORWARD WITH DOMESTIC INVESTMENT UNDERSTANDING KCERA HAS TAX EXEMPT STATUS REGARDING UNRELATED BUSINESS TAXABLE INCOME (UBTI)

Barnes-Briggs – 8 Ayes; 1 Absent – Maggard

29. Discussion and appropriate action on the Fiscal Year 2009-10 KCERA administrative budget proposal, presented by Executive Director Anne M. Holdren and the Budget Committee – EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD; CHAIRMAN HUGHES HEARD; TRUSTEES BARNES, FRAPWELL, FRANEY, KAUFMAN, AND MAINLAND HEARD; ASSISTANT EXECUTIVE DIRECTOR LEE BLAIR HEARD

RECEIVED AND FILED; APPROVED FISCAL YEAR 2009-10 KCERA ADMINISTRATIVE BUDGET PROPOSAL

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

30. Receive report on Fiscal Year 2009-10 KCERA non-administrative expenses by Executive Director Anne M. Holdren – EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD; TRUSTEE BARNES HEARD

RECEIVED AND FILED

Briggs-Jefferson – 8 Ayes; 1 Absent – Maggard

31. Discussion and appropriate action on revised 2009-10 Business Plan including milestones, presented by Executive Director Anne M. Holdren – EXECUTIVE ANNE M. HOLDREN HEARD;

RECEIVED AND FILED; APPROVED

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

32. Report from KCERA Management – SEMINAR POSTPONED TO AUGUST 6, 2009; INTERVIEWS FOR RETIREMENT SERVICES REPRESENTATIVE TO BE HELD JUNE 24, 2009; KCERA ANNUAL STAFF RECOGNITION LUNCHEON WILL BE HELD JUNE 30, 2009; DISCUSSION BETWEEN KCERA AND THE DESIGN TEAM REGARDING THE AUDIO/VISUAL SERVICES FOR THE NEW BUILDING; THE COUNTY HAS APPROVED PRE-PAYING \$130 MILLION IN 2009-10 EMPLOYER CONTRIBUTIONS.

33. Report from County Counsel – NONE

34. Report from Committee Chairs:

A. Audit/Actuarial Committee – MEETING FOLLOWING REGULAR BOARD, JUNE 24, 2009

B. Budget Committee – MET ON JUNE 16, 2009. INFORMATION PRESENTED TO THE BOARD ON JUNE 24, 2009

C. Disability Application Committee – DISBANDED

D. Human Resources Committee – NONE

E. Information Technology Committee – NONE

F. Investment Committee – NONE

G. KCERA Property Inc. – NONE

BOARD MEMBER ANNOUNCEMENTS AND REPORTS

35. 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 EXECUTIVE SESSION

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

EXECUTIVE SESSION

DISABILITY RETIREMENT APPLICATIONS – PERSONNEL EXCEPTION (GOVERNMENT CODE §54957; PUBLIC EMPLOYEE PERFORMANCE EVALUATION):

36. ITEMS A THROUGH I WERE APPROVED ON CONSENT AND WITHDRAWN FROM EXECUTIVE SESSION.
37. A. CLARK, Daniel Proposed Decision and Findings of Fact submitted by Officer R. Lee Andersen – RECEIVED AND FILED FINDINGS OF FACT; RECOMMENDED TO REFER TO COUNTY COUNSEL FOR ALTERNATE RECOMMENDATION TO DENY APPLICATION

Frapwell-Mainland – 8 Ayes; 1 Absent – Maggard

RETURNED TO PUBLIC SESSION

Briggs-Frapwell – 8 Ayes; 1 Absent – Maggard

CHAIRMAN HUGHES SUMMARIZED DECISIONS MADE DURING EXECUTIVE SESSION

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

Briggs-Jefferson – 8 Ayes; 1 Absent – Maggard

Secretary, Board of Retirement

Chairman, Board of Retirement