

## SUMMARY OF PROCEEDINGS

### BOARD OF RETIREMENT – COUNTY OF KERN

1115 Truxtun Avenue  
Bakersfield, California

Regular Board Meeting  
Wednesday January 27, 2010

8:32 a.m.

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

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

Absent: Alternate Studer

Salute to Flag – LED BY CHAIRMAN BRIGGS

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. Letter from Karen Steffen and Daniel Wade, Milliman, Inc., dated December 30, 2009, requesting approval from the Board of Retirement to use the 2009 valuation data and results in preparing cost studies for the San Joaquin Valley Air Pollution Control District – RECEIVED AND FILED, APPROVED

**Frapwell-Denney – 9 Ayes**

- \*2. AXA Rosenberg Investment Management Company; US Mid/Small Cap, performance report as of December 31, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*3. Letter from Seth Healy, Goldman Sachs Asset Management (GSAM), dated January 11, 2010, providing an update to GSAM's US and Global Fixed Income Team – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*4. Pantheon USA Fund III, L.P., Investment Adviser's Report, for quarter ended September 30, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*5. Pantheon Global Secondary Fund III B, L.P., Investment Adviser's Report, for quarter ended September 30, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*6. Pantheon USA Fund V, L.P., Investment Adviser's Report, for quarter ended September 30, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*7. Pantheon USA Fund VI, L.P., Investment Adviser's Report, for quarter ended September 30, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*8. Pantheon USA Fund VII, L.P., Investment Adviser's Report, for quarter ended September 30, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*9. Memorandum from Pyramis Global Advisors, dated January 7, 2010, regarding the FREG II 2009 Fourth Quarter Update – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*10. Pyramis Global Advisors, Fidelity Real Estate Growth Fund, L.P., monthly investment update, December 31, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*11. Pyramis Global Advisors, Fidelity Real Estate Growth Fund II, L.P., monthly investment update, December 31, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*12. Pyramis Global Advisors, Fidelity Real Estate Growth Fund III, L.P., monthly investment update, December 31, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

- \*13. State Street Global Advisors account summary as of December 31, 2009 – RECEIVED AND FILED

**Frapwell-Denney – 9 Ayes**

TRUSTEE FRAPWELL RECUSED HIMSELF FROM DISCUSSION ON ITEM 15 – LEFT THE ROOM AT 8:36 A.M.

ADJOURNED TO EXECUTIVE SESSION

**Barnes-Hughes – 8 Ayes; 1 Absent – Frapwell**

15. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 1600 E. Belle Terrace, Bakersfield, CA  
2700 M Street, Bakersfield, CA  
Agency Negotiator: Anne Holdren  
Negotiating Parties: Kern County Employees' Retirement Association and County of Kern

Under negotiation: Price and terms of payment

RETURNED TO PUBLIC SESSION

**Hughes-Denney – 8 Ayes; 1 Absent – Frapwell**

TRUSTEE FRAWELL RETURNED AT 9:11 A.M.

16. Receive presentation on independent compliance reviews of investment managers presented by Todd Crouthamel and Thomas Peters, Kreischer Miller Company – TODD CROUTHAMEL AND THOMAS PETERS, KREISCHER MILLER COMPANY, HEARD; CHAIRMAN BRIGGS HEARD; TRUSTEES BARNES, DENNEY, FRANEY, FRAPWELL AND MAGGARD HEARD; DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED PRESENTATION

**Frapwell-Jefferson – 9 Ayes**

BREAK AT 10:02 A.M.

17. Receive presentation on Board Self Evaluation presented by Tom Iannucci, Cortex Applied Research Inc. – TOM IANNUCCI, CORTEX APPLIED RESEARCH HEARD; CHAIRMAN BRIGGS HEARD; TRUSTEES BARNES, DENNEY, FRANEY, FRAPWELL AND MAGGARD HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED PRESENTATION; MOTION TO HAVE AUDIT ACTUARIAL COMMITTEE REVIEW WHAT SAN BERNARDINO COUNTY HAS DONE REGARDING RISK MANAGEMENT AND PROVIDE INFORMATION TO THE BOARD

**Frapwell-Hughes – 9 Ayes**

18. Discussion and appropriate action on the role of an investment officer presented by Tom Iannucci, Cortex Applied Research Inc. – TOM IANNUCCI, CORTEX APPLIED RESEARCH, HEARD; TRUSTEES BARNES, FRANEY, KAUFMAN AND MAGGARD HEARD; DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED

**Denney-Jefferson – 9 Ayes**

ADJOURNED TO EXECUTIVE SESSION

**Barnes-Denney – 9 Ayes**

TRUSTEE RATEKIN LEFT AT 11:14 A.M.

14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SUBDIVISION (a) OF GOVERNMENT CODE §54956.9):

**Name of case:** County of Kern and Kern County Employees' Association v Fireman's Fund Insurance Co. of Ohio, Hartford Casualty Insurance Co., Green-Hazel & Associates, Inc., Business Professional Insurance Associates, Inc. and Does 1-50, Los Angeles Superior Court Case No. BC 406674

RETURNED TO PUBLIC SESSION

**Denney-Hughes– 8 Ayes; 1 Absent - Ratekin**

BREAK AT 11:21 A.M.

TRUSTEE FRAPWELL LEFT AT 11:22 A.M.

TRUSTEES DENNEY AND KAUFMAN LEFT AT 11:30 A.M.

19. Receive presentation on retirement application process presented by KCERA staff – JOSIAH VENCEL AND KAREN FRIESON, KCERA, HEARD; CHAIRMAN BRIGGS HEARD; TRUSTEE MAGGARD HEARD

RECEIVED AND FILED

**Barnes-Jefferson – 6 Ayes; 3 Absent – Denney, Frapwell and Ratekin,**

20. Board Member Announcements or Reports:

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 – DEPUTY COUNTY COUNSEL PATRICIA J. RANDOLPH PROVIDED BRIEF INFORMATION REGARDING THE LEXIN COURT DECISION WHERE SIX TRUSTEES IN SAN DIEGO HAD BEEN CHARGED. THE DECISION WAS FAVORABLE AND MORE INFORMATION WILL FOLLOW

ADJOURNED TO WEDNESDAY, FEBRUARY 10, 2010 AT 8:30 A.M.

**Hughes-Barnes – 6 Ayes; 3 Absent – Denney, Frapwell and Ratekin,**

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Secretary, Board of Retirement

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Chairman, Board of Retirement