

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

1115 Truxtun Avenue
Bakersfield, California

Regular Board Meeting
Wednesday June 23, 2010

8:30 a.m.

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

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

Absent: Maggard, Alternate Franey, 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.

TRUSTEE FRANNEY ARRIVED AT 8:31 A.M.

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

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *2. Application for service-connected disability pension benefits for La Veicia Rowel, PROBATION (Safety) – FOUND APPLICANT PERMANENTLY INCAPACITATED FROM PERFORMING HER DUTIES; GRANTED SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *3. Application for non-service-connected disability pension benefits for Pamela Harrison, SUPERIOR COURT (General) – GRANTED NON-SERVICE-CONNECTED DISABILITY PENSION BENEFITS UNDER GOVERNMENT CODE §31720

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *4. Denial of Writ of Mandate from Superior Court regarding Roseanne Parks, KERN MEDICAL CENTER (General) – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*5. Summary of proceedings of the following meetings:

- May 19, 2010, Investment-Regular Board
- May 19, 2010, Investment Committee
- May 27, 2010, Human Resources Committee

RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*6. Securities Lending Earnings Summary Statement for the period April 1 through 30, 2010 from the following:

- The Northern Trust Company

RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*7. KCERA asset allocation, cash flow position, investment fees status report and budget status reports for the month of April 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

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

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*9. Monthly reports from the Retirement Association Office on members retired from service and deceased retirees – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*10. Amendment Number VII to move termination date of Fidelity Real Estate Growth Fund, L.P. Agreement from December 31, 2010 to June 30, 2010 – RECEIVED AND FILED; APPROVED; AUTHORIZED CHAIRMAN TO SIGN

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*11. Report from Milliman, Inc., dated May 21, 2010, on 2010-11 Supplemental Retirement Benefit Reserve Tier III benefit payments and overpaid balances – RECEIVED AND FILED; APPROVED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*12. Letter from Executive Director Anne M. Holdren, dated June 7, 2010, to Kern County Grand Jury in response to the Findings and Recommendations contained in the 2009-2010 Kern County Grand Jury Report – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

*13. Amended notice of due diligence meetings in Atlanta, GA, Cedar Rapids, IA, Chicago, IL and St. Petersburg, FL on June 14 through 18, 2010 – RECEIVED AND FILED; APPROVED ATTENDANCE OF TRUSTEES NORMAN BRIGGS AND EXECUTIVE DIRECTOR ANNE M. HOLDREN

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *14. Reports from Trustees Norman Briggs, Phil Franey, Bob Jefferson and John Mainland concerning their attendance at the SACRS 2010 Spring Conference, May 11 through 14, 2010, in Newport Beach – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *15. BlackRock, Active International Equity Fund, Performance Report, Second Quarter 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *16. BlackRock, Large Cap US Alpha Tilts, Performance Report, April 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *17. Goldman Sachs Asset Management, High Yield: Global Fixed Income and Liquidity Management, Investment Commentary First Quarter 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *18. LaSalle Investment Management performance and activity report for KCERA's Global Mandate as of April 30, 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *19. LaSalle Investment Management performance report for KCERA's Real Estate Securities Portfolio as of April 30, 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *20. Correspondence from State Street Global Advisors, dated June 2, 2010, regarding State Street Global Advisors Organizational Update – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

- *21. State Street Global Advisors account summary as of April 30, 2010 – RECEIVED AND FILED

Jefferson-Barnes – 8 Ayes; 1 Absent – Maggard

TRUSTEE MAGGARD ARRIVED AT 8:33 A.M.

PUBLIC COMMENTS

22. 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

23. Discussion and appropriate action on the Fiscal Year 2010-11 KCERA administrative budget proposal, presented by Executive Director Anne M. Holdren and the Budget Committee – CHAIRMAN BRIGGS HEARD; TRUSTESS BARNES, DENNEY AND MAGGARD HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED; APPROVED FISCAL YEAR 2010-11 KCERA ADMINISTRATIVE BUDGET

Barnes-Denney – 9 Ayes

24. Receive report on Fiscal Year 2010-11 KCERA non-administrative expenses by Executive Director Anne M. Holdren – EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED

Denney-Jefferson – 9 Ayes

25. Discussion and appropriate action on revised 2010-11 Business Plan including milestones, presented by Executive Director Anne M. Holdren – EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED; APPROVED

Jefferson-Denney – 9 Ayes

26. Discussion and appropriate action on recommendation to hire Alliance Resource Consulting LLC for recruitment services to fill the investment officer position in the amount not to exceed \$30,000, excluding reimbursement of candidate travel expenses, presented by Executive Director Anne M. Holdren and the Human Resources Committee – EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED; APPROVED, AUTHORIZED CHAIRMAN TO SIGN

Barnes- Hughes – 9 Ayes

27. Report from KCERA Management – LETTER FROM COUNTY ADMINISTRATIVE OFFICER JOHN NILON, DATED MAY 6, 2010, REGARDING OPPORTUNITIES FOR RETIREES TO VOLUNTEER THEIR SERVICES WAS PROVIDED TO THE RETIRED EMPLOYEES OF KERN COUNTY (REOKC); 1,504 LETTERS TO KCERA MEMBERS RECEIVING A REFUND OF CONTRIBUTIONS DURING THE PERIOD OF CATHERINE CONTRERAS' EMPLOYMENT WERE MAILED; 134 CONFIRMATIONS HAVE BEEN RECEIVED; 429 LETTERS WERE RETURNED AS UNDELIVERABLE.

27. Report from KCERA Management – CONTINUED:

Monthly Activity Summary			
Membership			
	<u>2009</u>	<u>Current</u>	
Active	8,801	8665	
Retirees/Beneficiaries	5,908	6006	
Deferred/Reciprocal	1,080	1085	
Total Membership	15,789	15,756	
Membership Activities			
	<u>2009</u>	<u>May 2010</u>	<u>Year To Date</u>
New Actives	477	20	148
New Retirees	418	46	154
New Beneficiaries	65	5	33
Withdrawals			
Vested	29	0	6
Non-Vested	323	20	83
Member Services			
	<u>2009</u>	<u>May 2010</u>	<u>Year To Date</u>
Service Credit			
Calculated	876	63	394
Lump Sum	322	44	131
Payroll Deductions	89	10	33
Retirement Estimates	343	79	133

28. Report from County Counsel – DEPUTY COUNTY COUNSEL MARTIN LEE INTRODUCED HIMSELF TO THE BOARD

29. Report from Committee Chairs:

A. Audit/Actuarial Committee – MEETING SCHEDULED FOR JULY 15, 2010 AT 8:30 A.M.

B. Budget Committee – NONE

C. Human Resources Committee – MEETING SCHEDULED FOR JUNE 30, 2010 AT 1:30 P.M.

D. Information Technology Committee – NONE

E. Investment Committee – DUE DILIGENCE AUGUST 5, 2010 WITH COLUMBIA IN PORTLAND, OREGON; TRUSTEES BRIGGS AND FRANNEY TO ATTEND

F. KCERA Property Inc. – PROGRESS BEING MADE ON BUILDING

BOARD MEMBER ANNOUNCEMENTS AND REPORTS

30. 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 – RECOGNITION OF KCERA STAFF, SPECIFICALLY SHERYL LAWRENCE AND JOSIAH VENCEL ON THE BUDGET REPORTS

ADJOURNED TO EXECUTIVE SESSION

Jefferson-Maggard – 9 Ayes

EXECUTIVE SESSION

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

. ITEMS 31A-B, 32A, 33A AND 34A WERE APPROVED ON CONSENT
AND WITHDRAWN FROM EXECUTIVE SESSION

34. Proposed Decision and Findings of Fact submitted by Hearing Officer
Deborah Z. Wissley:

A. CUNNINGHAM, Donna HUMAN SERVICES (General)

RECEIVED AND FILED; ADOPTED HEARING OFFICER'S DECISION
TO GRANT NON-SERVICE CONNECTED DISABILITY PENSION
BENEFITS

Barnes-Jefferson – 9 Ayes

35. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
(Subdivision (c) of California Government Code Section 54956.9)
Two cases

RETURNED TO PUBLIC SESSION

Barnes- Hughes – 9 Ayes

CHAIRMAN BRIGGS SUMMARIZED DECISIONS MADE DURING
EXECUTIVE SESSION

ADJOURNED TO WEDNESDAY, July 14, 2010 AT 8:30 A.M.

Denney-Jefferson – 9 Ayes

Secretary, Board of Retirement

Chairman, Board of Retirement