

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

1115 Truxtun Avenue
Bakersfield, California

Audit Actuarial Committee Meeting
Thursday, July 15, 2010

8:31 a.m.

Committee Members: Chairman Barnes, Denney, Hughes (alternate),
Jefferson, Ratekin

Roll Call: Chairman Barnes, Denney, Hughes (alternate),
Jefferson, Ratekin

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

- *1. San Bernardino County Employees' Retirement Association due diligence policy and fiduciary questions – RECEIVED AND FILED

Jefferson-Denney – 4 Ayes

2. Discussion and appropriate action on risk management program including independent compliance reviews of investment managers presented by Todd Crouthamel and Thomas Peters, Kreischer Miller Company and Executive Director Anne Holdren – TODD CROUTHAMEL AND THOMAS PETERS, KREISCHER MILLER COMPANY, HEARD; CHAIRMAN BARNES HEARD; TRUSTEES DENNEY AND JEFFERSON HEARD; MICHAEL TOUMANOFF, MANATT, PHELPS & PHILLIPS, LLP, HEARD; JIALAN SU, BROWN ARMSTRONG, HEARD; EXECUTIVE DIRECTOR ANNE M. HOLDREN HEARD

RECEIVED AND FILED; REFER TO STAFF FOR A COST ANALYSIS BETWEEN CURRENT PROCESS AUDIT PROCESS AND SERVICES PROVIDED BY KREISCHER MILLER COMPANY AND REPORT BACK TO THE AUDIT ACTUARIAL COMMITTEE

Jefferson-Ratekin – 4 Ayes

3. Discussion and appropriate action review of KCERA's current amortization policy with consideration for adopting a closed 30-year amortization period presented by Daniel Wade, Milliman, Inc. and Michael Toumanoff, Manatt, Phelps & Phillips, LLP – DANIEL WADE, MILLIMAN, INC., HEARD; MICHAEL TOUMANOFF, MANATT, PHELPS & PHILLIPS, LLP, HEARD; CHAIRMAN BARNES HEARD; TRUSTEES DENNEY AND JEFFERSON HEARD

RECEIVED AND FILED; RECOMMEND THE 30-YEAR AMORTIZATION PERIOD NOT BE EXTENDED TO THE BOARD OF RETIREMENT

Denney-Jefferson – 4 Ayes

PUBLIC COMMENTS

4. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed 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

5. 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 AT 10:15 A.M.

Denney-Ratekin – 4 Ayes

Secretary, Board of Retirement

Chairman, Audit Actuarial Committee