

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

11125 River Run Blvd.
Bakersfield, California

Board of Retirement Meeting
November 6, 2019

8:30 a.m.

Board Members: Couch, DeMario (Alternate), Dodgin, Franey, Gonzalez, Jefferson, Chair Kaufman, Vice-Chair Kratt, Skidmore, (Safety Alternate – Vacant), (9th member – Vacant)

Roll Call: Couch, Franey, Gonzalez, Kaufman, Kratt

Absent: DeMario, Dodgin, Jefferson, Skidmore

Salute to Flag – TRUSTEE PHIL FRANEY

Moment of Silence

NOTE: The vote is displayed in bold below each item. For example, Kratt-Dodgin denotes Trustee Rick Kratt made the motion and Trustee Dustin Dodgin seconded the motion.

*1. Summary of proceedings of the following meetings:

- October 9, 2019 Board of Retirement
- October 9, 2019 Investment Committee
- October 23, 2019 Administrative Committee
- October 30, 2019 Finance Committee

RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

*2. Monthly report from the KCERA office on members retired from service – RATIFIED

Kratt-Gonzalez – 5 Ayes

*3. Monthly report from the KCERA office on deceased retirees – RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

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

Kratt-Gonzalez – 5 Ayes

- *5. Securities Lending Earnings Summary Report for the period September 1-30, 2019 from Deutsche Bank – RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

- *6. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of September 2019 – RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

- *7. The KCERA Class Action Proceeds Report from July 1 through September 30, 2019 for the Northern Trust Company – RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

- *8. Agreement for Consulting Services with Brown Armstrong Accountancy Corporation, effective September 20, 2019 – RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

- *9. Agreement for Consulting Services with Consulting for Active Shooter Emergencies (C.A.S.E.) LLC, effective October 11, 2019 – RECEIVED AND FILED

Kratt-Gonzalez – 5 Ayes

10. PUBLIC COMMENTS:

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 for the record prior to making a presentation – NONE

ADMINISTRATIVE MATTERS

11. Discussion and appropriate action regarding Special Pays presented by Executive Director Dominic Brown, General Counsel Jennifer Zahry and the Administrative Committee – CHAIR JORDAN KAUFMAN HEARD; VICE-CHAIR RICK KRATT HEARD; TRUSTEES DAVID COUCH, DUSTIN DODGIN, PHIL FRANNEY AND JUAN GONZALEZ HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

TRUSTEE DUSTIN DODGIN ARRIVED AT 8:33 A.M.

PUBLIC COMMENT: JOSEPH ARRIOLA, COUNTY ADMINISTRATIVE OFFICE, HEARD

APPROVED

Franey-Couch – 6 Ayes

12. Memorandum from General Counsel Jennifer Zahry regarding SACRS Legislative Proposals for 2020 – CHAIR JORDAN KAUFMAN HEARD; TRUSTEES PHIL FRANNEY AND JUAN GONZALEZ HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

TRUSTEE LAUREN SKIDMORE ARRIVED AT 9:23 A.M.

DIRECTED VOTING DELEGATE TO VOTE IN FAVOR OF OMNIBUS BILL AND LACERA PROPOSAL, PROVIDED THE LACERA PROPOSAL IS AN OPTIONAL ELECTION

Franey-Couch – 5 Ayes; 1 No (Gonzalez); 1 Absent (Skidmore)

INVESTMENT MATTERS

13. Presentation on the 3rd Quarter Investment Performance Review period ending September 30, 2019 by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR JORDAN KAUFMAN HEARD; VICE-CHAIR RICK KRATT HEARD; TRUSTEE DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Kratt-Couch – 7 Ayes

14. Presentation on the 3rd Quarter 2019 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA LLC, HEARD; CHAIR JORDAN KAUFMAN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Kratt-Couch – 7 Ayes

15. Discussion and appropriate action on private markets consultant RFP and recommendation presented by Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – CHAIR JORDAN KAUFMAN HEARD; VICE-CHAIR RICK KRATT HEARD; TRUSTEES DAVID COUCH AND DUSTIN DODGIN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED SELECTION OF CAMBRIDGE ASSOCIATES AS PRIVATE MARKETS CONSULTANT

Dodgin-Kratt – 7 Ayes

STAFF/COMMITTEE REPORTS & NEW BUSINESS

16. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- OPERATIONAL ACTIVITIES OF ADMINISTRATIVE SERVICES, ACCOUNTING AND REPORTING SERVICES, MEMBER SERVICES AND INFORMATION TECHNOLOGY SERVICES DIVISIONS FOR OCTOBER 2019
- UPDATE ON MAILING OF ANNUAL BENEFIT STATEMENTS
- UPDATE ON ELECTION FOR BOARD OF RETIREMENT SEATS
- UPDATE ON STAKEHOLDER OUTREACH
- UPDATE ON PART-TIME SERVICE CREDIT
- UPDATE ON CURRENT KCERA RECRUITMENTS AND HIRING
- UPDATE ON DISABILITY FILES TRANSITION TO MMRO
- UPDATE ON UPCOMING BOARD AND COMMITTEE MEETINGS

CHAIR JORDAN KAUFMAN HEARD; VICE-CHAIR RICK KRATT HEARD; TRUSTEES DAVID COUCH AND JUAN GONZALEZ HEARD

¹ Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code §6254.26, §6255, and §54957.5.

17. Report from Chief Investment Officer

CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, SUBMITTED A REPORT ON THE FOLLOWING:

- INVESTMENT ACTIVITIES, INITIATIVES AND PORTFOLIO OPPORTUNITIES

CHAIR JORDAN KAUFMAN HEARD

18. Report from General Counsel

GENERAL COUNSEL JENNIFER ZAHRY SUBMITTED A REPORT ON THE FOLLOWING:

- UPDATE ON LEGISLATION THAT WAS PRESENTED AT SPRING SACRS
- ASSEMBLY BILL 672 AMENDMENT TO PERL

19. Report from Committee Chairs:

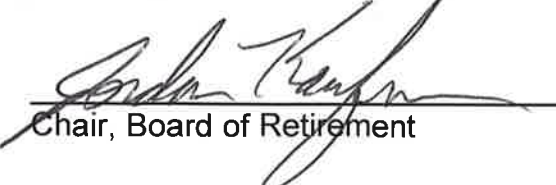
- a. Administrative Committee – GONZALEZ – SPECIAL PAY CODES AND ELECTION PROCEDURES DISCUSSED AT MOST RECENT MEETING
- b. Finance Committee – SKIDMORE – ITEMS DISCUSSED AT RECENT MEETING WILL BE BROUGHT TO DECEMBER BOARD OF RETIREMENT MEETING
- c. Investment Committee – DODGIN – MEETING TO FOLLOW TODAY'S BOARD OF RETIREMENT MEETING
- d. KCERA Property, Inc. – KRATT – NONE

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

20. On their own initiative, Board members may make a brief announcement or a brief report on their own activities – NONE

21. ADJOURNED – 10:56 A.M.


Secretary, Board of Retirement


Chair, Board of Retirement