

Executive Team

**Dominic D. Brown, CPA, CFE**  
Executive Director

**Daryn Miller, CFA**  
Chief Investment Officer

**Jennifer Zahry, JD**  
General Counsel

**Matthew Henry, CFE**  
Assistant Executive Director

**KERN COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**



Board of Retirement

Rick Kratt, Chair  
Dustin Dodgin, Vice-Chair  
David Couch  
Phil Franey  
Juan Gonzalez  
Jordan Kaufman  
Chase Nunneley  
Edward Robinson  
Lauren Skidmore  
Tyler Whitezell  
Bradly Brandon, Alternate  
Robb Seibly, Alternate

March 5, 2020

Members, Board of Retirement  
Employee Bargaining Units  
Requesting News Media  
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association  
Board of Retirement

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Board of Retirement will be held on Wednesday, March 11, 2020 at 8:30 a.m. at KCERA, 11125 River Run Boulevard, Board Room, Bakersfield, California. Items of business will be limited to the matters shown on the attached agenda. If you have any questions or require additional service, please contact the KCERA office at your convenience.

Sincerely,

A handwritten signature in blue ink that reads 'Dominic D. Brown'.

Dominic D. Brown  
Executive Director

Attachment

AGENDA:

All agenda item supporting documentation is available for public review in the office of the Kern County Employees' Retirement Association, 11125 River Run Blvd., Bakersfield, California 93311 during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location. In addition, all agendas and supporting documentation are now available on the KCERA web page and can be found via the internet at [www.kcera.org](http://www.kcera.org).

**AMERICANS WITH DISABILITIES ACT  
(Government Code §54953.2)**

Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Retirement may request assistance at the Retirement Administration office, 11125 River Run Blvd., Bakersfield, California, or by calling (661) 381-7700. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

Roll Call –

Salute to Flag –

Moment of Silence –

**CONSENT MATTERS**

ALL ITEMS LISTED WITH AN ASTERISK (\*) ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY STAFF AND WILL BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR PUBLIC WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN THE LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN. STAFF RECOMMENDATIONS ARE SHOWN IN CAPS AFTER EACH ITEM.

\*1. Summary of proceedings of the following meetings:

- February 12, 2020 Board of Retirement Meeting
- February 27, 2020 Investment Committee

RECEIVE AND FILE

- \*2. Monthly report from the KCERA office on members retired from service – RATIFY
- \*3. Monthly report from the KCERA office on deceased retirees – RECEIVE AND FILE
- \*4. Monthly report of current disability retirement applications and appeals of KCERA Board decisions – RECEIVE AND FILE
- \*5. Securities Lending Earnings Summary Report for the period January 1-31, 2020 from Deutsche Bank – RECEIVE AND FILE
- \*6. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of January 2020 – RECEIVE AND FILE
- \*7. Invitation for trustees and/or staff to attend the California Association of Public Retirement Systems (CALAPRS) Advanced Principles of Pension Governance for Trustees, March 30-April 1, 2020 in Los Angeles, California – APPROVE THE ATTENDANCE OF TRUSTEE JUAN GONZALEZ AND CHIEF INVESTMENT OFFICER DARYN MILLER, CFA
8. 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.

**ADMINISTRATIVE MATTERS**

9. KCERA 2019 Board Performance Assessment presented by Tom Iannucci, Cortex Applied Research – HEAR PRESENTATION; TAKE OTHER APPROPRIATE ACTION
10. KCERA 2019 Board Education Needs Assessment Report presented by Tom Iannucci, Cortex Applied Research – RECEIVE AND FILE

11. KCERA Governance Report for the Fiscal Year ending June 30, 2019 presented by Tom Iannucci, Cortex Applied Research – RECEIVE AND FILE

**INVESTMENT MATTERS**

12. Discussion and appropriate action on international small cap recommendation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – A) APPROVE INVESTMENT WITH AMERICAN CENTURY IN AN AMOUNT EQUIVALENT TO THE FIDELITY REDEMPTION (APPROXIMATELY \$78MM); B) AUTHORIZE EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
13. Presentation on capital efficiency presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – HEAR PRESENTATION
14. Discussion and appropriate action on overlay provider recommendation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – A) APPROVE SELECTION OF PARAMETRIC PORTFOLIO ASSOCIATES AS OVERLAY PROVIDER; B) AUTHORIZE EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
15. Presentation on asset allocation presented by Scott Whalen, CFA, Verus, and Chief Investment Officer Daryn Miller, CFA – RECEIVE EDUCATIONAL TRAINING (20 MINUTES TRUSTEE EDUCATION CREDIT)
16. Discussion and appropriate action on asset allocation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE ASSET ALLOCATION RECOMMENDED BY STAFF

**STAFF/COMMITTEE REPORTS & NEW BUSINESS**

17. Report from Executive Director
18. Report from Chief Investment Officer
19. Report from General Counsel
20. Report from Committee Chairs:
  - a. Administrative Committee – Franey
  - b. Finance Committee – Gonzalez
  - c. Investment Committee – Dodgin
  - d. KCERA Property, Inc. Board – Kratt

**BOARD MEMBER ANNOUNCEMENTS OR REPORTS**

21. On their own initiative, Board members may make a brief announcement or a brief report on their own activities.

Call for Public Comment on Executive Session Item(s)

Executive Session

22. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION/ANTICIPATED LITIGATION

Determination of whether to initiate litigation pursuant to paragraph (4) of subdivision (c) and (d) of Section 54956.9. (Number of potential cases: one).

23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 based on facts and circumstances that might result in litigation against KCERA and that KCERA believes are known to a potential plaintiff, which facts and circumstances shall be publicly announced prior to the closed session. (Cal. Gov. Code section 54956.9(e)(2)). (Number of potential cases: one).

Return to Public Session/Report of Executive Session Actions, if applicable

24. Adjournment