

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

11125 River Run Blvd.
Bakersfield, California

Board of Retirement Meeting
February 12, 2020

8:32 a.m.

Board Members: Brandon (Alternate), Couch, Vice-Chair Dodgin, Franey, Gonzalez, Kaufman, Chair Kratt, Nunneley (Alternate), Robinson, Seibly (Alternate), Skidmore, Whitezell

Roll Call: Couch, Dodgin, Gonzalez, Kaufman, Kratt, Nunneley, Robinson, Seibly, Whitezell

Absent: Brandon, Franey, Skidmore

Salute to Flag – CHIEF INVESTMENT OFFICER DARYN MILLER, CFA

Moment of Silence

NOTE: The vote is displayed in bold below each item. For example, Couch-Gonzalez denotes Trustee David Couch made the motion and Trustee Juan Gonzalez seconded the motion.

- *1. Application for nonservice-connected disability pension benefits for Nichelle Ham, AGING & ADULT SERVICES (General) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT NONSERVICE-CONNECTED DISABILITY PENSION**

Whitezell-Gonzalez – 8 Ayes

- *2. Summary of proceedings of the following meetings:
- January 15, 2020 Board of Retirement Meeting
 - January 15, 2020 Investment Committee
 - January 29, 2020 Administrative Committee
 - February 5, 2020 Finance Committee

RECEIVED AND FILED

Whitezell-Gonzalez – 8 Ayes

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

Whitezell-Gonzalez – 8 Ayes

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

Whitezell-Gonzalez – 8 Ayes

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

Whitezell-Gonzalez – 8 Ayes

- *6. Securities Lending Earnings Summary Report for the period December 1-31, 2019 from Deutsche Bank – RECEIVED AND FILED

Whitezell-Gonzalez – 8 Ayes

- *7. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of December 2019 –

THIS ITEM REMOVED FROM CONSENT AGENDA

- *8. KCERA Class Action Proceeds Report from October 1, 2019 through December 31, 2019 from the Northern Trust Company – RECEIVED AND FILED

Whitezell-Gonzalez – 8 Ayes

- *9. Corrections in Benefit Payments Report for the period July through December 2019 –

THIS ITEM REMOVED FROM CONSENT AGENDA

- *10. Corrections in Benefit Contributions Report for the period July through December 2019 –

THIS ITEM REMOVED FROM CONSENT AGENDA

- *11. Glass, Lewis, & Co.'s Proxy Voting Management Report, January 1, 2019 through December 31, 2019 – RECEIVED AND FILED

Whitezell-Gonzalez – 8 Ayes

- *12. Invitation for trustees and/or staff to attend the 2020 California Association of Public Retirement Systems (CALAPRS) General Assembly, March 7-10, 2020 in Rancho Mirage, CA – APPROVED THE ATTENDANCE OF TRUSTEES EDWARD ROBINSON AND RICK KRATT, AND ASSISTANT EXECUTIVE DIRECTOR MATT HENRY

Whitezell-Gonzalez – 8 Ayes

- *13. Letter from Segal, dated January 17, 2020, on annual cost-of-living adjustment (COLA) rates for 2020 – ADOPTED THE FOLLOWING ITEMS:

RETIREMENT DATE	COLA
ON OR BEFORE APRIL 1, 2020	2.5%

Whitezell-Gonzalez – 8 Ayes

- *14. Letter from Executive Director, dated February 4, 2020, to the Kern County Board of Supervisors regarding the recommended employer and employee contribution rates for fiscal year 2020-21 – RECEIVED AND FILED

Whitezell-Gonzalez – 8 Ayes

- *15. Letter from Executive Director, dated February 4, 2020, to the Kern County Board of Supervisors regarding the pension projection, analysis, and ASOP 51 Risk Report – RECEIVED AND FILED

Whitezell-Gonzalez – 8 Ayes

- *16. Revised 2020 Board of Retirement Meeting Schedule – RECEIVED AND FILED; APPROVED

Whitezell-Gonzalez – 8 Ayes

- *17. Report on Special Pays classified by the Executive Director –

THIS ITEM REMOVED FROM CONSENT AGENDA

TRUSTEE PHIL FRANNEY ARRIVED AT 8:35 A.M.

7. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of December 2019 – CHAIR RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Kaufman-Whitezell – 8 Ayes

9. Corrections in Benefit Payments Report for the period July through December 2019 – CHAIR RICK KRATT HEARD; VICE-CHAIR DUSTIN DODGIN HEARD; TRUSTEES JUAN GONZALEZ AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD; RETIREMENT SERVICES MANAGER SHERRY WILLARD HEARD; RETIREMENT FINANCIAL OFFICER ANGELA KRUGER HEARD

RECEIVED AND FILED

Franey-Kaufman – 7 Ayes; 1 No (Robinson)

10. Corrections in Benefit Contributions Report for the period July through December 2019 – EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Franey-Couch – 8 Ayes

17. Report on Special Pays classified by the Executive Director – TRUSTEE JUAN GONZALEZ HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

TRUSTEE LAUREN SKIDMORE ARRIVED AT 9:01 A.M.

RECEIVED AND FILED

Franey-Couch – 9 Ayes

18. 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

TRUSTEE DAVID COUCH LEFT AT 9:06 A.M.

19. Review of the 2020-2021 Executive Director Performance Evaluation Criteria, presented by Executive Director Dominic Brown and the Administrative Committee – CHAIR RICK KRATT HEARD; TRUSTEE PHIL FRANNEY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

APPROVED THE EXECUTIVE DIRECTOR PERFORMANCE EVALUATION CRITERIA FOR EVALUATION PERIOD OF 2020-2021

Franey-Robinson – 8 Ayes

INVESTMENT MATTERS

20. Discussion and appropriate action on global equity follow-up recommendation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – SCOTT WHALEN, VERUS HEARD; CHAIR RICK KRATT HEARD; VICE-CHAIR DUSTIN DODGIN HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

REVISED THE PUBLIC EQUITY POLICY TARGET RANGES IN THE IPS; AND RE-ALLOCATED THE GLOBAL EQUITY ALLOCATION TO THE REGIONAL EQUITY MANDATES

Kaufman-Franey – 8 Ayes

21. Presentation on the 4th Quarter Investment Performance Review period ending December 31, 2019 by Scott Whalen, CFA, Verus – SCOTT WHALEN, VERUS HEARD; CHAIR RICK KRATT HEARD; TRUSTEE JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED; RECEIVED EDUCATIONAL TRAINING (20 MINUTES TRUSTEE EDUCATION CREDIT)

Franey-Whitezell – 8 Ayes

22. Presentation on the 4th Quarter 2019 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE HEARD; CHAIR RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED; RECEIVED EDUCATIONAL TRAINING (15 MINUTES TRUSTEE EDUCATION CREDIT)

Robinson-Gonzalez – 8 Ayes

23. Presentation on private markets presented by Chief Investment Officer Daryn Miller, CFA – CHAIR RICK KRATT HEARD; TRUSTEES JUAN GONZALEZ, JORDAN KAUFMAN, EDWARD ROBINSON AND TYLER WHITEZELL HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE DAVID COUCH RETURNED AT 10:23 A.M.

RECEIVED EDUCATIONAL TRAINING (36 MINUTES TRUSTEE EDUCATION CREDIT)

FINANCIAL MATTERS

24. Discussion and appropriate action on review of the External Audit Services proposals submitted, presented by Executive Director Dominic Brown and the Finance Committee –

THIS ITEM WITHDRAWN FROM AGENDA

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.

STAFF/COMMITTEE REPORTS & NEW BUSINESS

25. 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 JANUARY 2020
- UPDATE ON CURRENT KCERA RECRUITMENTS AND HIRING
- SEGAL PRESENTED THE ANNUAL ACTUARIAL VALUATION AND THE ASOP 51 RISK REPORT TO THE BOARD OF SUPERVISORS ON FEBRUARY 4, 2020
- UPDATE ON PART-TIME SERVICE CREDIT
- UPDATE ON SPECIAL PAY CODES AND IMPLEMENTATION OF CHANGES
- LAW LIBRARY INTERESTED IN POSSIBLY BECOMING A NEW PLAN SPONSOR WITH KCERA
- UPCOMING MEETINGS FOR ALL COMMITTEES
- TRUSTEE TRAINING ON HOW TO REVIEW A DISABILITY FILE WILL BE HELD IMMEDIATELY FOLLOWING BOARD OF RETIREMENT MEETING
- UPDATES ON BOARD OF RETIREMENT REFERRALS
- FORM 700 EMAILS DISTRIBUTED
- ACTUARIAL AUDIT RFP TO BE INITIATED IN NEAR FUTURE
- SEGAL WILL PRESENT THE EXPERIENCE STUDY THIS YEAR

TRUSTEE TYLER WHITEZELL HEARD

26. Report from Chief Investment Officer

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

- INVESTMENT ACTIVITIES, INITIATIVES AND PORTFOLIO OPPORTUNITIES

EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

27. Report from General Counsel

GENERAL COUNSEL JENNIFER ZAHRY SUBMITTED A REPORT ON THE FOLLOWING:

- 2020 LEGAL UNIT MID-FISCAL YEAR REVIEW OF SERVICES OFFERED TO MEMBERS, STAFF, BOARD OF RETIREMENT AND PLAN SPONSORS

28. Report from Committee Chairs:

- a. Administrative Committee – FRANEY – NONE
- b. Finance Committee – GONZALEZ – NONE
- c. Investment Committee – DODGIN – NONE
- d. KCERA Property, Inc. – KRATT – NONE

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

29. On their own initiative, Board members may make a brief announcement or a brief report on their own activities – TRUSTEE EDWARD ROBINSON HEARD

Call for Public Comment on Executive Session Item(s) – NONE

30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title: Executive Director

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

ITEM 30 – NO REPORTABLE ACTION

31. ADJOURNED – 11:48 A.M.


Secretary, Board of Retirement


Chair, Board of Retirement