

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

11125 River Run Blvd.
Bakersfield, California

Teleconference Meeting – Board of Retirement Meeting April 1, 2020

8:32 a.m.

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

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

Absent: Franey

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. Summary of proceedings of the following meetings:

- March 11, 2020 Board of Retirement Meeting
- March 25, 2020 Investment Committee

RECEIVED AND FILED

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

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

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

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

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

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

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

- *5. Securities Lending Earnings Summary Report for the period February 1-29, 2020 from Deutsche Bank from Deutsche Bank – RECEIVED AND FILED

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

- *6. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of February 2020 – RECEIVED AND FILED

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

- *7. Agreement for Actuary Services with Segal, effective April 1, 2020 – RECEIVED AND FILED; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

- *8. Proposed revisions to policies and charters presented during KCERA Governance Report for the Fiscal Year ending June 30, 2019 by Tom Iannucci, Cortex Applied Research – APPROVED POLICY AND CHARTER REVISIONS; ADOPTED

Robinson-Couch – 8 Ayes; 1 Roll Not Called (Seibly)

- 9. 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

TRUSTEE PHIL FRANNEY ARRIVED AT 8:37 A.M.

STAFF/COMMITTEE REPORTS & NEW BUSINESS

10. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- UPDATE ON KCERA OFFICE OPERATIONS DUE TO COVID-19
- UPDATE ON REFERAL TO HAVE CORTEX CONDUCT A NEW SURVEY TO INCLUDE NEW TRUSTEES
- OPERATIONAL ACTIVITIES OF ADMINISTRATIVE SERVICES, ACCOUNTING & REPORTING SERVICES, MEMBER SERVICES AND INFORMATION TECHNOLOGY SERVICES DIVISIONS FOR MARCH 2020
- BUDGET PLANNING HAS BEGUN
- UPDATE ON CURRENT KCERA RECRUITMENTS AND HIRING
- UPCOMING TRAVEL PUT ON HOLD
- UPCOMING MEETINGS FOR ALL COMMITTEES

11. Report from Chief Investment Officer

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

- MARKET AND PORTFOLIO UPDATE, INVESTMENT ACTIVITIES, INITIATIVES AND PORTFOLIO OPPORTUNITIES

SCOTT WHALEN, CFA, VERUS HEARD; CHAIR RICK KRATT HEARD; TRUSTEES JORDAN KAUFMAN AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; ASSISTANT EXECUTIVE DIRECTOR MATTHEW HENRY HEARD

12. Report from General Counsel

GENERAL COUNSEL JENNIFER ZAHRY SUBMITTED A REPORT ON THE FOLLOWING:

- UPDATES REGARDING EXECUTIVE ORDERS AND LEGISLATION REGARDING COVID-19
- OVERVIEW OF LEGAL UNIT WORKFLOW

EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; ASSISTANT EXECUTIVE DIRECTOR MATTHEW HENRY HEARD

INVESTMENT MATTERS

13. Presentation on midstream energy presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – SCOTT WHALEN, CFA, VERUS HEARD; CHAIR RICK KRATT HEARD; TRUSTEES DAVID COUCH AND EDWARD ROBINSON HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED EDUCATIONAL TRAINING (26 MINUTES TRUSTEE EDUCATION CREDIT)

14. Discussion on asset allocation presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – SCOTT WHALEN, CFA, VERUS HEARD; VICE-CHAIR DUSTIN DODGIN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

Whitezell-Couch – 8 Ayes; 1 Abstention (Robinson)

ADOPTED ASSET ALLOCATION PROPOSED BY STAFF

COMMITTEE REPORTS

THIS ITEM WAS HEARD OUT OF ORDER

16. Report from Committee Chairs:
c. Investment Committee – DODGIN – NONE

FINANCIAL MATTERS

TRUSTEE DUSTIN DODGIN DISCLOSED A WORK RELATIONSHIP WITH ONE OF THE RFP CANDIDATES IN ITEM 15, RECUSED HIMSELF AND LEFT THE MEETING AT 9:53 A.M.

15. Discussion and appropriate action on Request for Proposal (RFP) for Audit Services, presented by Executive Director Dominic Brown and the Finance Committee – CHAIR RICK KRATT HEARD; TRUSTEES JUAN GONZALEZ AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

ENGAGED CLIFTONLARSONALLEN, LLC TO PERFORM THE 2020 AUDIT; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kaufman-Couch – 8 Ayes

COMMITTEE REPORTS

16. Report from Committee Chairs:
 - a. Administrative Committee – FRANEY – NONE
 - b. Finance Committee – GONZALEZ – NONE
 - d. KCERA Property, Inc. – KRATT – NONE

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

17. On their own initiative, Board members may make a brief announcement or a brief report on their own activities – TRUSTEE EDWARD ROBINSON HEARD
18. ADJOURNED – 9:59 A.M.


Secretary, Board of Retirement

Chair, Board of Retirement