

SUMMARY OF PROCEEDINGS

BOARD OF RETIREMENT – COUNTY OF KERN

11125 River Run Blvd.
Bakersfield, California

Teleconference Meeting – Board of Retirement Meeting May 6, 2020

8:31 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: Couch, Dodgin, Franey Kaufman, Kratt, Nunneley, Robinson, Seibly, Skidmore, Whitezell

Absent: Brandon, Gonzalez

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:

- April 1, 2020 Board of Retirement
- April 29, 2020 Investment Committee

RECEIVED AND FILED

Couch-Franey – 8 Ayes

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

Couch-Franey – 8 Ayes

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

Couch-Franey – 8 Ayes

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

Couch-Franey – 8 Ayes

- *5. Securities Lending Earnings Summary Report for the period March 1-31, 2020 from Deutsche Bank – RECEIVED AND FILED

Couch-Franey – 8 Ayes

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

Couch-Franey – 8 Ayes

- *7. KCERA Class Action Proceeds Report from January 1, 2019 through March 31, 2020 from the Northern Trust Company – RECEIVED AND FILED

Couch-Franey – 8 Ayes

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

THIS ITEM REMOVED FROM CONSENT AGENDA

- *9. Agreement for Legal Services Investment Counsel with Nossaman LLP, effective May 6, 2020 –

THIS ITEM REMOVED FROM CONSENT AGENDA

- 8. Report on Special Pays classified by the Executive Director – TRUSTEES DAVID COUCH AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

RECEIVED AND FILED

Robinson-Couch – 8 Ayes

9. Agreement for Legal Services Investment Counsel with Nossaman LLP, effective May 6, 2020 – TRUSTEE EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

TRUSTEE JUAN GONZALEZ ARRIVED AT 8:43 A.M.

RECEIVED AND FILED; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, WITH EFFECTIVE DATE MAY 5, 2020, SUBJECT TO LEGAL ADVICE AND REVIEW

Dodgin-Kaufman – 9 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

STAFF REPORTS

11. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- UPDATE ON REOPENING THE KCERA OFFICE AND OTHER COVID-19 EFFECTS
- COLA PROCESSED ON APRIL PAYMENT FOR ALL RETIREES
- UPDATE ON PART TIME SERVICE CREDIT
- ALL KCERA STAFF COMPLETED LINKEDIN LEARNING COURSE WITH MORE COURSES TO COME
- OPERATIONAL ACTIVITIES OF ADMINISTRATIVE SERVICES, ACCOUNTING & REPORTING SERVICES, MEMBER SERVICES AND INFORMATION TECHNOLOGY SERVICES DIVISIONS FOR APRIL 2020
- UPDATE ON CURRENT KCERA RECRUITMENTS AND HIRING
- SPECIAL PAY UPDATE
- UPCOMING EVENTS

12. 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

TRUSTEE EDWARD ROBINSON HEARD

PUBLIC COMMENT: JOSEPH ARRIOLA, COUNTY ADMINISTRATIVE OFFICE, HEARD

13. Report from General Counsel

GENERAL COUNSEL JENNIFER ZAHRY SUBMITTED A REPORT ON THE FOLLOWING:

- PEPRA LITIGATION UPDATE
- CARES ACT
- PUBLIC RECORDS ACT REQUESTS
- LEGAL OPERATIONS IMPACTED BY COVID-19
- OVERVIEW OF LEGAL UNIT WORKFLOW

TRUSTEE JUAN GONZALEZ HEARD; SENIOR PARALEGAL MAGGIE PERALTA-LEE HEARD

INVESTMENT MATTERS

14. Discussion and appropriate action on private markets strategy presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Anelise Hohl, Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Retirement Investment Officer Brian Long, CFA – ANDREA AUERBACH, ANELISE HOHL, KEIRSTEN LAWTON AND KELLY JENSEN, CAMBRIDGE ASSOCIATES, HEARD; VICE-CHAIR DUSTIN DODGIN HEARD; TRUSTEE EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED; REFERRAL TO STAFF TO BRING RECOMMENDED INVESTMENT POLICY AND CHARTER REVISIONS TO INVESTMENT COMMITTEE

Dodgin-Kaufman – 8 Ayes; 1 Abstention (Robinson)

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.

15. Discussion and appropriate action on opportunistic investment¹ presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, Retirement Investment Officer Brian Long, CFA, and the Investment Committee – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR RICK KRATT HEARD; VICE-CHAIR DUSTIN DODGIN HEARD; TRUSTEES JORDAN KAUFMAN AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED \$20MM ALLOCATION TO OPPORTUNISTIC INVESTMENT;
AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL
ADVICE AND REVIEW

Kaufman-Dodgin – 9 Ayes

Motion to consider non-agenda item 15a – CHAIR RICK KRATT HEARD;
EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; GENERAL
COUNSEL JENNIFER ZAHRY HEARD

APPROVED ADDITION OF NON-AGENDA ITEM 15A FOR
CONSIDERATION BY THE BOARD OF RETIREMENT

Whitezell-Kaufman – 9 Ayes

- 15a. Discussion and appropriate action on hedge fund investment presented by Chief Investment Officer Daryn Miller, CFA and Retirement Investment Officer Brian Long, CFA – CHAIR RICK KRATT HEARD; VICE-CHAIR DUSTIN DODGIN HEARD; TRUSTEES DAVID COUCH AND EDWARD ROBINSON HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED OPPORTUNISTIC INVESTMENT IN HEDGE FUND

PUBLIC COMMENT: JOE ESCALADA HEARD

Dodgin-Couch – 9 Ayes

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16. Presentation on the 1st Quarter Investment Performance Review period ending March 31, 2020 presented by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS HEARD; CHAIR RICK KRATT HEARD; TRUSTEE EDWARD ROBINSON HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

Kaufman-Gonzalez – 9 Ayes

RECEIVED AND FILED

17. Presentation on the 1st Quarter 2020 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA, HEARD; CHAIR RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

Franey-Dodgin – 9 Ayes

RECEIVED AND FILED

ADMINISTRATIVE MATTERS

18. Education on legal presumption for blood borne infections in disability cases presented by General Counsel Jennifer Zahry – CHAIR RICK KRATT HEARD; TRUSTEE EDWARD ROBINSON HEARD; GENERAL COUNSEL JENNIFER ZAHRY HEARD

RECEIVED EDUCATIONAL TRAINING (17 MINUTES TRUSTEE EDUCATION CREDIT)

TRUSTEE SKIDMORE LEFT AT 11:43 A.M.

COMMITTEE REPORTS

19. Report from Committee Chairs:
- a. Administrative Committee: FRANEY – NONE
 - b. Finance Committee: GONZALEZ – NONE
 - c. Investment Committee: DODGIN – MEETING TO FOLLOW
 - d. KCERA Property, Inc.: KRATT – INTERIOR CONSTRUCTION COMPLETED

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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 – TRUSTEE EDWARD ROBINSON HEARD
21. ADJOURNED – 11: 56 A.M.



Secretary, Board of Retirement

Chair, Board of Retirement

