

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

October 13, 2021

8:31 a.m.

Board Members: Brandon (Alternate), Couch, Franey, Chair Gonzalez, Hughes, Kaufman, Kratt, Nunneley (Alternate), Seibly (Alternate), Skidmore, Whitezell

ROLL CALL

Present: Couch, Franey, Gonzalez, Hughes, Kratt, Seibly, Whitezell

Absent: Brandon, Kaufman, Nunneley, Skidmore

MOMENT OF SILENCE

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

1. Discussion and appropriate action on findings needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953, as amended by Assembly Bill 361 – CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEE RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE CHASE NUNNELEY ARRIVED AT 8:32 A.M.

ADOPTED FINDINGS FOR ITSELF AND ALL KCERA STANDING COMMITTEES; RATIFIED THE ADMINISTRATIVE COMMITTEE'S FINDINGS; APPROVED RESOLUTION

Kratt-Whitezell – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

CONSENT MATTERS

- *2. Application for service-connected disability pension benefits for Daniel Burgess, Animal Control (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *3. Application for service-connected disability pension benefits for Jeffrey Houston, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *4. Summary of proceedings of the following meetings:

- September 8, 2021 Board of Retirement
- September 22, 2021 Investment Committee

RECEIVED AND FILED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *5. Monthly report from the KCERA office on members retired from service for the month of September 2021 – RATIFIED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *6. Monthly report from the KCERA office on deceased retirees for the month of September 2021 – RECEIVED AND FILED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *7. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending September 30, 2021 – RECEIVED AND FILED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *8. Securities Lending Earnings Summary Report for the period August 1-31, 2021 from Deutsche Bank – RECEIVED AND FILED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *9. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of August 2021 – RECEIVED AND FILED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *10. 2022 Board of Retirement Meeting Schedule – RECEIVED AND FILED; APPROVED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *11. Letter from Executive Director Dominic Brown, dated September 14, 2021, to the Kern County Auditor-Controller-County Clerk regarding Special Board of Retirement Election to fill the vacancy of the Third Member – RECEIVED AND FILED

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *12. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS Fall Conference, November 9-12, 2021, in Hollywood, California – APPROVED ATTENDANCE OF TRUSTEES BRADLY BRANDON, JORDAN KAUFMAN AND TYLER WHITEZELL, EXECUTIVE DIRECTOR DOMINIC BROWN AND ASSISTANT EXECUTIVE DIRECTOR MATTHEW HENRY

Hughes-Kratt – 7 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

PUBLIC COMMENTS

13. 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 Chair, 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

INVESTMENT MATTERS

14. Discussion and appropriate action on private market fund recommendation presented by Anelise Hohl, Investment Director, Cambridge Associates, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – ANELISE HOHL, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

TRUSTEE JORDAN KAUFMAN ARRIVED AT 8:49 A.M.

APPROVED UP TO \$30MM COMMITMENT TO LBA LOGISTICS VALUE FUND IX; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Kratt – 7 Ayes

ADMINISTRATIVE MATTERS

15. KCERA Governance Report for the Fiscal Year ending June 30, 2021 presented by Governance Consultant Tom Iannucci, Cortex Applied Research – TOM IANNUCCI, CORTEX APPLIED RESEARCH, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANNEY, JORDAN KAUFMAN AND RICK KRATT HEARD

RECEIVED AND FILED

Franey-Kratt – 7 Ayes

16. Presentation of finalist proposal for Governance Consulting Services presented by Jeanna Cullins, Partner, and Julie Becker, Associate Partner, Aon Consulting, Inc. – JEANNA CULLINS AND JULIE BECKER, AON CONSULTING, INC., HEARD; TRUSTEE JORDAN KAUFMAN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

HEARD PRESENTATION

17. Presentation of finalist proposal for Governance Consulting Services presented by Rick Funston, CEO, and Randy Miller, COO, Funston Advisory Services LLC – RANDY MILLER, FUNSTON ADVISORY SERVICES LLC, HEARD; JEANNA CULLINS, AON CONSULTING, INC., HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANNEY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

HEARD PRESENTATION

18. Discussion and appropriate action regarding finalist proposals for Governance Consulting Services presented by Executive Director Dominic Brown and the Administrative Committee – RANDY MILLER, FUNSTON ADVISORY SERVICES LLC, HEARD; JEANNA CULLINS AND JULIE BECKER, AON CONSULTING, INC., HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES DAVID COUCH, PHIL FRANNEY; JORDAN KAUFMAN AND RICK KRATT HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

APPROVED SELECTION OF AON CONSULTING, INC. AS GOVERNANCE CONSULTANT; AUTHORIZED EXECUTIVE DIRECTOR TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Kaufman – 7 Ayes

19. Discussion and appropriate action on KCERA's voting delegation for the State Association of County Retirement Systems (SACRS) Fall 2021 Conference, presented by Executive Director Dominic Brown – CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANNEY AND JORDAN KAUFMAN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

APPOINTED EXECUTIVE DIRECTOR DOMINIC BROWN (OR ASSISTANT EXECUTIVE DIRECTOR MATTHEW HENRY) AS VOTING DELEGATE AND TRUSTEE JORDAN KAUFMAN AS ALTERNATE VOTING DELEGATE

Kaufman-Couch – 7 Ayes

20. Memorandum from Chief Legal Officer regarding SACRS Legislative Proposals for 2022 – CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE DAVID COUCH LEFT AT 9:59 A.M.

APPROVED SACRS LEGISLATIVE PROPOSALS AS RECOMMENDED BY STAFF; DIRECTED VOTING DELEGATE TO CAST VOTES ACCORDINGLY

Whitezell-Kratt – 6 Ayes; 1 Absent (Couch)

21. Appointment of Nominating Committee by Chair (two members) and the Board (two members) to propose a slate of officers to the Board of Retirement for the 2022 calendar year – CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEE JORDAN KAUFMAN HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; RETIREMENT ADMINISTRATIVE SERVICES MANAGER AIMEE MORTON HEARD

CHAIR JUAN GONZALEZ APPOINTED TRUSTEES RICK KRATT AND JOSEPH D. HUGHES TO NOMINATING COMMITTEE; TRUSTEE PHIL FRANNEY APPOINTED TRUSTEES JORDAN KAUFMAN AND TYLER WHITEZELL TO NOMINATING COMMITTEE; APPROVED

Franey-Kratt – 6 Ayes; 1 Absent (Couch)

STAFF REPORTS

22. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- *ALAMEDA* UPDATE
- UPCOMING ELECTION
- FACILITIES UPDATE
- STAFFING UPDATE
- DISABILITIES UPDATE
- SERVICE PURCHASE UPDATE
- SACRS FALL CONFERENCE
- STAFF APPRECIATION LUNCH
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

23. Report from Chief Investment Officer

CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, REPORTED THE FOLLOWING:

- REBALANCING ACTIVITY FOR SEPTEMBER
- PORTFOLIO POSITIONING
- UPDATES
- KEY INITIATIVES
- INVESTMENT COMMITTEE MEETINGS

24. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- ANTI-ALIENATION OF BENEFITS
- Q3 2021 METRICS
- OCTOBER 2021 CALENDAR ITEMS

COMMITTEE REPORTS

25. Report from Committee Chairs:

- a. Administrative Committee: FRANNEY – NONE
- b. Finance Committee: WHITEZELL – NONE
- c. Investment Committee: KRATT – NONE
- d. KCERA Property, Inc.: SEIBLY – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

26. On their own initiative, Board members may make a brief announcement, refer matters to staff, subject to KCERA's rules and procedures, or make a brief report on their own activities – NONE

NEW BUSINESS

27. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
28. ADJOURNED – 10:29 A.M.

Secretary, Board of Retirement

Chair, Board of Retirement