

Executive Team

Dominic D. Brown, CPA, CFE
Chief Executive Officer

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
Chief Legal Officer

Matthew Henry, CFE
Chief Operations Officer



Board of Retirement

Juan Gonzalez, Chair
Tyler Whitezell, Vice-Chair
Jeanine Adams
David Couch
Phil Franey
Joseph D. Hughes
Jordan Kaufman
Rick Kratt
Traco Matthews
Dustin Contreras, Alternate
Chase Nunneley, Alternate
Robb Seibly, Alternate

September 8, 2022

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, September 14, 2022 at 8:30 a.m. via teleconference pursuant to California Government Code section 54953, subdivision (e) upon adoption of required findings.

How to Participate: Listen to or View the Board Meeting

To listen to the live audio of the Board meeting, please dial one of the following numbers and enter ID# 863-0993-2960:

- (669) 900-9128; U.S. Toll-free: (888) 788-0099 or (877) 853-5247

To access live audio and video of the Board meeting, please use the following:

- <https://us02web.zoom.us/j/86309932960?pwd=bn9LOXBpYWZiZ3hZK2lva2NPQ09jdz09>
- Passcode: 344125

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 KCERA at (661) 381-7700 or send an email to administration@kcera.org.

Sincerely,

Dominic D. Brown
Chief Executive Officer

Attachment

AGENDA:

All agenda item supporting documentation is available for public review on KCERA's website at www.kcera.org 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.

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

Disabled individuals who need special assistance to listen to and/or participate in the teleconference meeting of the Board of Retirement may request assistance by calling (661) 381-7700 or sending an email to administration@kcera.org. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials and access available in alternative formats. Requests for assistance should be made at least two (2) 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. [Findings and new Initial Resolution needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – ADOPT FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVE 30-DAY RESOLUTION](#)

- *2. Application for service-connected disability pension benefits for Colleen Boren, Risk Management (General) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *3. Application for service-connected disability pension benefits for Sue Hsu, Behavioral Health & Recovery Services (General) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *4. Application for service-connected disability pension benefits for Kalae Paxson, Sheriff (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *5. Application for non-service-connected disability pension benefits for Robyn Tennison, Behavioral Health & Recovery Services (General) – ADOPT RECOMMENDATION OF SDAG TO GRANT NON-SERVICE-CONNECTED DISABILITY PENSION

*6. [Summary of proceedings of the following meetings:](#)

- August 3, 2022 Investment Committee
- August 4, 2022 Finance Committee
- August 10, 2022 Board of Retirement

RECEIVE AND FILE

- *7. [Report from the KCERA office on members retired from service for the month of August 2022 – RATIFY](#)
- *8. [Report from the KCERA office on deceased retirees for the month of August 2022 – RECEIVE AND FILE](#)
- *9. [Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending August 31, 2022 – RECEIVE AND FILE](#)
- *10. [Securities Lending Earnings Summary Report for the period July 1-31, 2022 from Deutsche Bank – RECEIVE AND FILE](#)
- *11. [KCERA asset allocation, cash flow position, investment fees, and budget status report for the month of July 2022 – RECEIVE AND FILE](#)
- *12. [Letter from Chief Executive Officer Dominic Brown, dated August 22, 2022, to the Kern County Auditor-Controller-County Clerk regarding Board of Retirement Election for Third, Eighth and Alternate Eighth Members – RECEIVE AND FILE](#)
- *13. [Memo from Chief Investment Officer Daryn Miller, CFA, dated September 14, 2022, regarding Environmental, Social, and Corporate Governance \(ESG\) – RECEIVE AND FILE](#)

- *14. [Biennial Review of Conflict of Interest Code – RECEIVE AND FILE](#)
- *15. [Certificate of Achievement for Excellence in Financial Reporting for Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021 presented by the Government Finance Officers Association \(GFOA\) – RECEIVE AND FILE](#)
- *16. [Invitation to staff to attend the Public Pension Financial Forum \(P2F2\) 2022 Conference, October 22-26, 2022 in Philadelphia, Pennsylvania – APPROVE ATTENDANCE OF CHIEF FINANCIAL OFFICER ANGELA KRUGER AND SENIOR ACCOUNTANT CORY PRUETT](#)
- *17. [Invitation from Nossaman to staff to attend the Public Pensions & Investments Fiduciaries' Forum, October 17-18 in Los Angeles, California – APPROVE ATTENDANCE OF CHIEF LEGAL OFFICER JENNIFER ZAHRY](#)
- *18. [Invitation from State Association of County Retirement Systems \(SACRS\) to Board of Directors to attend the SACRS Board of Directors Meeting September 26, 2022, in Santa Barbara, California – APPROVE ATTENDANCE OF TRUSTEE JORDAN KAUFMAN](#)

PUBLIC COMMENTS

- 19. 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.

FINANCIAL MATTERS

- 20. [Discussion and appropriate action regarding revisions to the Supplemental Retiree Benefit Reserve \(SRBR\) Policy to reflect the Committee's approval of SRBR restructure plan, Alternative B, presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, KCERA Actuaries, Paul Angelo and Molly Calcagno, Segal, and the Finance Committee – APPROVE SRBR POLICY REVISIONS IMPLEMENTING SRBR RESTRUCTURE PLAN, ALTERNATIVE B; TAKE OTHER ACTION, AS APPROPRIATE](#)

ADMINISTRATIVE MATTERS

21. [Presentation and status update of disability files and process presented by Doug Minke, Managed Medical Review Organization, Inc. \(MMRO\) – HEAR PRESENTATION](#)

STAFF REPORTS

22. [Report from Chief Executive Officer](#)
23. [Report from Chief Investment Officer](#)
24. [Report from Chief Legal Officer](#)

COMMITTEE REPORTS

25. Report from Committee Chairs:
a. Administrative Committee: Hughes
b. Finance Committee: Franey
c. Investment Committee: Kaufman
d. KCERA Property, Inc. Board: Seibly

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)

EXECUTIVE SESSION

Items 2-5 are withdrawn from Executive Session if approved on the consent agenda:

2. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:
Colleen Boren Risk Management EST.1945 General
3. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:
Sue Hsu Behavioral Health & Recovery Services General
4. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:
Kalae Paxson Risk Management General
5. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for non-service-connected disability pension benefits:
Robyn Tennison Behavioral Health & Recovery Services General

RETURN TO PUBLIC SESSION

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

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.

NEW BUSINESS

27. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – **CONSIDER, DISCUSS, AND TAKE ACTION ON WHETHER TO AGENDIZE PROPOSED ITEMS, IF ANY, FOR A FUTURE MEETING**
28. Adjournment



**BEFORE THE BOARD OF RETIREMENT
KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION No. 2022-08**

In the matter of:

NEW INITIAL RESOLUTION RE MEETINGS OF THE KCERA BOARD OF RETIREMENT AND ITS STANDING COMMITTEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361.

Ayes:

Noes:

Absent:

Dominic D. Brown,
Secretary to the Board of Retirement,
Kern County Employees' Retirement Association

RESOLUTION

Section 1. WHEREAS:

- (a) The Kern County Employees' Retirement Association ("KCERA") is required by the Ralph M. Brown Act (Cal. Gov. Code¹ 54950 – 54963) ("the Brown Act") to conduct open and public meetings, so that any member of the public may attend, participate, and watch KCERA's legislative bodies conduct their business; and

¹ All statutory references are to the California Government code unless stated otherwise.

- (b) All meetings of KCERA's Board of Retirement and its standing committees are open and public in accordance with the Brown Act or other governing authority; and
- (c) KCERA is committed to preserving and encouraging public access and participation in meetings of the Board of Retirement; and
- (d) The Brown Act, at section 54953(e) (as added by Assembly Bill 361), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the teleconference requirements of section 54953(b)(3), subject to the existence of certain conditions; and
- (e) A state of emergency must have been declared by the Governor pursuant to section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in section 8558; and such state of emergency must be in effect at the time of the meeting in order to conduct a meeting under section 54953(e); and
- (f) Governor Newsom proclaimed a State of Emergency on March 4, 2020, pursuant to section 8625 that remains active; and
- (g) The KCERA Board of Retirement made findings and adopted Resolution 2022-07 on August 10, 2022, by majority vote, evidencing that it reconsidered the circumstances of the state of emergency and found that the state of emergency continues to directly impact the ability of attendees to safely meet in person over the next 30 days and/or that Cal/OSHA continues to impose or

recommend measures to promote social distancing in certain circumstances;
and

- (h) To continue to teleconference without compliance with section 54953(b)(3), section 54953(e) requires the legislative body to make certain findings by majority vote within 30 days of August 10, 2022; and
- (i) Resolution 2022-07 lapsed due to inaction as KCERA's Board of Retirement was not scheduled to hold a Regular Meeting within 30 days of August 10, 2022; and
- (j) KCERA's Board of Retirement wishes to pass this new Initial Resolution in accordance with its State of Emergency Protocols for KCERA Board Meetings (adopted March 9, 2022) and after reconsidering the circumstances of the state of emergency; and
- (k) On September 6, 2022, the latest estimate of the R-effective in Kern County was 1.01 ("spread of COVID-19 is likely stable") –this number is up from 0.93 on August 2, 2022); and
- (l) The Centers for Disease Control and Prevention (CDC) updated its framework to focus on hospitalizations and hospital capacity rather than test positivity; its multi-tiered approach determines whether the level of COVID-19 and severe disease in the community is low, medium or high; as of September 1, 2022, the CDC classifies Kern County at a "medium level" of COVID-19 and severe disease; and

- (m) The 7-day case rate in Kern County, has not been reported by Kern County Public Health since March, but the CDPH reported on September 6, 2022 that Kern County had 14.2 cases per 100,000 with 131 average cases per day; and
- (n) Effective March 1, 2022, there is no longer a state mandate requiring masking indoors for anyone; however, the Public Health Officer for the CDPH strongly recommends all individuals wear a mask in all indoor public settings regardless of vaccination status; and
- (o) the Board finds that it has reconsidered the circumstances of the state of emergency and determines that the state of emergency remains in effect and although much improved, it continues to directly impact the ability of attendees to safely meet in person over the next 30 days.

Section 2. NOW, THEREFORE BE IT RESOLVED, by the Board of Retirement for the Kern County Employees' Retirement Association as follows:

Effective September 14, 2022, the following actions are authorized and required of KCERA:

- 1) Remote Teleconference Meetings. The Chief Executive Officer and legislative bodies of KCERA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act in order to avoid directly impacting

the ability of attendees to meet safely in person during the next 30 days of the current State of Emergency (proclaimed by the Governor on March 4, 2020).

- 2) Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of October 14, 2022, or such time the Board of Retirement adopts a subsequent resolution in accordance with Government Code section 54953(e)(3).

RESOLUTION HISTORY

- 1) This Resolution was:
 - a) Approved by the Board on September 14, 2022.

PROPOSED

Evidence in Support of Findings

EVIDENCE IN SUPPORT OF FINDINGS

TABLE OF CONTENTS

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| R-EFFECTIVE KERN COUNTY (AS OF SEPTEMBER 6, 2022)..... | 1 |
| CDC TRACKER – KERN COUNTY (AS OF SEPTEMBER 1, 2022) | 2 |
| CDPH KERN CASES (AS OF SEPTEMBER 6, 2022)..... | 3 |
| CA PROCLAMATION OF A STATE OF EMERGENCY (MARCH 4, 2020) | 4 |

Latest Estimate of R-effective is:

1.02

Spread of COVID-19 is likely stable

What does a R-eff of this size mean?

Low/High Estimates of R-effective:

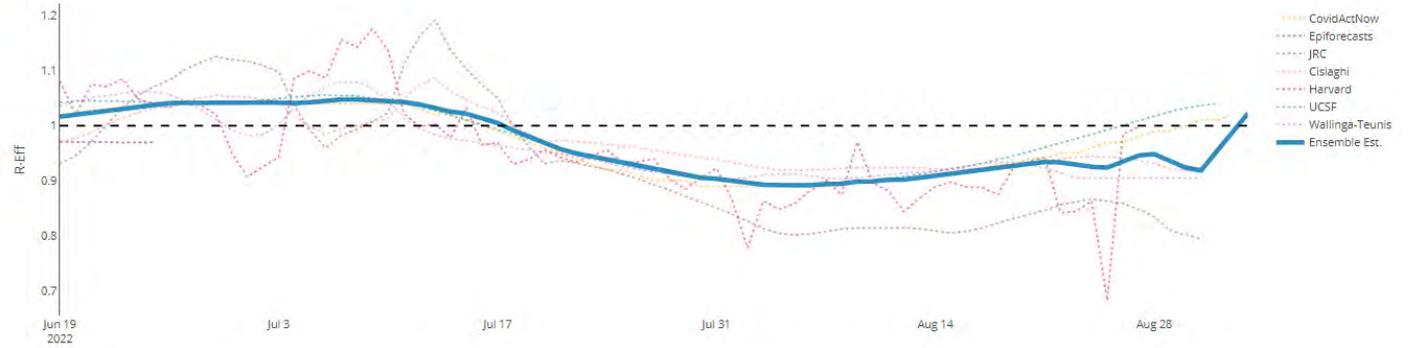
1.02 - 1.02

CovidActNow - CovidActNow

Download R-eff Values

Statewide Estimates of R-effective

The effective reproductive number (R-eff) is the average number of secondary infected persons resulting from a infected person. If R-eff > 1, the number of infected persons will increase. If R-eff < 1, the number of infected persons will decrease. At R-eff = 1, the number of infected persons remains constant.



Kern

Latest Estimate of R-effective is:

1.01

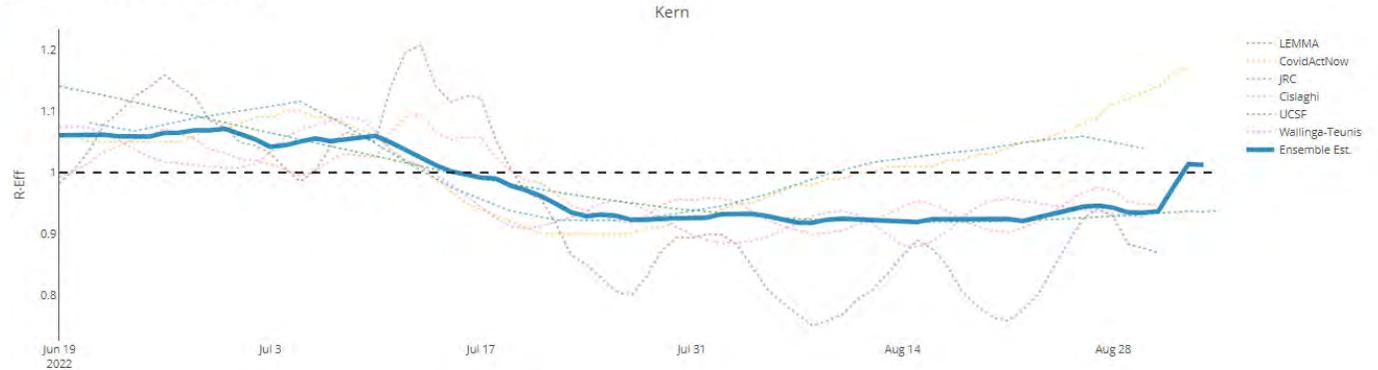
Spread of COVID-19 is likely stable

Download County R-eff Trend

NOTE: Some counties do not have sufficient case numbers in order for modelers to estimate R-effective.

R-effective Trends by County

Select a county to see how R-effective has changed over time





COVID-19 County Check

Find community levels and prevention steps by county. Data updated weekly.

Select a Location (all fields required)

< Start Over

● Medium

In **Kern County, California**, community level is **Medium**.

- If you are [at high risk for severe illness](#), talk to your healthcare provider about whether you need to wear a mask and take other precautions
- Stay [up to date](#) with COVID-19 vaccines
- [Get tested](#) if you have symptoms

People may choose to mask at any time. People with symptoms, a positive test, or exposure to someone with COVID-19 should wear a mask.

If you are immunocompromised, learn more about [how to protect yourself](#).

Find out more about the COVID-19 situation in **Kern County, California** with [COVID-19 Data Tracker](#).

September 1, 2022

Cases and deaths

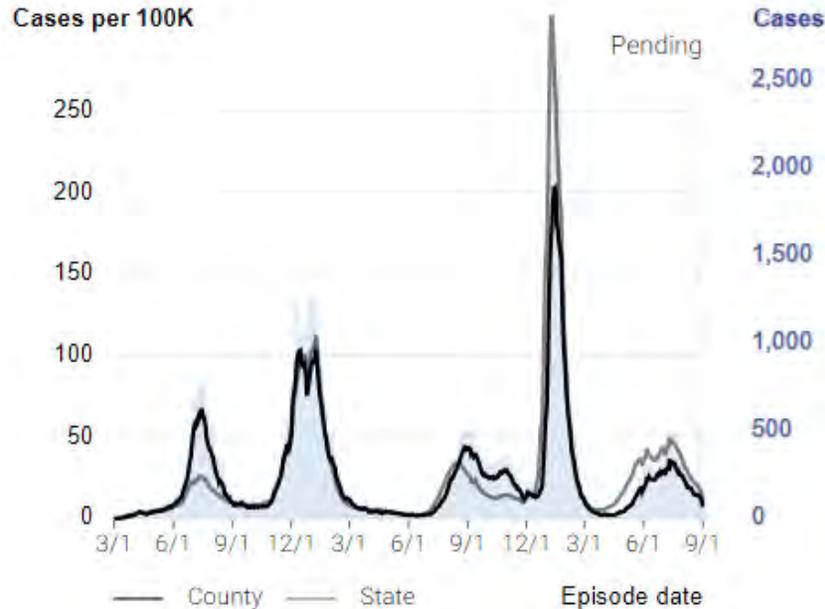
Kern **Statewide**

California has 10,291,286 confirmed cases of COVID-19, resulting in 94,239 confirmed deaths.

Cases in Kern County

Confirmed ▾ **All time** ▾

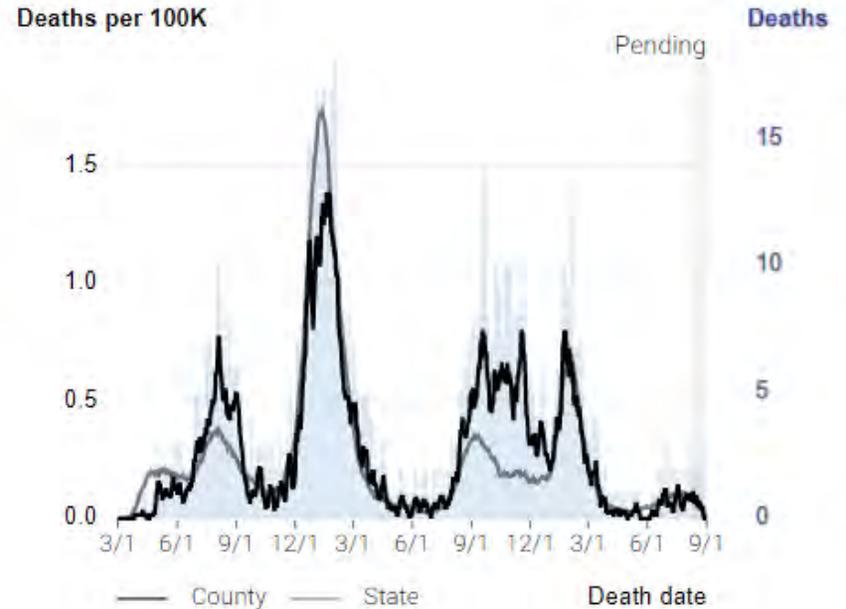
216,471 total confirmed cases
131 average cases per day
14.2 cases per 100K (7-day average)



Deaths in Kern County

Confirmed ▾ **All time** ▾

2,404 total confirmed deaths
1 average deaths per day
0.1 deaths per 100K (7-day average)



[Cases and deaths source data](#) Data is updated on Tuesdays and Fridays.

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

WHEREAS the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

WHEREAS on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

WHEREAS on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

WHEREAS the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

WHEREAS as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

WHEREAS as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

WHEREAS for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

WHEREAS California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and

WHEREAS experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

WHEREAS it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

WHEREAS personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

WHEREAS state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

WHEREAS I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

WHEREAS I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED THAT:

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.
2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.
3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.
4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.
5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.
6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and

notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

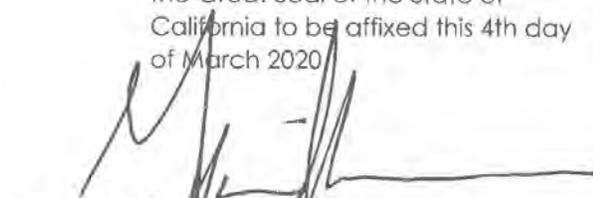
7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.
8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.
9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.
10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.
12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The

notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.
14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 4th day
of March 2020



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

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

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Investment Committee
August 3, 2022**

8:30 a.m.

Committee Members: Couch, Gonzalez, Chair Kaufman, Kratt, Whitezell (Alternate)

ROLL CALL

Present: Couch, Gonzalez, Kaufman, Kratt, Whitezell

Absent: None

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

- *1 Findings needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – **ADOPTED FINDINGS**

Gonzalez-Couch – 4 Ayes

2. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, and Chief Investment Officer Daryn Miller, CFA – **MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD**

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$30MM COMMITMENT TO COVENANT APARTMENT FUND XI; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Gonzalez – 4 Ayes

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.

3. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, and Chief Investment Officer Daryn Miller, CFA – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$40MM COMMITMENT TO LANDMARK REAL ESTATE PARTNERS FUND IX; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Gonzalez – 4 Ayes

4. Discussion and appropriate action on hedge fund recommendation presented by Spencer Edge, Albourne America², and Chief Investment Officer Daryn Miller, CFA, – SPENCER EDGE, ALBOURNE AMERICA, HEARD; TRUSTEES DAVID COUCH, JUAN GONZALEZ AND TYLER WHITEZELL HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECOMMENDED TRANSFER FROM SCULPTOR ENHANCED FUND TO SCULPTOR MASTER FUND TO THE BOARD OF RETIREMENT

Couch-Gonzalez – 4 Ayes

PUBLIC COMMENTS

5. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee 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 Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

6. On their own initiative, Committee 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

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.

2 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.

7. ADJOURNED – 9:07 A.M.

Secretary, Board of Retirement

Chair, Investment Committee

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

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Finance Committee
August 4, 2022**

1:03 p.m.

Committee Members: Adams, Chair Franey, Gonzalez, Nunneley (Alternate),
Whitezell

ROLL CALL

Present: Adams, Franey, Gonzalez, Nunneley, Whitezell

Absent: None

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

- *1. Findings needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – APPROVED FINDINGS

Whitezell-Adams – 4 Ayes

2. Presentation on the audit plan for the FY 2021-22 Financial Statement Audit, presented by Rich Gonzalez, Engagement Principal, and Garrett Brenk, Senior, CliftonLarsonAllen LLP – RICH GONZALEZ AND GARRETT BRENK, CLIFTONLARSONALLEN, LLP, HEARD

HEARD PRESENTATION

3. Discussion and appropriate action regarding revisions to the Supplemental Retiree Benefit Reserve (SRBR) Policy to reflect the Committee's approval of SRBR restructure plan, Option B, presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and KCERA Actuaries, Paul Angelo and Molly Calcagno, Segal – PAUL ANGELO, SEGAL, HEARD; CHAIR PHIL FRANEY HEARD; TRUSTEES JUAN GONZALEZ AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

RECOMMENDED APPROVAL OF SRBR POLICY WITH REVISIONS AS DISCUSSED TO BOARD OF RETIREMENT

Whitezell-Gonzalez – 4 Ayes

4. Update on status of Buttonwillow Recreation and Park District (District) under the Declining Employer Payroll Policy presented by Chief Operating Officer Matt Henry – CHAIR PHIL FRANEY HEARD; TRUSTEES JUAN GONZALEZ AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

RECOMMENDED STAFF CONTINUE TO MONITOR AND REPORT ON THE DISTRICT'S FINANCIAL STATUS FOLLOWING ANNUAL VALUATION FOR POSSIBLE FUTURE DESIGNATION OF A DECLINING EMPLOYER; MADE REFERRAL TO STAFF TO PROVIDE FUTURE EDUCATION REGARDING KCERA'S DECLINING EMPLOYER PAYROLL AND EMPLOYER TERMINATION POLICIES TO THE BOARD OF RETIREMENT

Whitezell-Gonzalez – 4 Ayes

5. Discussion and appropriate action on Other Audit Services Request for Proposal (RFP) – CHAIR PHIL FRANEY HEARD; TRUSTEE JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

APPROVED ISSUANCE OF RFP

Adams-Gonzalez – 4 Ayes

PUBLIC COMMENTS

6. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee 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 Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

7. On their own initiative, Committee 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
8. ADJOURNED – 2:41 P.M.

Secretary, Board of Retirement

Chair, Finance Committee

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

August 10, 2022

8:33 a.m.

Board Members: Adams, Contreras (Alternate), Couch, Franey, Chair Gonzalez, Hughes, Kaufman, Kratt, Matthews, Nunneley (Alternate), Seibly (Alternate), Vice-Chair Whitezell

ROLL CALL

Present: Adams, Contreras, Couch, Franey, Gonzalez, Hughes, Kaufman, Kratt, Nunneley, Seibly, Whitezell

Absent: Matthews

SALUTE TO FLAG – TRUSTEE JOSEPH D. HUGHES

MOMENT OF SILENCE

CONSENT MATTERS

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. Findings and new Initial Resolution needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – **ADOPTED FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVED 30-DAY RESOLUTION**

Hughes-Franey – 8 Ayes

*2. Summary of proceedings of the following meetings:

- May 26, 2022 Finance Committee
- June 1, 2022 Investment Committee
- June 8, 2022 Board of Retirement

RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*3. Report from the KCERA office on members retired from service for the months of June and July 2022 – RATIFIED

Hughes-Franey – 8 Ayes

*4. Report from the KCERA office on deceased retirees for the months of June and July 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*5. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending July 31, 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*6. Securities Lending Earnings Summary Report for the periods May 1-31, 2022 and June 1-30, 2022 from Deutsche Bank – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*7. KCERA asset allocation, cash flow position, investment fees, and budget status report for the months of May and June 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*8. KCERA Class Action Proceeds Report from April 1 through June 30, 2022 from the Northern Trust Company – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*9. Corrections in Benefit Payments Report for the period January through June 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*10. Corrections in Benefit Contributions Report for the period January through June 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

- *11. Board of Retirement Semi-annual Trustee Education Report – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

- *12. 2022 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVED AND FILED; APPROVED

Hughes-Franey – 8 Ayes

- *13. Letter from Segal, dated June 15, 2022, regarding KCERA Tier 3 Supplemental Retiree Benefit Reserve Benefits for the period from July 1, 2022 through June 30, 2023 – APPROVED

Hughes-Franey – 8 Ayes

- *14. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting August 22, 2022, in Los Angeles, California – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Hughes-Franey – 8 Ayes

- *15. Invitation from California Association of Public Retirement Systems (CALAPRS) to trustees to attend the CALAPRS Principles of Pension Governance for Trustees, August 29-September 1, 2022 in Tiburon, California – APPROVED ATTENDANCE OF TRUSTEE DUSTIN CONTRERAS

Hughes-Franey – 8 Ayes

- *16. Invitation from ValueEdge Advisors to trustees to attend the 2022 Public Funds Forum, September 6-8, 2022 in Laguna Beach, California – APPROVED ATTENDANCE OF TRUSTEE JEANINE ADAMS

Hughes-Franey – 8 Ayes

- *17. Invitation from California Association of Public Retirement Systems (CALAPRS) to staff to attend the CALAPRS Administrators' Institute, September 28-30, 2022 in Long Beach, California – APPROVED ATTENDANCE OF CHIEF OPERATIONS OFFICER MATTHEW HENRY

Hughes-Franey – 8 Ayes

PUBLIC COMMENTS

18. 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 –

ANGELA BONFIGLIO, UNITED RENTERS FOR JUSTICE, HEARD; MADELINE BANKSON, PRIVATE EQUITY STAKEHOLDER PROJECT, HEARD; JIMMY HARRIS, RENTERS FOR UNITED RENTERS FOR JUSTICE, HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

INVESTMENT MATTERS

19. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO COVENANT APARTMENT FUND XI; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kaufman-Adams – 8 Ayes

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.

20. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES JEANINE ADAMS AND JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: JIMMY HARRIS, RENTERS FOR UNITED RENTERS FOR JUSTICE, HEARD

APPROVED UP TO \$40MM COMMITMENT TO LANDMARK REAL ESTATE PARTNERS FUND IX; DIRECTED STAFF TO REPORT BACK REGARDING RESOLUTION OF ISSUES RAISED BY MEMBERS OF THE PUBLIC; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Hughes – 8 Ayes

21. Discussion and appropriate action on hedge fund recommendation presented by Spencer Edge, Albourne America², Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED TRANSFER FROM SCULPTOR ENHANCED FUND TO SCULPTOR MASTER FUND

Whitezell-Adams – 8 Ayes

22. Presentation on the 2nd Quarter Investment Performance Review period ending June 30, 2022 by Scott Whalen, CFA, Verus – SCOTT WHALEN, VERUS, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANNEY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Franey-Kaufman – 8 Ayes

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2 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.

23. Presentation on the 2nd Quarter 2022 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE DAVID COUCH LEFT AT 10:00 A.M.

RECEIVED AND FILED

Kaufman-Whitezell – 7 Ayes

STAFF REPORTS

24. Report from Chief Executive Officer

CHIEF EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- RETIREMENT PLANNING SEMINAR SCHEDULED
- NEW WEBSITE LAUNCHED
- ALAMEDA/PEPRA IMPLEMENTATION UPDATE
- STAFFING UPDATE
- ANNUAL STATEMENTS
- SOLAR PROJECT UPDATE
- SRBR DISCUSSED AT FINANCE COMMITTEE; WILL COME TO BOARD OF RETIREMENT IN SEPTEMBER
- RFP FOR PLAN SPONSOR AUDITS
- MMRO UPDATE
- HR CONSULTANT
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANNEY AND JORDAN KAUFMAN HEARD

25. Report from Chief Investment Officer

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

- JUNE AND JULY REBALANCING ACTIVITY
- PORTFOLIO POSITIONING AND MARKET UPDATE
- KEY INITIATIVES & UPDATES

CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANNEY HEARD

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.

26. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- SACRS LEGISLATIVE UPDATE
- TIMING OF LEGISLATIVE CYCLE
- SEC PROPOSED RULE CHANGES

COMMITTEE REPORTS

27. Report from Committee Chairs:

- a. Administrative Committee: HUGHES – MEETING SCHEDULED SEPTEMBER 19, 2022
- b. Finance Committee: FRANNEY – NONE
- c. Investment Committee: KAUFMAN – NONE
- d. KCERA Property, Inc.: SEIBLY – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

28. 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

29. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
30. ADJOURNED – 10:48 A.M.

Secretary, Board of Retirement

Chair, Board of Retirement



**Kern County Employees' Retirement Association
New Retirees- August 1, 2022 to August 31, 2022**

Employer Name: County Of Kern

| Member Last Name | Member First Name | Retirement Date | Membership Tier | Department Name |
|------------------|-------------------|-----------------|-----------------|----------------------------------|
| Forter | Samuel | 07/16/2022 | General Tier I | 5923 - Employers' Train Resource |
| Hoffman | Elvia | 07/16/2022 | General Tier I | 2415 - Fire |
| Johnson | Larry | 07/02/2022 | Safety Tier I | 2210S - Sheriff |
| Maxfield | Susan | 07/21/2022 | General Tier I | 5610 - Aging And Adult Services |
| Mcmasters | Perry | 07/02/2022 | Safety Tier I | 2210S - Sheriff |
| Miller | Steven | 08/05/2022 | Safety Tier I | 2210S - Sheriff |
| Sisco | Kimberlee | 06/18/2022 | General Tier I | 5120 - Depart Of Human Services |
| Villalobos | Edgar | 08/04/2022 | General Tier I | 1610 - General Services Division |

Employer Name: KC Superior Court

| Member Last Name | Member First Name | Retirement Date | Membership Tier | Department Name |
|------------------|-------------------|-----------------|-----------------|-----------------------|
| Orozco | Yolanda | 08/13/2022 | General Tier I | 9410 - Superior Court |
| Soliz | Christine | 07/16/2022 | General Tier I | 9410 - Superior Court |

Employer Name: Kern County Hospital Authority

| Member Last Name | Member First Name | Retirement Date | Membership Tier | Department Name |
|------------------|-------------------|-----------------|-----------------|---------------------------------------|
| Afshar-Kateb | Oumaly | 07/30/2022 | General Tier I | 9460 - Kern County Hospital Authority |
| Fecke | Daniel | 07/16/2022 | General Tier II | 9460 - Kern County Hospital Authority |



**Kern County Employees' Retirement Association
New Retirees- August 1, 2022 to August 31, 2022**

| Member Last Name | Member First Name | Retirement Date | Membership Tier | Department Name |
|-------------------------|--------------------------|------------------------|------------------------|---------------------------------------|
| Haskins | Ernest | 07/13/2022 | General Tier I | 9460 - Kern County Hospital Authority |
| Huerta | Jesus | 08/13/2022 | General Tier I | 9460 - Kern County Hospital Authority |



Kern County Employees' Retirement Association
Decedents- August 1, 2022 to August 31, 2022

Pre-Retirement Deaths

| Last Name | First Name | Membership Type | Employer Name |
|-----------|------------|-----------------|----------------|
| Falk | Brian | Safety | County Of Kern |
| Gibson | James | General | County Of Kern |

Post-Retirement Deaths

| Last Name | First Name | Membership Type | Employer Name |
|------------|------------|-----------------|----------------|
| Alaniz | Lydia | General | County Of Kern |
| Benavente | Gloria | General | County Of Kern |
| Brassfield | David | Safety | County Of Kern |
| Brennan | Sheryl | General | County Of Kern |
| Hardoin | John | General | County Of Kern |
| Longacre | Shirley | General | County Of Kern |
| Mays | Pamela | General | County Of Kern |
| Salley | Jewel | General | County Of Kern |
| Slater | Elaine | General | County Of Kern |
| Terry | Dorothy | General | County Of Kern |
| Webb | Lurine | General | County Of Kern |

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 08/31/22**

| NAME | DEPARTMENT | DATE FILED | DATE OF LAST CONTACT |
|-------------------------------|---------------------------------------|-------------------|-----------------------------|
| Gregory, Dolores | SHERIFF | 08/16/22 | 08/26/22 |
| Smith, Clifton | FIRE | 08/15/22 | 08/26/22 |
| Cockrell, June | DEPT OF HUMAN SERVICES | 08/11/22 | 08/16/22 |
| Gaetzman, Travis- Pending ADP | SHERIFF | 08/10/22 | 08/16/22 |
| Hartley-Anders, Kim | SUPERIOR COURT | 08/09/22 | 08/16/22 |
| Hudson, Richard | SHERIFF | 08/08/22 | 08/16/22 |
| Carrillo, Aaron | SHERIFF | 07/15/22 | 07/21/22 |
| Rice, Jerry | FIRE | 07/07/22 | 07/21/22 |
| Roden, Jim | SHERIFF | 06/22/22 | 07/01/22 |
| Rodriguez, Mark | FIRE | 06/21/22 | 07/01/22 |
| Fecke, Daniel | HOSPITAL AUTHORITY | 06/15/22 | 07/28/22 |
| Pena, Armando | PROBATION | 05/27/22 | 07/27/22 |
| Gomez, Armando | ITS | 04/29/22 | 08/12/22 |
| NAME | DEPARTMENT | DATE FILED | MMRO ASSIGNED |
| Hill, Sheldon | SHERIFF | 05/27/22 | 08/19/22 |
| Cano, Emma | BEHAVIORAL HEALTH & RECOVERY SERVICES | 03/17/22 | 08/19/22 |
| Barnes, Mark | SHERIFF | 12/03/21 | 07/21/22 |
| Yohn, Jacob | SHERIFF | 11/30/21 | 07/21/22 |
| Fussel, Kathy | HOSPITAL AUTHORITY | 11/03/21 | 02/24/22 |
| Guandique, Sandra | RISK MANAGEMENT | 10/15//21 | 03/14/22 |
| Kauffman, Stephen | DISTRICT ATTORNEY | 08/16/21 | 04/25/22 |
| Gardner, Stephen | FIRE | 07/19/21 | 02/24/22 |
| Brannan, Derek | SHERIFF | 07/14/21 | 11/22/21 |
| Leon, Theresa | DEPARTMENT OF HUMAN SERVICES | 07/07/21 | 10/18/21 |
| Patton, Eric | SHERIFF | 06/30/21 | 11/22/21 |
| Candelaria, Valerie | HUMAN SERVICES | 06/23/21 | 09/15/21 |
| Introini, Jessica | SHERIFF | 06/18/21 | 11/22/21 |
| Williams, Theron | GENERAL SERVICES DIVISION | 05/12/21 | 09/15/21 |
| Garcia, Judy | KERN HOSPITAL AUTHORITY | 03/29/21 | 10/18/21 |
| Smith, Thomas Jr. | SHERIFF | 03/16/21 | 11/08/21 |
| Brandon, Bradly | SHERIFF | 03/04/21 | 08/20/21 |
| Bravo, Enrique | SHERIFF | 03/01/21 | 8/20/20 |
| Sanders-Stubblefield, Misty | AGING AND ADULT SERVICES | 02/25/21 | 08/20/21 |
| McAdoo, John | SHERIFF | 02/24/21 | 08/20/21 |
| Bankston, Josh | SHERIFF | 02/09/21 | 08/19/21 |
| Cushman, Harris | Sheriff | 12/22/20 | 08/19/21 |

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 08/31/22**

| NAME | DEPARTMENT | DATE FILED | MMRO ASSIGNED |
|---------------------------|--|-------------------|-----------------------|
| Carrillo, Mabelle | ANIMAL CONTROL | 11/18/20 | 04/21/21 |
| Burchfield, James | PUBLIC WORKS | 11/17/20 | 07/16/21 |
| Tisinger, Douglas | KERN COUNTY WATER AGENCY | 10/05/20 | 05/21/21 |
| Fleeman, Justin | SHERIFF | 09/17/20 | 02/08/21 |
| Diffenbaugh, Anthony | FIRE | 06/11/20 | 04/26/21 |
| Brown, Michael | SHERIFF | 04/14/20 | 08/31/20 |
| Baker, Breanne | HUMAN SERVICES | 04/02/20 | 09/29/20 |
| Terry, Leann | SHERIFF | 10/17/19 | 06/30/20 |
| Martinez de Moore, Brenda | KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES | 12/10/18 | 09/08/20 |
| Boren, Colleen | RISK MANAGEMENT | 08/02/18 | 09/03/20 |
| Champlin, Timothy | PROBATION | 04/25/18 | 05/21/20 |
| Hulsey, Jonathan | PROBATION | 04/18/18 | 04/22/20 |
| Coletti, John | SHERIFF | 01/30/18 | 05/20/20 |
| Tennison, Robyn (McClain) | KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES | 07/17/17 | 02/20/20 |
| Rodriguez, Ted | SHERIFF | 06/22/17 | 02/20/20 |
| Hsu, Sue | BEHAVIORAL HEALTH & RECOVERY SERVICES | 04/05/17 | 02/06/20 |
| Paxson, Kalae | SHERIFF | 03/15/17 | 11/05/19 |
| Carvel, Scott | DISTRICT ATTORNEY | 01/27/17 | 11/05/19 |
| COMPLETED IN 2022 | | | |
| NAME | DEPARTMENT | FILED | DATE COMPLETED |
| Lucio, Juan | PUBLIC WORKS | 07/19/21 | 01/19/22 |
| Haight, Anita | COURTS | 05/14/20 | 01/19/22 |
| Alaniz, Maria D. | PUBLIC HEALTH | 04/13/18 | 03/09/22 |

KCERA
 APPEALS PENDING
 AS OF 08/31/22

| ADMINISTRATIVE HEARING | DEPARTMENT | DATE FILED | SDAG RECOMMENDATION | APPEAL RECEIVED | SENT TO COUNTY COUNSEL | HEARING OFFICER ASSIGNED | HEARING DATE |
|------------------------|------------|------------|---------------------|-----------------|------------------------|--------------------------|--------------|
|------------------------|------------|------------|---------------------|-----------------|------------------------|--------------------------|--------------|

| WRIT OF MANDATE | DEPARTMENT | DATE FILED | BOARD DECISION |
|-----------------|------------|------------|-----------------------------------|
| Ashley, Mark | SHERIFF | 09/03/15 | Board denied SCD and granted NSCD |

| COURT OF APPEAL | DEPARTMENT | DATE FILED | BOARD DECISION |
|-----------------|------------|------------|------------------|
| Morgan, Gloria | SHERIFF | 03/26/15 | Board denied SCD |

| HEARINGS COMPLETED IN 2022 | | | |
|----------------------------|-------------------|------------|----------------|
| NAME | DEPARTMENT | DATE FILED | DATE COMPLETED |
| Blue, Michael | SHERIFF | 06/14/13 | 05/04/22 |
| Winn, Jay M. | DISTRICT ATTORNEY | 03/16/16 | 04/13/22 |

SECURITIES LENDING



Summary Earnings Report

Run Time: 08-Aug-2022 10:22 EDT
 Date Range: 01-JUL-2022 To 31-JUL-2022
 Location: Not specified
 Currency: USD
 Client ID: Not Specified
 Master Client: CAKERN
 Grouping Type: None
 Level: Individually

| | Client ID | Average Contract Amount | Gross Earnings | DB Earnings | Client Earnings | Custody Account |
|----------------------------------|-------------------------|-------------------------|------------------|-----------------|------------------|-----------------|
| New York | | | | | | |
| USD | | | | | | |
| KNCTY - Harvest Midstream | CAKE18 | 2,893,636.02 | 2,054.08 | 205.41 | 1,848.67 | KNC15 |
| KNCTY - PIMCO Midstream | CAKE19 | 16,574,923.62 | 6,828.33 | 682.83 | 6,145.50 | KNC16 |
| KNCTY PIMCO Core Plus | CAKE07 | 25,687,170.01 | 6,302.96 | 630.30 | 5,672.66 | KNC11 |
| KNCTY PIMCO EMD | CAKE08 | 1,497,433.73 | 1,043.25 | 104.33 | 938.93 | KNC12 |
| KNTCY - Alliance Bernstein | CAKE15 | 35,072,218.83 | 9,985.67 | 998.57 | 8,987.10 | 2664130 |
| KNTCY - Geneva | CAKE16 | 21,298,436.43 | 5,745.27 | 574.53 | 5,170.75 | 2667336 |
| KNTCY - Western Asset MGMT Co 01 | CAKE03 | 28,551,645.02 | 7,624.98 | 762.50 | 6,862.48 | KNC06 |
| KNTCY - Western Asset MGMT Co 02 | CAKE04 | 50,001,443.34 | 21,255.01 | 2,125.50 | 19,129.51 | KNC08 |
| | CCY Total USD: | 181,576,907.00 | 60,839.54 | 6,083.95 | 54,755.59 | |
| | Grand Total USD: | | 60,839.54 | 6,083.95 | 54,755.59 | |

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KCERA ASSET ALLOCATION*
7/31/2022

| Manager Name | Type | \$(000) | Current Allocation | Target Percentage | Variance Over Target (Under Target) | Variance Over Target (Under Target) \$(000) |
|---|------------------------------|--------------------|--------------------|-------------------|-------------------------------------|---|
| AllianceBernstein | Small Cap Value | 90,591 | 1.7% | | | |
| Geneva Capital | Small Cap Growth | 49,978 | 0.9% | | | |
| Mellon Capital Management EB DV | Large Cap Passive | 306,686 | 5.8% | | | |
| PIMCO StockPlus | Large Cap Enhanced | 107,343 | 2.0% | | | |
| Total Domestic Equity | | \$554,598 | 10.5% | 19.0% | (8.5%) | (\$445,798) |
| American Century | International Small | 71,421 | 1.4% | | | |
| Cevian Capital II LP | International Large | 33,991 | 0.6% | | | |
| Mellon Capital Management-EB DV | International Large Passive | 494,978 | 9.4% | | | |
| Total International Developed Equity | | \$600,390 | 11.4% | 13.0% | (1.6%) | (\$84,092) |
| AB Emerging Markets Strategic Core | Emerging Markets | 88,172 | 1.7% | | | |
| DFA Emerging Markets Value Portfolio | Emerging Markets | 75,760 | 1.4% | | | |
| Mellon Emerging Markets | Emerging Markets | 82,651 | 1.6% | | | |
| Total Emerging Market Equity | | \$246,583 | 4.7% | 5.0% | (0.3%) | (\$16,679) |
| TOTAL EQUITY | | \$1,401,571 | 26.6% | 37.0% | (10.4%) | (\$546,570) |
| Mellon Capital Management Ag Bond | Core | 166,477 | 3.2% | | | |
| PIMCO | Core Plus | 194,757 | 3.7% | | | |
| Western Asset Management - CP | Core Plus | 204,487 | 3.9% | | | |
| Total Core | | \$565,721 | 10.7% | 14.0% | (3.3%) | (\$171,413) |
| TCW Securitized Opportunities LP | Securitized Opportunities | 99,577 | 1.9% | | | |
| Western Asset Management - HY | High Yield | 194,784 | 3.7% | | | |
| Total Credit | | \$294,361 | 5.6% | 6.0% | (0.4%) | (\$21,554) |
| PIMCO EM Beta | Emerging Markets | 134,392 | 2.6% | | | |
| Stone Harbor Global Funds | Emerging Markets | 88,847 | 1.7% | | | |
| Total Emerging Market Debt | | \$223,239 | 4.2% | 4.0% | 0.2% | \$12,629 |
| TOTAL FIXED INCOME | | \$1,083,321 | 20.6% | 24.0% | (3.4%) | (\$180,338) |
| Gresham Commodity Builder Fund | Active | 85,917 | 1.6% | | | |
| Wellington Trust Company (WTC) | Active | 184,990 | 3.5% | | | |
| TOTAL COMMODITIES | | \$270,907 | 5.1% | 4.0% | 1.1% | \$60,297 |
| Aristeia International Ltd | Hedge Fund - Direct | 67,236 | 1.3% | | | |
| Brevan Howard Fund Limited | Hedge Fund - Direct | 72,840 | 1.4% | | | |
| D.E. Shaw Composite Fund | Hedge Fund - Direct | 59,053 | 1.1% | | | |
| HBK Multi-Strategy Fund | Hedge Fund - Direct | 55,371 | 1.1% | | | |
| Hudson Bay Enhanced Fund LP | Hedge Fund - Direct | 76,185 | 1.4% | | | |
| Indus Pacific Opportunities Fund | Hedge Fund - Direct | 36,787 | 0.7% | | | |
| Magnetar Structured Credit Fund | Hedge Fund - Direct | 8,121 | 0.2% | | | |
| Myriad Opportunities Offshore Fund | Hedge Fund - Direct | 464 | 0.0% | | | |
| PIMCO Commodity Alpha Fund LLC | Hedge Fund - Direct | 65,294 | 1.2% | | | |
| PMF LTD | Hedge Fund - Direct | 60,893 | 1.2% | | | |
| Sculptor Enhanced LP (Formerly OZ Domestic) | Hedge Fund - Direct | 44,056 | 0.8% | | | |
| TOTAL HEDGE FUND | | \$548,300 | 10.4% | 10.0% | 0.4% | \$19,776 |
| ASB Capital Management | Core | 192,714 | 3.7% | | | |
| JPMCS Strategic Property Fund | Core | 163,552 | 3.1% | | | |
| TOTAL CORE REAL ESTATE | | \$356,266 | 6.8% | 5.0% | 1.8% | \$93,004 |
| Davidson Kempner | Hedge Fund - Direct | 53,077 | 1.0% | | | |
| Garda Fixed Income | Hedge Fund - Direct | 53,079 | 1.0% | | | |
| HBK Multi-Strategy Fund | Hedge Fund - Direct | 53,817 | 1.0% | | | |
| HBK Spac Fund | Hedge Fund - Direct | 39,537 | 0.8% | | | |
| Hudson Bay Enhanced Fund LP | Hedge Fund - Direct | 58,009 | 1.1% | | | |
| TOTAL CE ALPHA POOL | | \$257,519 | 4.9% | 5.0% | (0.1%) | (\$5,743) |
| Harvest Midstream | Midstream | 207,534 | 3.9% | | | |
| PIMCO Midstream | Midstream | 146,914 | 2.8% | | | |
| TOTAL MIDSTREAM ENERGY | | \$354,448 | 6.7% | 0.0% | 6.7% | \$354,448 |
| Aristeia Select Opportunities II LP | Opportunistic | 52,100 | 1.0% | | | |
| DB Investor's Fund IV | Opportunistic | 28,812 | 0.5% | | | |
| River Birch International Ltd | Hedge Fund - Direct | 8,331 | 0.2% | | | |
| TSSP Adjacent Opportunities Partners (D) | Opportunistic | 82,539 | 1.6% | | | |
| TOTAL OPPORTUNISTIC | | \$171,782 | 3.3% | 0.0% | 3.3% | \$171,782 |
| Abbott Capital Funds | Private Equity Fund of Funds | 26,059 | 0.5% | | | |
| Blue Torch Credit Opportunities Fund III | Private Equity | 2,000 | 0.0% | | | |
| Brighton Park | Private Equity | 36,106 | 0.7% | | | |
| Level Equity Growth Partners | Private Equity | 4,244 | 0.1% | | | |
| LGT Crown Global | Private Equity | 19,198 | 0.4% | | | |
| Linden Capital Partners | Private Equity | 2,338 | 0.0% | | | |
| Pantheon Funds | Private Equity Fund of Funds | 11,043 | 0.2% | | | |
| Peak Rock | Private Equity | 8,954 | 0.2% | | | |
| Visia | Private Equity | 13,717 | 0.3% | | | |
| Warren Equity Partners | Private Equity | 20,878 | 0.4% | | | |
| TOTAL PRIVATE EQUITY | | \$144,537 | 2.7% | 5.0% | (2.3%) | (\$118,725) |
| Blue Torch Credit Opportunit | Private Credit | 16,049 | 0.3% | | | |
| Brookfield Real Estate Finance Fund V | Private Credit | 19,766 | 0.4% | | | |
| Colony Distressed Credit Fund | Private Credit | 34,823 | 0.7% | | | |
| Fortress Credit Opportunities Fund V | Private Credit | 12,844 | 0.2% | | | |
| Fortress Lending Fund II (A) | Private Credit | 28,118 | 0.5% | | | |
| Fortress Lending Fund III (A) | Private Credit | 13,962 | 0.3% | | | |
| H.I.G Bayside Loan Opportunity Fund | Private Credit | 43,773 | 0.8% | | | |
| Magnetar Constellation Fund V | Private Credit | 31,645 | 0.6% | | | |
| TSSP Adjacent Opportunities Partners (B) | Private Credit | 40,577 | 0.8% | | | |
| TOTAL PRIVATE CREDIT | | \$241,557 | 4.6% | 5.0% | (0.4%) | (\$21,705) |
| Covenant Apartment Fund | Private Real Estate | 26,740 | 0.5% | | | |
| Invesco Real Estate Funds III & IV | Private Real Estate | 4,031 | 0.1% | | | |
| KCERA Property | Private Real Estate | 4,629 | 0.1% | | | |
| LBA Logistics Value Fund IX | Private Real Estate | 4,231 | 0.1% | | | |
| Landmark Real Estate Partners VIII | Private Real Estate | 29,770 | 0.6% | | | |
| Long Wharf Real Estate Partners VI | Private Real Estate | 29,822 | 0.6% | | | |
| Singerman Real Estate Opportunity Fund IV | Private Real Estate | 3,785 | 0.1% | | | |
| TOTAL PRIVATE REAL ESTATE | | \$103,008 | 2.0% | 5.0% | (3.0%) | (\$160,255) |
| Northern Trust STIF | Short Term | 70,440 | 1.3% | | | |
| BlackRock Short Duration | Short Term | 126,437 | 2.4% | | | |
| Parametric | Overlay | 130,341 | 2.5% | | | |
| Treasurers Pooled Cash | Short Term | 5,078 | 0.1% | | | |
| Wells Fargo Bank | Short Term | 1,386 | 0.0% | | | |
| TOTAL CASH AND OVERLAY | | \$333,682 | 6.3% | 0.0% | 6.3% | \$333,682 |
| Transition Accounts | Liquidation | 347 | 0.0% | | | |
| Other | | \$347 | 0.0% | 0.0% | 0.0% | \$347 |
| As Allocated to Managers ** | | \$5,265,245 | 100.0% | 100.0% | 0.0% | \$0 |

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement April 2020.

**Physical securities market value only. Does not include notional market values of the overlay or capital efficiency program

KCERA
CASH FLOW POSITION
July, 2022
TREASURERS POOLED CASH

| | | | |
|--------------------------------|--------------|-----------|----------------------------|
| Beginning Cash Balance: | | \$ | 16,414,920 |
| Employer Contributions | 14,414,164 | | |
| Employee Contributions | 3,389,897 | | |
| Service Purchases | 19,608 | | |
| Miscellaneous | 37,514 | | |
| Total Receipts: | | | 17,861,183 |
| Operating Expenses | (2,172,352) | | |
| Investment Expenses | (25,980) | | |
| Transfers-out | (27,000,000) | | |
| Total Disbursements: | | | <u>(29,198,332)</u> |
| Ending Cash Balance: | | \$ | <u>5,077,772</u> |

NORTHERN TRUST

| | | | |
|-----------------------------------|-------------|-----------|----------------------------|
| Beginning Cash Balance: | | \$ | 60,360,495 |
| Private Markets - Distributions | 1,698,417 | | |
| Commingled Funds - Distributions | 133 | | |
| Redemption TCW | 25,000,000 | | |
| Class Action Proceeds | 21,325 | | |
| Interest | 99,029 | | |
| Securities Lending Earnings (NET) | 53,387 | | |
| Total Receipts: | | | 26,872,291 |
| Capital Calls Landmark | (1,234,772) | | |
| Capital Calls TSSP | (8,277,030) | | |
| Capital Calls Linden | (2,731,813) | | |
| Capital Calls Singerman | (131,250) | | |
| Capital Calls Long Wharf | (2,180,377) | | |
| Other Expenses | (8,625) | | |
| Transfers-out | (8,000,000) | | |
| Total Disbursements: | | | <u>(22,563,866)</u> |
| Ending Cash Balance: | | \$ | <u>64,668,920</u> |

**KCERA
CASH FLOW POSITION
July, 2022**

WELLS FARGO BANK

| | | |
|-------------------------------|--------------|----------------------------|
| Beginning Cash Balance | | \$ 1,081,821 |
| Transfer In Northern Trust | 8,000,000 | |
| Transfer In TPC - County | 27,000,000 | |
| ACH Returns / Deletes | 12,459 | |
| Total Receipts: | | 35,012,459 |
| ACH Benefit Payments | (29,868,907) | |
| Total Checks Paid | (419,852) | |
| Taxes Withholding Deposits | (4,416,858) | |
| Bank Services | (2,207) | |
| Total Disbursements: | | (34,707,824) |
| WFB ending Balance | | <u>\$ 1,386,455</u> |

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED JULY, 2022**

| Description | July | Total |
|--|------------------|------------------|
| Investment Base Fees: | | |
| Domestic Equity: | | |
| AllianceBernstein | | 0.00 |
| Henderson Geneva Capital | | 0.00 |
| Mellon Capital | | 0.00 |
| International Equity: | | |
| BlackRock | | 0.00 |
| Fidelity Institutional Asset Management | | 0.00 |
| Fixed Income: | | |
| Mellon Capital (Ag Bond) | | 0.00 |
| Pacific Investment Management Company | | 0.00 |
| Western Asset Management | | 0.00 |
| Commodities: | | |
| Wellington Trust Company | | 0.00 |
| Real Estate: | | |
| ASB Capital Management | | 0.00 |
| Midstream Energy: | | |
| Harvest Midstream | | 0.00 |
| Overlay | | |
| Parametric | | 0.00 |
| Subtotal | 0.00 | 0.00 |
| Investment Professional Fees: | | |
| Consulting: | | |
| Abel Noser | | 0.00 |
| Albourne America LLC | | 0.00 |
| Cambridge Associates | | 0.00 |
| Glass, Lewis & Co. | | 0.00 |
| Verus | | 0.00 |
| Consulting - Other Expenses | | 0.00 |
| Custodial: | | |
| The Northern Trust Co. | | 0.00 |
| Legal: | | |
| Foley & Lardner LLP | | 0.00 |
| Hanson Bridgett LLP | | 0.00 |
| Nossaman LLP | 25,980.00 | 25,980.00 |
| Due Diligence / Investment-Related Travel: | | |
| Subtotal | 25,980.00 | 25,980.00 |
| Total Investment Fees | 25,980.00 | 25,980.00 |

KCERA
Operating Expense Budget Status Report
For the Month Ended July 31, 2022

| Expense Type | Budget FY 2022/23 | Expenses | Over (Under) |
|---------------------------------------|----------------------|--------------------|-----------------------|
| Staffing | | | |
| Salaries | 3,724,357.00 | \$230,925.67 | (3,493,431.33) |
| Benefits | 2,410,676.00 | 141,548.33 | (2,269,127.67) |
| Temporary staff | - | - | - |
| Staffing Total | 6,135,033.00 | 372,474.00 | (5,762,559.00) |
| Staff Development | | | |
| Education & Professional Development | 90,000.00 | 2,168.27 | (87,831.73) |
| Staff Appreciation | 3,000.00 | - | (3,000.00) |
| Staff Development Total | 93,000.00 | 2,168.27 | (90,831.73) |
| Professional Fees | | | |
| Actuarial fees | 140,000.00 | - | (140,000.00) |
| Audit fees | 50,500.00 | - | (50,500.00) |
| Consultant fees | 115,000.00 | - | (115,000.00) |
| Legal fees | 80,000.00 | - | (80,000.00) |
| Professional Fees Total | 385,500.00 | 0.00 | (385,500.00) |
| Office Expenses | | | |
| Building expenses | 115,000.00 | 5,462.09 | (109,537.91) |
| Communications | 52,770.00 | 2,282.24 | (50,487.76) |
| Equipment lease | 9,600.00 | \$642.65 | (8,957.35) |
| Equipment maintenance | 7,178.00 | \$2,000.00 | (5,178.00) |
| Memberships | 20,000.00 | - | (20,000.00) |
| Office supplies & misc. admin. | 68,300.00 | \$3,484.07 | (64,815.93) |
| Payroll & accounts payable fees | 27,800.00 | - | (27,800.00) |
| Other Services - Kern County | 40,000.00 | \$0.00 | (40,000.00) |
| Postage | 20,000.00 | - | (20,000.00) |
| Subscriptions | 13,733.00 | - | (13,733.00) |
| Utilities | 30,000.00 | - | (30,000.00) |
| Office Expense Total | 404,381.00 | 13,871.05 | (390,509.95) |
| Insurance | 160,595.00 | 0.00 | (160,595.00) |
| Member Services | | | |
| Disability- legal fees | 10,000.00 | - | (10,000.00) |
| Disability – professional services | 20,000.00 | - | (20,000.00) |
| Disability- administration MMRO | 140,000.00 | - | (140,000.00) |
| Member communications | 20,000.00 | \$143.97 | (19,856.03) |
| Member Services Total | 190,000.00 | 143.97 | (189,856.03) |
| Systems | | | |
| Audit – security & vulnerability scan | 15,000.00 | - | (15,000.00) |
| Business continuity expenses | 23,850.00 | - | (23,850.00) |
| Hardware | 48,453.00 | 1,853.05 | (46,599.95) |
| Licensing & support | 148,413.00 | 84,272.54 | (64,140.46) |
| Software | 164,229.00 | 68,256.69 | (95,972.31) |
| Website design & hosting | 85,695.00 | - | (85,695.00) |
| Systems Total | 485,640.00 | 154,382.28 | (331,257.72) |
| Board of Retirement | | | |
| Board compensation | 12,000.00 | - | (12,000.00) |
| Board conferences & training | 50,000.00 | \$3,628.30 | (46,371.70) |
| Board elections | 50,000.00 | - | (50,000.00) |
| Board meetings | 5,000.00 | - | (5,000.00) |
| Board of Retirement Total | 117,000.00 | 3,628.30 | (113,371.70) |
| Depreciation / Amortization | 666,471.00 | \$54,097.20 | (612,373.80) |
| Total Operating Expenses | 8,637,620.00 | 600,765.07 | (8,036,854.93) |

Executive Team

Dominic D. Brown, CPA, CFE
Chief Executive Officer

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
Chief Legal Officer

Matthew Henry, CFE
Chief Operations Officer



Board of Retirement

Juan Gonzalez, Chair
Tyler Whitezell, Vice-Chair
Jeanine Adams
David Couch
Phil Franey
Joseph D. Hughes
Jordan Kaufman
Rick Kratt
Traco Matthews
Dustin Contreras, Alternate
Chase Nunneley, Alternate
Robb Seibly, Alternate

August 22, 2022

Via Electronic Mail

Mary B. Bedard, CPA
Kern County Auditor-Controller-County Clerk
1115 Truxtun Avenue, 1st Floor
Bakersfield, CA 93301
bedardm@kerncounty.com

Subject: KCERA Board of Retirement Election for Third, Eighth and Alternate Eighth Members

Dear Ms. Bedard:

The terms of office of the Third, Eighth and Alternate Eighth seats of the Board of Retirement expire on December 31, 2022. The Third member is a General member employee elected by the General members of the Kern County Employees' Retirement Association ("KCERA") and the Eighth and Alternate Eighth members are Retired members of KCERA who are elected by the Retired members of KCERA.

The Government Code provides that members of the Board of Retirement shall be elected for three-year terms in a manner to be determined by the Board of Supervisors. The Auditor-Controller-County Clerk has conducted previous elections upon direction from the Board of Supervisors and there is no fiscal impact as the Auditor-Controller-County Clerk is reimbursed by KCERA for all expenses incurred in conducting the election.

Therefore, it is requested that you conduct an election, pursuant to the Board of Retirement's elections procedures, for the Board of Retirement positions listed above for the term of office ending December 31, 2025.

Respectfully submitted,

Dominic D. Brown
Chief Executive Officer

cc: Mary B. Bedard, CPA, Auditor-Controller-County Clerk
Aimee Espinoza, Assistant Auditor-Controller-County Clerk
Laura Cantu, Division Chief, Elections Division
Jennifer Zahry, KCERA Chief Legal Officer
Trustees, Board of Retirement

11125 River Run Boulevard • Bakersfield, California 93311 • www.kcera.org
Tel (661) 381-7700 • Fax (661) 381-7799 • Toll Free (877) 733-6831 • TTY Relay (800) 735-2929



Date: September 14, 2022
To: Trustees, Board of Retirement
From: Daryn Miller, Chief Investment Officer
Subject: **Board ESG Discussion Follow Up**

RECOMMENDATION

At this time, Staff recommends taking no steps regarding changes to the Investment Policy Statement on the Plan's Investment Strategy as it relates to Environmental, Social, and Corporate Governance (ESG). Staff continues to monitor the topic and will present recommendations to the Board of Retirement if changes are warranted.

BACKGROUND

In 2020 a former trustee requested that the Board of Retirement discuss ESG. At the September 2020 Board meeting, Tom Iannucci from Cortex Applied Research (the Board's former governance consultant) provided education on ESG to the Board. After receiving education, the Board concluded that changing the investment strategy or policy regarding ESG was not a priority and requested that staff monitor the topic and follow up in one year.

SEPTEMBER 2021

Per the Board's request, Staff brought the ESG topic back to the Board after one year. Staff called upon the Plan's general investment consultant (Scott Whalen from Verus Advisory) to provide education regarding ESG. After receiving education, the Board again concluded that ESG should not be a focus and requested that Staff follow up in one year.



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Legal Officer
Jennifer Esquivel Zahry

Date: September 14, 2022
To: Board of Retirement, Trustees
From: Jennifer Esquivel Zahry, Chief Legal Officer 
Subject: **Biennial Review of Conflict of Interest Code**

Every even numbered year, the County sends KCERA a Notice of Biennial Review pursuant to California Government Code section 87306.5. The Notice reminds KCERA that it is obligated to review and update its Conflict of Interest Code. KCERA has reviewed and revised portions of its Conflict of Interest Code and will submit its revisions to the County for approval. Specifically, KCERA included a separate section explaining where form 700 documents should be submitted and added a separate Appendix to delineate the various positions on the KCERA Board, as required by California Government Code section 87314 and 87200.



CONFLICT OF INTEREST CODE
KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached APPENDIX in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the Kern County Employees' Retirement Association.

The terms of the conflict of interest code amended or adopted and promulgated pursuant to Section 18730 are as follows:

Section (2) Designated Employees.

The persons holding positions listed in Appendix A are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests. Designated employees shall file statements of economic interests with Secretary of the Board who will make the statement available for public inspections and reproduction. (Government Code section 81008.) Statements for all designated employees will be retained by the Secretary of the Board.

Section (3) Disclosure Categories

All designated employees shall file pursuant to the disclosure categories set forth in Appendix B, which specify the kinds of economic interests that are reportable. Such a designated employee shall disclose in his or her statement of economic interest those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's

disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200.

POLICY REVIEW AND HISTORY

- 1) This policy was:
 - a) Amended by the Board of Retirement on October 11, 2000; March 14, 2001; September 25, 2002; September 10, 2008; August 26, 2009; July 11, 2012; September 10, 2018; September 8, 2021, and September 14, 2022.
 - b) Approved by the Board of Supervisors on November 6, 2018; September 28, 2021; and [month day, year].

APPENDIX A—
AGENCY POSITIONS THAT MANAGE PUBLIC INVESTMENTS FOR PURPOSES OF
SECTION 87200 OF THE GOVERNMENT CODE

DESIGNATED EMPLOYEES

| | DISCLOSURE CATEGORY |
|---|--------------------------------|
| I. BOARD OF RETIREMENT TRUSTEES | 5 |
| A. First Member Statute (ex-officio) | 5 |
| B. Second Member Elected (General Member) | 5 |
| C. Third Member Elected (General Member) | 5 |
| D. Fourth Member Appointed (Board of Supervisors Member) | 5 |
| E. Fifth Member Appointed | 5 |
| F. Sixth Member Appointed | 5 |
| G. Seventh Member Elected (Safety Member) | 5 |
| H. Eighth Member Elected (Retired Member) | 5 |
| I. Ninth Member Appointed | 5 |
| J. Alternate First Member Statute | 5 |
| K. Alternate Seventh Member Elected (Safety Member) | 5 |
| L. Alternate Eighth Member Elected (Retired Member) | 5 |

APPENDIX B

DESIGNATED EMPLOYEES

DISCLOSURE
CATEGORY

| | | |
|-------------|---|----------|
| I. | BOARD OF RETIREMENT TRUSTEES | 5 |
| II. | EXECUTIVE / ADMINISTRATIVE GROUP | |
| | A. Chief Executive Officer | 1 |
| | B. Chief Operating Officer | 1 |
| | C. Chief Investment Officer | 1 |
| | D. Deputy Chief Investment Officer | 1 |
| | E. Investment/Senior Investment Officer | 1 |
| | F. Investment Analyst I/II/Senior | 1 |
| III. | LEGAL GROUP | |
| | A. Chief Legal Officer | 1 |
| | B. Deputy/Senior Deputy Chief Legal Officer | 1 |
| | C. Paralegal/Senior Paralegal | 15 |
| IV. | FINANCE GROUP | |
| | A. Chief Financial Officer | 1 |
| | B. Deputy Chief Financial Officer | 1 |
| V. | INVESTMENT CONSULTANTS | |
| | A. All Investment Consultants | 2 |
| VI. | CUSTODIAL SERVICES | |
| | A. Custodian | 2 |

APPENDIX CB
—DISCLOSURE CATEGORIES

CATEGORY 1.

Designated employees in this category shall disclose all sources of income, interests in real property, investments and business positions in business entities. Designated employees in this category shall complete all schedules of Form 700, if applicable.

CATEGORY 2.

Designated employees in this category shall disclose sources of income, investments, and business positions in business entities that provide services, supplies, materials, machinery or equipment of the type purchased or utilized by the department in which the designated employee is employed. Designated employees in this category shall complete all schedules of Form 700 except schedule C, if applicable.

CATEGORY 3.

Designated employees in this category shall disclose all sources of income, investments, and business positions in business entities that engage in land development, construction, or the acquisition or sale of real property, and shall disclose all interests in real property. Designated employees in this category shall complete all schedules of Form 700, if applicable.

CATEGORY 4.

Persons in this category shall disclose all investments, income, and business positions in business entities that are subject to the regulatory, permit, or licensing authority of the department in which the designated employee is employed. Designated employees in this category shall complete all schedules of Form 700 except schedule C, if applicable.

CATEGORY 5.

Persons in this category are required to make disclosure pursuant to Government Code Sections 87200 and 87202. No additional disclosure obligations are imposed under this code. Designated employees in this category shall complete all schedules of Form 700, if applicable.

POLICY REVIEW AND HISTORY

- 1) This policy was:
 - a) Amended by the Board of Retirement on July 11, 2012, September 10, 2018 and September 8, 2021. [MP1] [JZ2]
 - b) Approved by the Board of Supervisors on November 6, 2018 and September 28, 2021.

DRAFT

APPENDIX DC
FILING REQUIREMENTS

Form 700 State of Economic Interests shall be filed with the Clerk of the Board of Retirement at the address below:

Kern County Employees' Retirement Association
Attention: Clerk of the Board
1125 River Run Boulevard
Bakersfield, CA 93311

The Clerk of the Board will provide a copy of Form 700 to each statutory and designated individual annually, upon assuming office, and upon termination.



CONFLICT OF INTEREST CODE
KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached APPENDIX in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the Kern County Employees' Retirement Association.

The terms of the conflict of interest code amended or adopted and promulgated pursuant to Section 18730 are as follows:

Section (2) Designated Employees.

The persons holding positions listed in Appendix A are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests. Designated employees shall file statements of economic interests with Secretary of the Board who will make the statement available for public inspections and reproduction. (Government Code section 81008.) Statements for all designated employees will be retained by the Secretary of the Board.

Section (3) Disclosure Categories

All designated employees shall file pursuant to the disclosure categories set forth in Appendix B, which specify the kinds of economic interests that are reportable. Such a designated employee shall disclose in his or her statement of economic interest those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's

disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200.

POLICY REVIEW AND HISTORY

- 1) This policy was:
 - a) Amended by the Board of Retirement on October 11, 2000; March 14, 2001; September 25, 2002; September 10, 2008; August 26, 2009; July 11, 2012; September 10, 2018; September 8, 2021, and September 14, 2022.
 - b) Approved by the Board of Supervisors on November 6, 2018; September 28, 2021; and [month day, year].

**APPENDIX A
AGENCY POSITIONS THAT MANAGE PUBLIC INVESTMENTS FOR PURPOSES OF
SECTION 87200 OF THE GOVERNMENT CODE**

| | DISCLOSURE CATEGORY |
|--|--------------------------------|
| I. BOARD OF RETIREMENT TRUSTEES | 5 |
| A. First Member (ex-officio) | 5 |
| B. Second Member Elected (General Member) | 5 |
| C. Third Member Elected (General Member) | 5 |
| D. Fourth Member Appointed (Board of Supervisors Member) | 5 |
| E. Fifth Member Appointed | 5 |
| F. Sixth Member Appointed | 5 |
| G. Seventh Member Elected (Safety Member) | 5 |
| H. Eighth Member Elected (Retired Member) | 5 |
| I. Ninth Member Appointed | 5 |
| J. Alternate First Member | 5 |
| K. Alternate Seventh Member Elected (Safety Member) | 5 |
| L. Alternate Eighth Member Elected (Retired Member) | 5 |

**APPENDIX B
DESIGNATED EMPLOYEES**

| | DISCLOSURE CATEGORY |
|--|--------------------------------|
| I. BOARD OF RETIREMENT TRUSTEES | 5 |
| II. EXECUTIVE / ADMINISTRATIVE GROUP | |
| A. Chief Executive Officer | 1 |
| B. Chief Operating Officer | 1 |
| C. Chief Investment Officer | 1 |
| D. Deputy Chief Investment Officer | 1 |
| E. Investment/Senior Investment Officer | 1 |
| F. Investment Analyst I/II/Senior | 1 |
| III. LEGAL GROUP | |
| A. Chief Legal Officer | 1 |
| B. Deputy/Senior Deputy Chief Legal Officer | 1 |
| C. Paralegal/Senior Paralegal | 1 |
| IV. FINANCE GROUP | |
| A. Chief Financial Officer | 1 |
| B. Deputy Chief Financial Officer | 1 |
| V. INVESTMENT CONSULTANTS | |
| A. All Investment Consultants | 2 |
| VI. CUSTODIAL SERVICES | |
| A. Custodian | 2 |

APPENDIX C DISCLOSURE CATEGORIES

CATEGORY 1.

Designated employees in this category shall disclose all sources of income, interests in real property, investments and business positions in business entities. Designated employees in this category shall complete all schedules of Form 700, if applicable.

CATEGORY 2.

Designated employees in this category shall disclose sources of income, investments, and business positions in business entities that provide services, supplies, materials, machinery or equipment of the type purchased or utilized by the department in which the designated employee is employed. Designated employees in this category shall complete all schedules of Form 700 except schedule C, if applicable.

CATEGORY 3.

Designated employees in this category shall disclose all sources of income, investments, and business positions in business entities that engage in land development, construction, or the acquisition or sale of real property, and shall disclose all interests in real property. Designated employees in this category shall complete all schedules of Form 700, if applicable.

CATEGORY 4.

Persons in this category shall disclose all investments, income, and business positions in business entities that are subject to the regulatory, permit, or licensing authority of the department in which the designated employee is employed. Designated employees in this category shall complete all schedules of Form 700 except schedule C, if applicable.

CATEGORY 5.

Persons in this category are required to make disclosure pursuant to Government Code Sections 87200 and 87202. No additional disclosure obligations are imposed under this code. Designated employees in this category shall complete all schedules of Form 700, if applicable.

**APPENDIX D
FILING REQUIREMENTS**

Form 700 State of Economic Interests shall be filed with the Clerk of the Board of Retirement at the address below:

Kern County Employees' Retirement Association
Attention: Clerk of the Board
11125 River Run Boulevard
Bakersfield, CA 93311

The Clerk of the Board will provide a copy of Form 700 to each statutory and designated individual annually, upon assuming office, and upon termination.

PROPOSED



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

8/16/2022

Juan Gonzalez
Board Chairman
Kern County Employees' Retirement Association, California

Dear Mr. Gonzalez:

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended June 30, 2021 qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. This award has been sent to the submitter as designated on the application.

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and give appropriate publicity to this notable achievement. A sample news release is included to assist with this effort.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

8/16/2022

For more information contact:
Michele Mark Levine, Director/TSC
Phone: (312) 977-9700
Fax: (312) 977-4806
Email: mlevine@gfoa.org

(Chicago, Illinois)—Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to **Kern County Employees' Retirement Association** for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000 members and the communities they serve.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Kern County Employees' Retirement Association
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: September 14, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **Public Pension Financial Forum (P2F2) 2022 Conference
Philadelphia, Pennsylvania
October 22-26, 2022**

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, I have attached information concerning the above-captioned conference, as follows:

- Agenda and supporting information on the pertinence and relevance of attendance to a fiduciary – Preliminary agenda is attached
- Specific information as to whether staff or members of the Board will serve as a speaker or panel participant – None
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the conference sponsor

The topic list is timely and relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Chief Financial Officer Angela Kruger and Senior Accountant Cory Pruett.

Attachments

| | |
|-----------------------------|---|
| Travel Subject | Public Pension Financial Forum (P2F2) 2022 Conference |
| Sponsor | Public Pension Financial Forum (P2F2) |
| Date(s) | October 22-26, 2022 |
| Location | Philadelphia, Pennsylvania |
| Proposed Attendee(s) | Angela Kruger and Cory Pruett |

Estimated Total Travel Cost \$5,106.00

| Description | Computation | | Kruger | Pruett | Totals | Borne By | |
|--------------------------------|---|---|-----------------|-----------------|--------------------|--------------------|------------------|
| | | | | | | KCERA | Sponsor |
| Registration fees | \$575.00 | = | 575.00 | 575.00 | 1,150.00 | 1,150.00 | |
| Lodging expense | 5 nights @ \$ 232.00 /night | = | 1,160.00 | 1,160.00 | 2,320.00 | 2,320.00 | |
| Per diem meals reimbursement: | 6 days @ \$ 79.00 /day | = | 474.00 | 474.00 | 948.00 | | |
| Less meals provided by sponsor | 2 Breakfast, 2 Lunch, 6 Dinner = \$316.00 | = | (\$316.00) | (\$316.00) | | | \$632.00 |
| Total meals expense | | = | | | | 316.00 | |
| Shuttle/taxicab expense | Taxi Estimate | = | 30.00 | 30.00 | 60.00 | 60.00 | |
| Airfare | \$630.00 | = | \$630.00 | \$630.00 | \$1,260.00 | 1,260.00 | |
| Vehicle-related expenses: | | = | - | - | - | - | |
| Parking | days @ 40.00 /day | = | - | - | - | - | |
| Mileage | miles @ 0.370 /mile (Department Head) | = | - | - | - | - | |
| | miles @ 0.625 /mile (Staff, Trustee) | = | - | - | - | - | |
| Rental car | | = | - | - | - | - | |
| Rental car gasoline | | = | - | - | - | - | |
| Totals | | = | 2,553.00 | 2,553.00 | \$ 5,738.00 | \$ 5,106.00 | \$ 632.00 |



Philadelphia Flyer



2022 P2F2 Conference

DoubleTree by Hilton Philadelphia Center City

Philadelphia, Pennsylvania

October 23 – 26

Registration Information

- Registration is now OPEN!
- Early Bird discount period ends August 20.
- Registration closes September 30th.

To register, login to the P2F2 website and click the link below:

[Registration Link](#)

P2F2 Members

Early Bird Registration Fee: \$450

Registration Fee After 8/20: \$550

Nonmembers:

Early Bird Registration Fee: \$650

Registration Fee After 8/20: \$750

Conference Theme:

We the People – Forming a More Perfect Reunion

Our theme this year is not only a reflection of Philadelphia, our host city, but is also a celebratory reminder that we are finally reunited as we attend our first in-person conference since 2019.

Pre-Conference

Sunday 9:00 AM – 11:45 AM

You may choose between 2 concurrent pre-conference sessions:

- [Dave Paradi](#) is back by popular demand covering how to select the best visual to present financial information! Bring your laptop for a hands-on experience.
- Lorelei Graye and Mariya Stefanova will lead a session on Private Market Fee Validation.

The cost is \$125, which includes materials, lunch and 3 CPEs!



[Discover Philadelphia Visitors Bureau](#)

DoubleTree by Hilton Philadelphia Center City

\$199/night (single or double)

Rate available through 9/30/22 or until block is sold

[Hotel Reservation Link](#)



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: September 14, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **Public Pensions & Investments Fiduciaries' Forum**
Los Angeles, California
October 17-18, 2022

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, I have attached information concerning the above-captioned conference, as follows:

- Agenda and supporting information on the pertinence and relevance of attendance to a fiduciary – Preliminary agenda is attached
- Specific information as to whether staff or members of the Board will serve as a speaker or panel participant – None
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the conference sponsor

The topic list is timely and relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Chief Legal Officer Jennifer Zahry.

Attachments

Travel Subject Public Pensions & Investments Fiduciaries' Forum
Sponsor Nossaman
Date(s) October 17-18, 2022
Location Los Angeles, CA
Proposed Attendee(s) Jennifer Zahry

Estimated Total Travel Cost \$1,190.73

| Description | Computation | Zahry | Totals | Borne By | |
|--------------------------------|---|--------------|-----------------|--------------------|------------------|
| | | | | KCERA | Sponsor |
| Registration fees | \$650.00 | = 650.00 | 650.00 | 650.00 | |
| Lodging expense | 1 nights @ \$ 254.48 /night | = 254.48 | 254.48 | 254.48 | |
| Per diem meals reimbursement: | 2 days @ \$ 74.00 /day | = 148.00 | | | |
| Less meals provided by sponsor | 2 Breakfast, 2 Lunch, 2 Dinner = \$148.00 | = (\$148.00) | | | \$148.00 |
| Total meals expense | | = | 148.00 | - | |
| Shuttle/taxicab expense | Taxi Estimate | = | - | - | |
| Airfare | \$0.00 | = \$0.00 | \$0.00 | - | |
| Vehicle-related expenses: | | = | - | - | |
| Parking | 2 days @ 40.00 /day | = 80.00 | 80.00 | 80.00 | |
| Mileage | miles @ 0.370 /mile (Department Head) | = | - | - | |
| | 330 miles @ 0.625 /mile (Staff, Trustee) | = 206.25 | 206.25 | 206.25 | |
| Rental car | | = | - | - | |
| Rental car gasoline | | = | - | - | |
| Totals | | = | 1,190.73 | \$ 1,338.73 | \$ 148.00 |

October 17, 2022

9:30 – 10:00 a.m. | Registration

10:00 – 11:30 a.m. | New SEC Rules and Their Impact on Public Pension Plan Investors in Private Funds

Yuliya Oryol

11:30 a.m. – 1:00 p.m. | Lunch

1:00 – 2:15 p.m. | Fund of One vs. Commingled Funds & Tax Developments – The Death of Carried Interest?

Yuliya Oryol, Courtney Krause and Doug Schwartz

2:15 – 2:45 p.m. | Break

2:45 – 4:00 p.m. | Global and National Perspectives on Real Estate Developments and Investment Opportunities for Public Pension Funds

Courtney Krause, Karla MacCary and Victor Marquez

5:00 – 7:30 p.m. | Reception & Dinner

October 18, 2022

8:30 – 9:00 a.m. | Breakfast

9:00 – 9:50 a.m. | Litigation Against Public Retirement Systems: What Are The Trends and How Do Fiduciaries Prepare?

Ashley Dunning, Peter Mixon, Aalia Menes and Alex Westerfield

10:00 – 10:50 a.m. | Fiduciary Governance: Mitigating Organizational, Operational and Investment Risk

Ashley Dunning, Yuliya Oryol and Peter Mixon

11:00 – 11:50 a.m. | Tales from the Trenches: Insights on Best Practices for Supervisors from Seasoned Employment Counsel

Allison Callaghan and John Kennedy

11:50 a.m. – 12:00 p.m. | Closing Remarks



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: September 14, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer
Subject: **SACRS Board of Directors Meeting**
Santa Barbara, California
September 26-27, 2022

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, I have attached information concerning the above-captioned meeting, as follows:

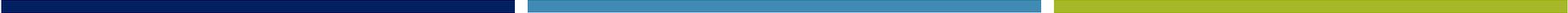
- Specific information as to whether staff or members of the Board will serve as a participant – Jordan Kaufman
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the meeting sponsor

The meeting topics are relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Trustee Jordan Kaufman.

Attachments

| | |
|------------------------------------|----------------------------------|
| Travel Subject | SACRS Board of Directors Meeting |
| Sponsor | SACRS |
| Date(s) | September 26-27, 2022 |
| Location | Santa Barbara, CA |
| Proposed Attendee(s) | Jordan Kaufman |
| Estimated Total Travel Cost | \$523.04 |

| Description | Computation | Kaufman | Totals | Borne By | |
|--------------------------------|--|-------------|------------------|------------------|-----------------|
| | | | | KCERA | Sponsor |
| Registration fees | = | - | - | - | |
| Lodging expense | 1 nights @ \$ 300.00 /night | = 300.00 | 300.00 | 300.00 | |
| Per diem meals reimbursement: | 1 days @ \$ 74.00 /day | = 74.00 | | | |
| Less meals provided by sponsor | 0 Breakfast, 1 Lunch, 1 Dinner = \$58.46 | = (\$58.46) | | | \$58.46 |
| Total meals expense | | = | 74.00 | 15.54 | |
| Shuttle/taxicab expense | Taxi Estimate | = | - | - | |
| Airfare | \$0.00 | = \$0.00 | \$0.00 | - | |
| Vehicle-related expenses: | | = | - | - | |
| Parking | 1 days @ 20.00 /day | = 20.00 | 20.00 | 20.00 | |
| Mileage | miles @ /mile (Department Head) | = - | - | - | |
| | 300 miles @ 0.625 /mile (Staff, Trustee) | = 187.50 | 187.50 | 187.50 | |
| Rental car | | = - | - | - | |
| Rental car gasoline | | = - | - | - | |
| Totals | | = 523.04 | \$ 581.50 | \$ 523.04 | \$ 58.46 |

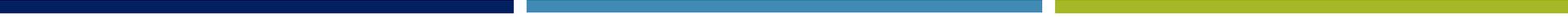


KCERA SRBR UPDATE (FROM FINANCE COMMITTEE 4/28/2021)

PRESENTED BY DOMINIC D. BROWN, EXECUTIVE DIRECTOR

AND JENNIFER ZAHRY, GENERAL COUNSEL





BACKGROUND

- The SRBR Policy requires that the Board review whether to approve additional SRBR Benefits no sooner than every three years when SRBR funding is over 120% or curtail existing SRBR Benefit(s) when SRBR funding is less than 120% for at least two fiscal years
- In accordance with the Policy, the Finance Committee met on February 21, 2021 to discuss the possibility of adding new benefits
- The Committee expressed concerns about continuing to add new SRBR Benefit Tiers given the complexity and unwieldy nature of the current structure
- The Committee directed Staff to investigate changes to the Policy that would allow the Committee to consider redesigning the program



POLICY OPPORTUNITIES

- Staff has incorporated references to the Board's fiduciary duties into the proposed policy edits
- The current policy does not authorize changes to the overall structure of the SRBR Benefit Tiers
- Staff has highlighted several sections of the current policy where the Finance Committee would need to provide direction, if the desire is to restructure the current SRBR Benefit Tiers.
 - These issues would need to be addressed before commissioning the study of specific scenarios

POSSIBLE CONCEPTUAL DESIGN PRIORITIES

- Restructure the program to provide more equitable benefit to members across generations
- Consolidate down to one or two benefits, plus the death benefit
 - One based on service credit
 - One based on service credit, and one that mirrors the regular pension (service credit and compensation)
- Make the plan more evergreen so that it provides future retirement benefits for current active employees
- Add COLAs to the benefit(s) so that the benefit grows in proportion to the interest earnings over time
- Ensure current SRBR Benefit Tier recipients are not harmed by any restructuring

SRBR PREVIEW – GOALS FOR RESTRUCTURE

- Do no harm to those currently receiving benefits
- Allocate more of the available funds
- Collapse old legacy benefits (1-4) into one benefit and apply a COLA
- Make a new benefit based on years of service and apply a COLA
- Match benefits to new principle added by SRBR
- Reduce volatility in the liability and the assets
- Allow all stakeholders to exercise their voice in crafting any changes

This slide was presented at the REOKC monthly luncheon in February 2022



Kern County Employees' Retirement Association

Supplemental Retiree Benefits Reserve (SRBR) Benefit Study

September 14, 2022

Paul Angelo, FSA / Molly Calcagno, ASA

| Topics for Today

Current SRBR Benefits

New SRBR Plan Design Alternatives

Current SRBR Benefits

- Tier 1 – Flat dollar benefit
 - \$35.50 per month payable to retirees who were hired on or before July 1, 1994
 - 60% continuance of the Tier 1 SRBR benefit to the retired member's beneficiary
- Tier 2 – Flat dollar benefit per year of service
 - Three additional monthly stipends payable to retirees:
 - \$1.372 per year of service for members who retired prior to 1985
 - \$5.470 per year of service for members who retired prior to 1985
 - \$10.276 per year of service for members who retired prior to 1981
 - 60% continuance of the Tier 2 SRBR benefit to the retired member's beneficiary

Current SRBR Benefits (continued)

- Tier 3 – Purchasing Power COLA
 - Additional benefits to maintain 82% purchasing power protection
 - Same continuance percentage as elected by members at retirement paid to the retired member's beneficiary
 - Maximum annual inflation used in the calculation of the SRBR Tier 3 benefits is capped at 4%
 - Purchasing power target was increased from 80% to 82% in 2018 along with introduction of the cap on inflation used in calculation

Current SRBR Benefits (continued)

- Tier 4 – Additional flat dollar benefit
 - \$21 per month payable to retirees who were hired prior to July 1, 2018
 - 60% continuance of the Tier 4 SRBR benefit to the retired member's beneficiary
 - Granted in 2018
- Death Benefit
 - Additional one-time post retirement death benefit of \$5,000 paid to the retired member's beneficiary upon the death of the retired member

New SRBR Plan Design Alternatives

- Segal has developed three dollar per year of service alternatives:
 - Alternative A: \$1.80 per year of service with a 2.5% COLA effective the later of July 1, 2022 (first increase applied at July 1, 2023) or the July 1 following the member's date of retirement
 - A member retiring on July 1, 2024 would have the same starting benefit as a person who retired on July 1, 2023 with the same years of service
 - However, the two members would have different benefits as of July 1, 2024
 - Alternative B: \$1.80 per year of service with a 2.5% COLA effective July 1, 2022 (first increase applied at July 1, 2023), independent of member's date of retirement
 - A member retiring on July 1, 2024 would have a different starting benefit (2.5% higher) than a person who retired on July 1, 2023 with the same years of service
 - However, the two members would have the same benefit as of July 1, 2024
 - Alternative C: \$1.50 per year of service with a 2.5% COLA effective July 1, 2022 (first increase applied at July 1, 2023), independent of member's date of retirement
 - Similar to Alternative B but has a funded ratio that matches Alternative A

New SRBR Plan Design Alternatives – Impact on PVB

| | Baseline | A: 2.5% COLA from Retirement | B: 2.5% COLA from 2022 | C: 2.5% COLA from 2022 |
|---|---|---|---|---|
| | | \$1.80 per year of service, Indexed from date of retirement | \$1.80 per year of service, Indexed from July 1, 2022 | \$1.50 per year of service, Indexed from July 1, 2022 |
| | Current SRBR <u>Benefits</u> | Floor amount for all members currently eligible for SRBR <u>benefits</u> | Floor amount for all members currently eligible for SRBR <u>benefits</u> | Floor amount for all members currently eligible for SRBR <u>benefits</u> |
| Total Present Value of Benefits (PVB) | \$81,655,000 | \$112,263,000 | \$119,695,000 | \$112,300,000 |
| Available SRBR Reserves | \$128,798,000 | \$128,798,000 | \$128,798,000 | \$128,798,000 |
| Funded Ratio (Total PVB) | 157.7% | 114.7% | 107.6% | 114.7% |
| Excess SRBR on PVB Basis | \$47,143,000 | \$16,535,000 | \$9,103,000 | \$16,498,000 |
| Increase in PVB due to Benefit Improvement | | \$30,608,000 | \$38,040,000 | \$30,645,000 |

Note: For this analysis all results are based on the most recent actuarial valuation as of June 30, 2021.

New SRBR Plan Design Alternatives – Common Features

- New SRBR dollar per year of service benefit is assumed effective July 1, 2022 and will apply to members hired prior to that date.
 - This “hired prior to” date could eventually be pushed forward into the future to include additional members.
- New SRBR benefit is payable over the member’s lifetime with 60% continuing to the member’s beneficiary upon the death of the member.

New SRBR Plan Design Alternatives – Floor Amounts

- For all members and beneficiaries currently in pay status, the new SRBR benefit at July 1, 2022 will be compared to the total current SRBR benefits being paid to the member or beneficiary as of July 1, 2022 (“floor amount”).
 - Payees will receive the greater of the floor amount or the new SRBR benefit. The benefit payable (i.e., the greater of the two amounts) would be adjusted annually with COLAs.
 - Note this means for many members the current flat dollar SRBR benefits will now increase annually with COLAs.
 - Upon the death of the member, 60% of the greater of the floor amount adjusted with COLAs or the new SRBR benefit adjusted with COLAs will continue to the member’s beneficiary.

New SRBR Plan Design Alternatives – Other Features

- Similarly, for current deferred vested members and active members who are eligible for SRBR benefits, the new SRBR benefit will be compared to the total current SRBR benefits for which they are eligible (“floor amount”) beginning at their date of retirement.
- Death Benefit
 - Additional one-time post retirement death benefit of \$5,000 paid to the retired member’s beneficiary upon the death of the retired member
- Details of COLA (index, maximum, bank, etc.) would need to be discussed
 - Synch the SRBR COLA with the basic benefit COLA (same timing, index and banking mechanism)
 - Fix the SRBR COLA at 2.50% independent of actual inflation
- All SRBR benefits are non-vested and subject to Board discretion and the availability of funds in the SRBR

New SRBR Plan Design Alternatives – Example 1

- Example #1:

- Retiree with 10 years of service who retired on 7/1/1975, current monthly benefit as of 6/30/2022:

| | |
|---|--------------------|
| • SRBR1 (\$35.50) = | \$35.50 |
| • SRBR2 $([\$1.372 + \$5.470 + \$10.276] * 10)$ = | \$171.18 |
| • SRBR3 (82% purchasing power protection) = | \$791.73 |
| • SRBR4 (\$21.00) = | <u>\$21.00</u> |
| • Total current monthly SRBR benefit = | \$1,019.41* |
| • Formula benefit with COLAs = | <u>\$1,400.00</u> |
| • Total current monthly benefit = | \$2,419.41 |

* This is the “floor amount”.

New SRBR Plan Design Alternatives – Example 1 (continued)

| | Alternative A | Alternative B | Alternative C |
|---------------------|---------------|---------------|---------------|
| Floor Amount | \$1,019.41 | \$1,019.41 | \$1,019.41 |
| New SRBR Benefit | \$18.00 | \$18.00 | \$15.00 |
| Maximum at 7/1/2022 | \$1,019.41 | \$1,019.41 | \$1,019.41 |
| Benefit Payable: | | | |
| 7/1/2022 | \$1,019.41 | \$1,019.41 | \$1,019.41 |
| 7/1/2023 | \$1,044.90 | \$1,044.90 | \$1,044.90 |
| 7/1/2024 | \$1,071.02 | \$1,071.02 | \$1,071.02 |
| 7/1/2025 | \$1,097.79 | \$1,097.79 | \$1,097.79 |
| ... | ... | ... | ... |

- Under Alternatives A, B and C, this retiree would receive the floor amount adjusted annually with COLAs.

New SRBR Plan Design Alternatives – Example 2

- Example #2:

- Active member with 5 years of service as of 6/30/2022:

| | |
|--|-----------------|
| • SRBR1 (not eligible) = | \$0.00 |
| • SRBR2 (not eligible) = | \$0.00 |
| • SRBR3 (not eligible) = | \$0.00 |
| • SRBR4 (\$21.00) = | <u>\$21.00</u> |
| • Amount of monthly SRBR benefits the member is eligible for = | \$21.00* |

* This is the “floor amount”.

- Assume member retires on 7/1/2028 with 11 years of service.

New SRBR Plan Design Alternatives – Example 2 (continued)

| | Alternative A | Alternative B | Alternative C |
|--------------------------------|---------------|---------------|---------------|
| Floor Amount | \$21.00 | \$21.00 | \$21.00 |
| New SRBR Benefit at Retirement | \$19.80 | \$22.96 | \$19.13 |
| Maximum at 7/1/2028 | \$21.00 | \$22.96 | \$21.00 |
| Benefit Payable: | | | |
| 7/1/2028 | \$21.00 | \$22.96 | \$21.00 |
| 7/1/2029 | \$21.53 | \$23.54 | \$21.53 |
| 7/1/2030 | \$22.06 | \$24.12 | \$22.06 |
| 7/1/2031 | \$22.61 | \$24.73 | \$22.61 |
| ... | ... | ... | ... |

- Under Alternatives A and C, this member would receive the floor amount adjusted annually with COLAs. Under Alternative B, member would receive new SRBR benefit immediately at retirement.
- \$22.96 is \$19.80 (i.e., 11 x \$1.80) increased by 2.5% COLA for 6 years.
- \$19.13 is \$16.50 (i.e., 11 x \$1.50) increased by 2.5% COLA for 6 years.

New SRBR Plan Design Alternatives – Example 3

- Example #3:

- Active member with 3 years of service as of 6/30/2022:

| | |
|--|----------------|
| • SRBR1 (not eligible) = | \$0.00 |
| • SRBR2 (not eligible) = | \$0.00 |
| • SRBR3 (not eligible) = | \$0.00 |
| • SRBR4 (not eligible) = | <u>\$0.00</u> |
| • Amount of monthly SRBR benefits the member is eligible for = | \$0.00* |

* This is the “floor amount”.

- Assume member retires on 7/1/2030 with 11 years of service.

New SRBR Plan Design Alternatives – Example 3 (continued)

| | Alternative A | Alternative B | Alternative C |
|--------------------------------|---------------|---------------|---------------|
| Floor Amount | \$0.00 | \$0.00 | \$0.00 |
| New SRBR Benefit at Retirement | \$19.80 | \$24.12 | \$20.10 |
| Maximum at 7/1/2030 | \$19.80 | \$24.12 | \$20.10 |
| Benefit Payable: | | | |
| 7/1/2030 | \$19.80 | \$24.12 | \$20.10 |
| 7/1/2031 | \$20.30 | \$24.73 | \$20.61 |
| 7/1/2032 | \$20.80 | \$25.35 | \$21.12 |
| 7/1/2033 | \$21.32 | \$25.98 | \$21.65 |
| ... | ... | ... | ... |

- Under Alternatives A, B and C, member would receive new SRBR benefit immediately at retirement.
- \$24.12 is \$19.80 (i.e., 11 x \$1.80) increased by 2.5% COLA for 8 years.
- \$20.10 is \$16.50 (i.e., 11 x \$1.50) increased by 2.5% COLA for 8 years.

New SRBR Plan Design Alternatives – Example 4

- Example #4:

- Active member with 2 years of service as of 6/30/2022:

- SRBR1 (not eligible) = \$0.00
- SRBR2 (not eligible) = \$0.00
- SRBR3 (not eligible) = \$0.00
- SRBR4 (not eligible) = \$0.00
- Amount of monthly SRBR benefits the member is eligible for = **\$0.00***

* This is the “floor amount”.

- Assume member retires on 7/1/2031 with 11 years of service.

New SRBR Plan Design Alternatives – Example 4 (continued)

| | Alternative A | Alternative B | Alternative C |
|--------------------------------|---------------|---------------|---------------|
| Floor Amount | \$0.00 | \$0.00 | \$0.00 |
| New SRBR Benefit at Retirement | \$19.80 | \$24.73 | \$20.61 |
| Maximum at 7/1/2031 | \$19.80 | \$24.73 | \$20.61 |
| Benefit Payable: | | | |
| 7/1/2031 | \$19.80 | \$24.73 | \$20.61 |
| 7/1/2032 | \$20.30 | \$25.35 | \$21.12 |
| 7/1/2033 | \$20.80 | \$25.98 | \$21.65 |
| 7/1/2034 | \$21.32 | \$26.63 | \$22.19 |
| ... | ... | ... | ... |

- Under Alternatives A, B and C, member would receive new SRBR benefit immediately at retirement.
- \$24.73 is \$19.80 (i.e., 11 x \$1.80) increased by 2.5% COLA for 9 years.
- \$20.61 is \$16.50 (i.e., 11 x \$1.50) increased by 2.5% COLA for 9 years.

New SRBR Plan Design Alternatives – Potential Future Events

- New money allocated to the SRBR from future excess earnings
 - Could push forward “hired on or before” date to include additional members
- Funded ratio of the SRBR plan drops below 100% (or alternative threshold)
 - Could suspend granting future COLAs
 - Could roll-back COLAs already granted
 - Both subject to legal review
- Funded ratio of the SRBR exceeds 120% (or alternative threshold)
 - Could push forward “hired on or before” date to include additional members
 - Could grant higher ad-hoc COLA
 - Could increase \$5,000 death benefit

New SRBR Plan Design Alternatives – Certification

- The results shown are based on the June 30, 2021 valuation and were prepared in accordance with generally accepted actuarial principles and practices at the request of KCERA. The actuarial calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary, who is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Questions?





Date: September 14, 2022
To: Trustees, Board of Retirement
From: Jennifer Esquivel Zahry, Chief Legal Officer 
Subject: **Revisions to Supplemental Retiree Benefit Reserve (SRBR) Policy**

Background

On August 2021, your Board approved initial changes to the Supplemental Retiree Benefit Reserve Policy (SRBR) and directed Staff to pursue options for structural changes to the existing SRBR benefits with the Finance Committee. At the March 30, 2022 Finance Committee meeting, KCERA Staff and Actuaries presented several options for structural changes to the SRBR benefit. In a unanimous vote, the Finance Committee selected "Alternative B" for referral to your Board and directed staff to update the SRBR Policy to reflect the Committee's selection. KCERA Staff presented the updated SRBR Policy to the Finance Committee on August 4, 2022. The changes to the SRBR Policy and the corresponding benefit structure approved by the Finance Committee are attached for your review and approval.

Summary of Changes

The proposed policy revisions (attached) include the following substantive changes:

1. Program Objectives: Staff removed portions of this section that tied the review of benefits to a 120% funded status.
2. Funding Goals and Benefit Adjustment Guidelines: Staff removed portions of this section that tied the consideration of SRBR benefits to a 120% funded status.
3. Attachment A: Staff added the following:
 - o the three components of the Restructured SRBR Benefit;
 - o the funding parameters under which benefit modifications to the Restructured SRBR Benefit would occur; and
 - o a reference section which includes the current SRBR Tiers and an additional terms and definitions section.

Recommendation

Staff recommends your Board approve the proposed revisions to the SRBR Policy and restructured benefits.



Kern County Employees' Retirement Association
Kern County Employees' Retirement Association
1125 River Run Boulevard
Bakersfield, CA 93311
Tel (661) 381-7799 • Fax (661) 381-7799
Toll Free (877) 733-6831
TTY Relay (800) 735-2929
www.kcera.org

Kern County Employees' Retirement Association
1125 River Run Boulevard
Bakersfield, CA 93311

SUPPLEMENTAL RETIREE BENEFIT RESERVE (SRBR) POLICY

PURPOSE

The purpose of this policy is to set forth the Kern County Employees' Retirement Association (KCERA) Board of Retirement's (Board) overall strategy regarding management of the Supplemental Retiree Benefit Reserve (SRBR).

This SRBR policy supersedes any previous SRBR policy. This is a working document and may be modified, as the Board deems necessary.

BACKGROUND

The SRBR is a reserve established pursuant to Article 5.5 of the County Employees' Retirement Law of 1937 (CERL). The SRBR funds are to be used solely for the benefit of KCERA's members (both active and retired) and their beneficiaries and paid only upon retirement of the member.

Article 5.5 governs the crediting of interest to reserves and the allocation of "Excess Earnings". Excess Earnings are generally the amounts that remain after earnings have been used to credit interest to KCERA's reserves, fund the Contingency Reserve, and other statutory requirements. They are generally thought of as earnings in excess of those assumed to be earned under the actuarial valuation assumptions.

Under the provisions of Article 5.5, and in accordance with the Board's Regular Interest Crediting and Excess Interest Crediting Policy, if Excess Earnings remain after that allocation, then 50% of those earnings are allocated to the SRBR and the remaining 50% are allocated as additional interest credits to the valuation reserves (excluding the Allocated SRBR Reserve (0.5% COLA Reserve)) and the COLA Contribution Reserve (CCR).

The Board has exclusive authority and discretion to allocate and distribute funds in the SRBR for the sole purpose of providing additional benefits for its members and their beneficiaries only. The allocation of these funds shall be determined solely by the Board and shall be used only for the benefit of its members or their beneficiaries. The distribution of the SRBR benefit is made only upon member retirement with possible continuation for the member's eligible beneficiaries.

All benefits funded by the SRBR are non-vested and subject to Board discretion and the availability of funds in the SRBR. ~~They are reviewed on a regular basis for~~

~~appropriateness of amount and eligibility, and to ensure, with a responsible confidence, that they are actuarially funded.~~

~~KCERA's post-~~

~~See Exhibit A for a summary of currently approved SRBR benefits.~~

PROGRAM OBJECTIVES

1. Administer the SRBR program in accordance with the provisions of the applicable laws. Net earnings, account crediting, benefit costing and funding adequacy are to be determined according to law, and using the same actuarial assumptions utilized by the Board, for account administration and actuarial purposes or assumptions consistent with those activities.
2. ~~Based on the conditions and considerations detailed below,~~Perform an assessment, review, and analysis ~~is to be performed~~ to determine the need, if any, to adjust and/or modify, at the exclusive discretion of the Board, the SRBR Benefits based on the conditions and considerations detailed below. These conditions include, but are not limited to the SRBR funding ratio status, the potential impact of any deferred investment gains or losses not yet recognized in the asset smoothing method, and any recent or potential changes in actuarial assumptions. Considerations include the Board's fiduciary duties of loyalty and care, including but not limited to an evaluation of equities among retiree members (current and future), potential hardship associated with curtailing an existing SRBR benefit, and serving members and beneficiaries currently receiving an SRBR benefit.
3. ~~Except for the condition described later regarding a decrease to below a 120% funding level, in no event will a review of SRBR benefits be performed more frequently than every three years. SRBR benefits are subject to modification or elimination, at the exclusive discretion of the Board, at any time with reasonable advance notice in accordance with the provisions of the CERL and the Brown Act.~~
- 5.3. Structure supplemental benefit programs in a manner that is reasonably calculated to permit KCERA to continue to pay the approved SRBR Benefit(s), so long as the Board determines is prudent and appropriate, and so long as funding is available in the SRBR
- 6.4. Structure Provide a post-retirement death benefit programs that isare payable to a retired member's beneficiary upon the death of the retired member.

FUNDING GOALS AND BENEFIT ADJUSTMENT GUIDELINES

Excess Earnings, and associated interest, are the only source of funding for the SRBR benefits. By their nature, Excess Earnings are produced on an inconsistent basis and

cannot be relied upon to appear in any single valuation period. Because of this, the funding of non-vested SRBR benefits is set up differently than funding for vested basic retirement benefits. Due to the nature of their funding, all current and future SRBR benefits are intended to be fully funded when considered for approval; provided, however, when setting these goals and guidelines, the Board recognizes that to the extent economic and/or demographic experience is less favorable than anticipated, or in the event of other contingencies that may arise, funding of the SRBR may be less than anticipated and one or more of the SRBR Benefits may be changed or discontinued.

The Present Value of Future Benefits (PVB) is determined based on the Board allocated SRBR benefits and is the present value at the latest actuarial valuation date of all projected future SRBR benefit payments for all KCERA's current plan members. The future benefit payments and the present value of those payments are intended to reflect assumptions for future service and salary increases for current active members of KCERA, and so are determined using actuarial assumptions as to future events. Examples of these assumptions are estimates of retirement patterns, salary increases, investment returns, etc. Another way to think of the PVB is that if the SRBR has assets equal to the PVB and all actuarial assumptions are met, then no future allocations to the SRBR reserve would be needed to provide all future SRBR benefits for all current KCERA members. The PVB also includes actuarial assumptions for future service and salary increases for current active members of KCERA.

The SRBR funding status is calculated by comparing the SRBR Reserve*, ~~excluding the court ordered Allocated SRBR Reserve (i.e., the 0.5% COLA Reserve),~~ to the current actuarial funding target, which is the PVB described above.

~~If it is determined, based on the last two consecutive actuarial valuations, that the PVB for the allocated SRBR benefits is more than 120% funded in both valuations, then the Board may consider increasing existing, or adding additional, SRBR benefits. Benefit increases will only be adopted if they do not reduce the funding status below 120%. That consideration will take into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method and any recent or potential changes in actuarial assumptions.~~

~~Any Board changes to the current KCERA SRBR benefit levels will take into consideration the advice of KCERA management, the Board's general counsel and its actuarial consultant.~~

The Board will monitor the long-term funding implication of all of the existing SRBR programs, which provide benefits outlined in this Policy. ~~Should the funding status of the allocated SRBR benefits drop below the 120% funding level for the last two consecutive actuarial valuations, the Board will consider reducing or eliminating the SRBR Benefit that provides the least amount of benefit to those KCERA members who have suffered, since their retirement, the greatest erosion of their purchasing power as determined by KCERA management, the Board's general counsel and its actuarial consultant. Specifically, SRBR benefits are to be reviewed annually for appropriateness of amount and eligibility,~~

and to ensure, with a reasonable degree of confidence, that they are actuarially funded. Such review will occur upon presentation of the annual SRBR Valuation and Review to the Board. If the funded status of the SRBR Reserve*, as reported in the annual SRBR Valuation and Review drops below 95% or exceeds 115% for two consecutive actuarial valuations, the Board will consider the options described in Attachment A. That consideration will take into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method and any recent or potential changes in actuarial assumptions.

*excluding the court orderd Allocated SRBR Reserve (i.e. 0.5% COLA Reserve)

POLICY REVIEW

~~The Board retains the authority to add or delete programs or modify this Policy or these guidelines at any time.~~

~~The Board shall review the SRBR Policy as needed.~~

SRBR benefits are subject to modification or elimination, at the exclusive discretion of the Board, at any time with reasonable advance notice in accordance with the provisions of the CERL, the Brown Act, and other applicable law. Any Board changes to the current KCERA SRBR benefit levels will take into consideration the advice of KCERA management, the Board's counsel and its actuarial consultant.

POLICY REVIEW AND HISTORY

- 1) This policy was:
 - a) Adopted by the Board on November 3, 2017.
 - b) Amended March 14, 2018, ~~and on~~ August 11, 2021, and on September 14, 2022.

**Kern County Employees' Retirement Association
Supplemental Retiree Benefit Reserve (SRBR) Policy
Exhibit Attachment A**

1. 2022 Restructured SRBR Benefit. The Board of Retirement has ~~currently~~ approved the following ~~Benefits~~ Restructured SRBR Benefit for members whose Membership Date is before July 1, 2022:

A. Comparison. All eligible members and beneficiaries will undergo a one-time comparison between the Legacy SRBR Benefit ("Floor Benefit") and \$1.80 per month per year of service benefit ("Service SRBR") (adjusted annually by a fixed rate COLA) and will receive the greater of either the "Floor Benefit" or the "Service SRBR" Benefit.

1) For members and beneficiaries currently in pay status:

- i. the "Floor Benefit" will be based on the total current Legacy SRBR benefit being paid to the member or beneficiary as of July 1, 2022.
- ii. the "Service SRBR" benefit will be based on the member's years of service at retirement multiplied by \$1.80.

2) For members first entering retirement:

- i. the "Floor Benefit" will be based on the total Legacy SRBR benefit the member would have been eligible for as of their retirement date.
- ii. the "Service SRBR" benefit will be based on the member's years of service at retirement multiplied by \$1.80 and adjusted annually by a 2.5% fixed rate COLA effective as of July 1, 2022 (without regard to retirement date) with the first increase applied July 1, 2023.

3) For all members and beneficiaries, the applicable benefit is paid monthly.

AND

B. COLA. The benefit determined in section 1.A above will be adjusted annually to receive a 2.5% fixed rate COLA on July 1 each year, with the first increase applied on the latter of July 1, 2023 or the July 1st immediately following the date of retirement.

1) Upon the death of the member, 60% of the member's then- current benefit will continue to the member's beneficiary (or beneficiaries, if more than one under an optional settlement 4, in their respective percentages) who is receiving a survivor's continuance, if any, and will be adjusted annually to receive a 2.5% fixed rate COLA on July 1 each year for the life of the beneficiary.

- 2) If a member's benefit is subject to division pursuant to a court-order, KCERA will automatically include the applicable SRBR Benefit in the division unless specifically ordered not to do so.

AND

C. **Death Benefit.** An additional one-time post-retirement death benefit of \$5,000 is paid to a member's beneficiary upon the death of the retired member. (This benefit was part of the Legacy SRBR benefit and remains unchanged).

2. Modifications to the Restructured SRBR Benefit. The Board has approved modifications under the following circumstances:

A. Should the funded status of the SRBR Reserve*, as reported in the annual SRBR Valuation and Review, drop below 95% or exceed 115% for two consecutive actuarial valuations, the Board will consider the following options:

- 1) SRBR Funded Status Less than 95%: Suspend the 2.5% fixed rate COLA for all eligible members or beneficiaries until the SRBR funded status reaches 100%, as reported in the subsequent year's annual SRBR Valuation and Review.
- 2) SRBR Funding Status Above 115%: Push forward the eligibility hire date to include additional members, increase the flat rate COLA, and/or increase the lump sum death benefit.

B. Such considerations will take into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method and any recent or potential changes in actuarial assumptions.

*excluding the court ordered Allocated SRBR Reserve (i.e. 0.5% COLA Reserve)

3. For Reference:

A. The Legacy SRBR Benefit (excluding the Death Benefit) is as follows:

SRBR Tier 1: \$35.50 per month payable to retirees who were hired on or before July 1, 1994.

For purposes of determining the "Floor Benefit," effective July 1, 2022, SRBR Tier 1 will be based on a retiree's initial hire date.

Note: Upon the death of the retired member, 60% of the Tier 1 SRBR benefit continues to the retired member's beneficiary.

SRBR Tier 2: Three additional monthly stipends payable to retirees:

- \$1.372 per year of service for members who retired prior to 1985. This was granted July 1, 1994.
- \$5.470 per year of service for members who retired prior to 1985. This was granted July 1, 1996.
- \$10.276 per year of service for members who retired prior to 1981. This was granted July 1, 1997.

Note: Upon death of the retired member, 60% of the Tier 2 SRBR benefits continue to the retired member's beneficiary.

SRBR Tier 3: Additional benefits to maintain 82% purchasing power protection. Upon death, this benefit continues to be paid to the retired member's beneficiary based on the applicable continuation percentage under the member's form of payment elected at retirement. There is a cap on the maximum annual inflation used in the calculation of the SRBR Tier 3 benefits of 4%.

SRBR Tier 4: \$21 per month granted starting July 1, 2018, payable to retirees who were hired prior to July 1, 2018.

Note: Upon the death of the retired member, 60% of the Tier 42 SRBR benefit continues to the retired member's beneficiary.

~~**Death Benefit:** An additional one-time post-retirement death benefit of \$5,000 is paid to a retired member's beneficiary upon the death of the retired member.~~

A. Additional Terms and Definitions

- 1) **Hire Date.** As used in this Policy, "hire date" refers to a member's initial hire date, so long as the hire date is associated with a position eligible for membership in KCERA. The initial hire date will apply to re-hired members, members who have completed a redeposit of contributions, and/or members reinstated following retirement.
- 2) **Years of Service.** As used in this Policy, years of service includes service performed with a KCERA employer and any service credited after completing a redeposit of contributions. For purposes of the Legacy SRBR Tier 2 benefit, years of service remains limited to 25 years. No such limit exists for purposes of calculating the "Service SRBR".

- 3) **Benefit Adjustments.** If a member or beneficiary's SRBR benefit is modified, reduced, or suspended, person(s) receiving any portion of that benefit will be proportionately adjusted.
- 4) **Taxes.** Taxes will be applied to any SRBR benefit as required by the Internal Revenue Service and/or the California Franchise Tax Board.

DRAFT



SUPPLEMENTAL RETIREE BENEFIT RESERVE (SRBR) POLICY

PURPOSE

The purpose of this policy is to set forth the Kern County Employees' Retirement Association (KCERA) Board of Retirement's (Board) overall strategy regarding management of the Supplemental Retiree Benefit Reserve (SRBR).

This SRBR policy supersedes any previous SRBR policy. This is a working document and may be modified, as the Board deems necessary.

BACKGROUND

The SRBR is a reserve established pursuant to Article 5.5 of the County Employees' Retirement Law of 1937 (CERL). The SRBR funds are to be used solely for the benefit of KCERA's members (both active and retired) and their beneficiaries and paid only upon retirement of the member.

Article 5.5 governs the crediting of interest to reserves and the allocation of "Excess Earnings". Excess Earnings are generally the amounts that remain after earnings have been used to credit interest to KCERA's reserves, fund the Contingency Reserve, and other statutory requirements. They are generally thought of as earnings in excess of those assumed to be earned under the actuarial valuation assumptions.

Under the provisions of Article 5.5, and in accordance with the Board's Regular Interest Crediting and Excess Interest Crediting Policy, if Excess Earnings remain after that allocation, then 50% of those earnings are allocated to the SRBR and the remaining 50% are allocated as additional interest credits to the valuation reserves (excluding the Allocated SRBR Reserve (0.5% COLA Reserve)) and the COLA Contribution Reserve (CCR).

The Board has exclusive authority and discretion to allocate and distribute funds in the SRBR for the sole purpose of providing additional benefits for its members and their beneficiaries only. The allocation of these funds shall be determined solely by the Board and shall be used only for the benefit of its members or their beneficiaries. The distribution of the SRBR benefit is made only upon member retirement with possible continuation for the member's eligible beneficiaries.

All benefits funded by the SRBR are non-vested and subject to Board discretion and the availability of funds in the SRBR.

PROGRAM OBJECTIVES

1. Administer the SRBR program in accordance with the provisions of the applicable laws. Net earnings, account crediting, benefit costing and funding adequacy are to be determined according to law, and using the same actuarial assumptions utilized by the Board, for account administration and actuarial purposes or assumptions consistent with those activities.
2. Perform an assessment, review, and analysis to determine the need, if any, to adjust and/or modify, at the exclusive discretion of the Board, the SRBR Benefits based on the conditions and considerations detailed below. These conditions include, but are not limited to the SRBR funding status, the potential impact of any deferred investment gains or losses not yet recognized in the asset smoothing method, and any recent or potential changes in actuarial assumptions. Considerations include the Board's fiduciary duties of loyalty and care, including but not limited to an evaluation of equities among retiree members (current and future), potential hardship associated with curtailing an existing SRBR benefit, and serving members and beneficiaries currently receiving an SRBR benefit.
3. Structure supplemental benefit programs in a manner that is reasonably calculated to permit KCERA to continue to pay the approved SRBR Benefit(s), so long as the Board determines is prudent and appropriate, and so long as funding is available in the SRBR
4. Provide a post-retirement death benefit that is payable to a retired member's beneficiary upon the death of the retired member.

FUNDING GOALS AND BENEFIT ADJUSTMENT GUIDELINES

Excess Earnings, and associated interest, are the only source of funding for the SRBR benefits. By their nature, Excess Earnings are produced on an inconsistent basis and cannot be relied upon to appear in any single valuation period. Because of this, the funding of non-vested SRBR benefits is set up differently than funding for vested basic retirement benefits. Due to the nature of their funding, all current and future SRBR benefits are intended to be fully funded when considered for approval; provided, however, when setting these goals and guidelines, the Board recognizes that to the extent economic and/or demographic experience is less favorable than anticipated, or in the event of other contingencies that may arise, funding of the SRBR may be less than anticipated and one or more of the SRBR Benefits may be changed or discontinued.

The Present Value of Future Benefits (PVB) is determined based on the Board allocated SRBR benefits and is the present value at the latest actuarial valuation date of all projected future SRBR benefit payments for all KCERA's current plan members. The future benefit payments and the present value of those payments are intended to reflect assumptions for future service and salary increases for current active members of

KCERA, and so are determined using actuarial assumptions as to future events. Examples of these assumptions are estimates of retirement patterns, salary increases, investment returns, etc. Another way to think of the PVB is that if the SRBR has assets equal to the PVB and all actuarial assumptions are met, then no future allocations to the SRBR reserve would be needed to provide all future SRBR benefits for all current KCERA members. The PVB also includes actuarial assumptions for future service and salary increases for current active members of KCERA.

The SRBR funding status is calculated by comparing the SRBR Reserve* to the current actuarial funding target, which is the PVB described above.

The Board will monitor the long-term funding implication of all of the existing SRBR programs, which provide benefits outlined in this Policy. Specifically, SRBR benefits are to be reviewed annually for appropriateness of amount and eligibility, and to ensure, with a reasonable degree of confidence, that they are actuarially funded. Such review will occur upon presentation of the annual SRBR Valuation and Review to the Board. If the funded status of the SRBR Reserve*, as reported in the annual SRBR Valuation and Review drops below 95% or exceeds 115% for two consecutive actuarial valuations, the Board will consider the options described in Attachment A. That consideration will take into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method and any recent or potential changes in actuarial assumptions.

*excluding the court orderd Allocated SRBR Reserve (i.e. 0.5% COLA Reserve)

POLICY REVIEW

SRBR benefits are subject to modification or elimination, at the exclusive discretion of the Board, at any time with reasonable advance notice in accordance with the provisions of the CERL, the Brown Act, and other applicable law. Any Board changes to the current KCERA SRBR benefit levels will take into consideration the advice of KCERA management, the Board's counsel and its actuarial consultant.

POLICY REVIEW AND HISTORY

- 1) This policy was:
 - a) Adopted by the Board on November 3, 2017.
 - b) Amended March 14, 2018, August 11, 2021, and on September 14, 2022.

**Kern County Employees' Retirement Association
Supplemental Retiree Benefit Reserve (SRBR) Policy
Attachment A**

1. 2022 Restructured SRBR Benefit. The Board of Retirement has approved the following Restructured SRBR Benefit for members whose Membership Date is before July 1, 2022:

A. **Comparison.** All eligible members and beneficiaries will undergo a one-time comparison between the Legacy SRBR Benefit ("Floor Benefit") and \$1.80 per month per year of service benefit ("Service SRBR") (adjusted annually by a fixed rate COLA) and will receive the greater of either the "Floor Benefit" or the "Service SRBR" Benefit.

- 1) For members and beneficiaries currently in pay status:
 - i. the "Floor Benefit" will be based on the total current Legacy SRBR benefit being paid to the member or beneficiary as of July 1, 2022.
 - ii. the "Service SRBR" benefit will be based on the member's years of service at retirement multiplied by \$1.80.
- 2) For members first entering retirement:
 - i. the "Floor Benefit" will be based on the total Legacy SRBR benefit the member would have been eligible for as of their retirement date.
 - ii. the "Service SRBR" benefit will be based on the member's years of service at retirement multiplied by \$1.80 and adjusted annually by a 2.5% fixed rate COLA effective as of July 1, 2022 (without regard to retirement date) with the first increase applied July 1, 2023.
- 3) For all members and beneficiaries, the applicable benefit is paid monthly.

AND

B. **COLA.** The benefit determined in section 1.A above will be adjusted annually to receive a 2.5% fixed rate COLA on July 1 each year, with the first increase applied on the latter of July 1, 2023 or the July 1st immediately following the date of retirement.

- 1) Upon the death of the member, 60% of the member's then- current benefit will continue to the member's beneficiary (or beneficiaries, if more than one under an optional settlement 4, in their respective percentages) who is receiving a survivor's continuance, if any, and will be adjusted annually to receive a 2.5% fixed rate COLA on July 1 each year for the life of the beneficiary.

- 2) If a member's benefit is subject to division pursuant to a court-order, KCERA will automatically include the applicable SRBR Benefit in the division unless specifically ordered not to do so.

AND

C. **Death Benefit.** An additional one-time post-retirement death benefit of \$5,000 is paid to a member's beneficiary upon the death of the retired member. (This benefit was part of the Legacy SRBR benefit and remains unchanged).

2. Modifications to the Restructured SRBR Benefit. The Board has approved modifications under the following circumstances:

A. Should the funded status of the SRBR Reserve*, as reported in the annual SRBR Valuation and Review, drop below 95% or exceed 115% for two consecutive actuarial valuations, the Board will consider the following options:

- 1) SRBR Funded Status Less than 95%: Suspend the 2.5% fixed rate COLA for all eligible members or beneficiaries until the SRBR funded status reaches 100%, as reported in the subsequent year's annual SRBR Valuation and Review.
- 2) SRBR Funding Status Above 115%: Push forward the eligibility hire date to include additional members, increase the flat rate COLA, and/or increase the lump sum death benefit.

B. Such considerations will take into account the current status of deferred investment gains and losses not yet recognized under the asset smoothing method and any recent or potential changes in actuarial assumptions.

*excluding the court ordered Allocated SRBR Reserve (i.e. 0.5% COLA Reserve)

3. For Reference:

A. The Legacy SRBR Benefit (excluding the Death Benefit) is as follows:

SRBR Tier 1: \$35.50 per month payable to retirees who were hired on or before July 1, 1994.

For purposes of determining the "Floor Benefit," effective July 1, 2022, SRBR Tier 1 will be based on a retiree's initial hire date.

Note: Upon the death of the retired member, 60% of the Tier 1 SRBR benefit continues to the retired member's beneficiary.

SRBR Tier 2: Three additional monthly stipends payable to retirees:

- \$1.372 per year of service for members who retired prior to 1985. This was granted July 1, 1994.
- \$5.470 per year of service for members who retired prior to 1985. This was granted July 1, 1996.
- \$10.276 per year of service for members who retired prior to 1981. This was granted July 1, 1997.

Note: Upon death of the retired member, 60% of the Tier 2 SRBR benefits continue to the retired member's beneficiary.

SRBR Tier 3: Additional benefits to maintain 82% purchasing power protection. Upon death, this benefit continues to be paid to the retired member's beneficiary based on the applicable continuation percentage under the member's form of payment elected at retirement. There is a cap on the maximum annual inflation used in the calculation of the SRBR Tier 3 benefits of 4%.

SRBR Tier 4: \$21 per month granted starting July 1, 2018, payable to retirees who were hired prior to July 1, 2018.

Note: Upon the death of the retired member, 60% of the Tier 4 SRBR benefit continues to the retired member's beneficiary.

B. Additional Terms and Definitions

- 1) **Hire Date.** As used in this Policy, "hire date" refers to a member's initial hire date, so long as the hire date is associated with a position eligible for membership in KCERA. The initial hire date will apply to re-hired members, members who have completed a redeposit of contributions, and/or members reinstated following retirement.
- 2) **Years of Service.** As used in this Policy, years of service includes service performed with a KCERA employer and any service credited after completing a redeposit of contributions. For purposes of the Legacy SRBR Tier 2 benefit, years of service remains limited to 25 years. No such limit exists for purposes of calculating the "Service SRBR".
- 3) **Benefit Adjustments.** If a member or beneficiary's SRBR benefit is modified, reduced, or suspended, person(s) receiving any portion of that benefit will be proportionately adjusted.
- 4) **Taxes.** Taxes will be applied to any SRBR benefit as required by the Internal Revenue Service and/or the California Franchise Tax Board.



Managed Medical Review Organization

**Medical Advisor to the Kern County
Employees' Retirement Association**

September 14, 2022



URAC ACCREDITATION



MMRO maintains accreditation as an **Independent Review Organization**

- MMRO adheres to nationally recognized standards to ensure *Quality, Credibility and Independence*
- MMRO applies URAC Standards to every aspect of the disability retirement program, including
 - *Credentialing & Qualifications*
 - *Conflict of Interest*
 - *Quality Review and Measure*
 - *Quality Management and Control*



Certification & Testing

MMRO's security systems and processes are reviewed and tested on an ongoing basis.

SOC2 Type II

Annual Audit of MMRO's internal control environment

- SOC 2 Type II report provided by outside audit firm
- All MMRO systems and cloud solutions are SOC 2 Type II certified.

Security Testing

- Internal Vulnerability Scans
- Web Application (Portal) Scans
- External Penetration Tests
- Internal Penetration Tests



California County Retirement System Clients

MMRO has developed a keen understanding of the unique aspects of the County Employees Retirement Law of 1937 (“CERL”)

MMRO currently serves as Medical Advisor to five (5) California County Retirement Systems, including:

- *Kern County Employees’ Retirement Association (KCERA)*
- *Alameda County Employees’ Retirement Association (ACERA)*
- *Mendocino County Employees’ Retirement Association (MCERA)*
- *San Mateo County Employees Retirement Association (SAMCERA)*
- *San Luis Obispo County Pension Trust (SLOCPT) (**California Charter County)*

Through more than seven (7) years of experience in the California market, MMRO has developed the institutional knowledge to properly handle the unique clinical questions present in CERL claims:

- *“Incapacity” Standard*
- *“Permanency” Standard*
- *“Service Connected” Disability Analysis*
- *Safety Member “Presumption” Cases*



The KCERA-MMRO Partnership

MMRO is proud to have served as KCERA's Medical Advisor since 2019

- Since late-2019, MMRO has handled **72 disability retirement claims** on behalf of KCERA
 - 21 claims currently amid the clinical review process
 - 13 claims in which clinical claim handling is complete and the final Recommendation Report is being produced
- ***A strong working relationship has developed between the MMRO and KCERA Disability Staffs, with periodic reports to the KCERA SDAG***



Disability Program Enhancements

MMRO's experience in handling Disability Retirement claims under CERL's unique structure has led us to develop an enhanced disability claim review model based on clinical review by physician specialists

- This Specialist Review model will allow MMRO to leverage our panel of more than 375 board-certified physicians, in virtually all major specialties and sub-specialties.
- The enhanced model will ensure Recommendation Reports reviewed by KCERA are completed by specialists who are board-certified in the condition(s) at issue (*e.g. a heart presumption claim is best reviewed by a Cardiologist*).
- MMRO has transitioned to this Specialist Review model with several other large State and County Retirement Systems with great success (including with other California County Retirement Systems).
- MMRO believes this Specialist Review model will lead to: (i) a specialized, expert opinion in each Disability Retirement claim, (ii) a decrease in the overall claim completion timeframe, and (iii) a decrease in the need to utilize an in-person Independent Medical Examination (IME) as part of the claim process.
- Other than a transition to Recommendation Reports being prepared directly by the Specialist Reviewer, MMRO anticipates little to no other operational impact to the program.



QUALITY ASSURANCE REVIEW

Quality Assurance (QA) Review is a key value add process in the Disability Retirement Review

- **Quality Assurance (QA) Review:**
 - *Physician Reviewer Reports are clinically reviewed by a Quality Nurse Reviewer*
 - *Minimum of five (5) years experience in Disability Claim Review*
 - *Overseen by the MMRO Medical Director*
 - *Clinically managed by MMRO's Quality Improvement Committee*
- **Key areas of Quality Assurance (QA) Review:**
 - *Compliance (disability standards, program requirements)*
 - *Thoroughness of Report and Responses*
 - *Clarity of Report and Rationale*
 - *Timeliness of Report*
 - *Citing Evidence Based Clinical Criteria*
 - *Clinical Correlation and Sound Medical Reasoning*



Physician Reviewer/Examiner Network



MMRO maintains nationwide access to qualified and fully credentialed Disability Physician Reviewers/Examiners who ***specialize*** in Disability:

Covers over 65 specialties and sub-specialties:

- American Board of Medical Specialties (ABMS)
- Osteopathic Board Certification (AOA)
- American Board of Professional Psychology (ABPP)
- American Board of Podiatric Medicine (DPM)

Physician Reviewers are trained and well versed in the unique disability retirement statutes and factors of Disability Retirement Review

Specialties include, but not limited to: ***Cardiology, Family Medicine, Gastroenterology, Internal Medicine, Neurology, Occupational Medicine, Orthopedics, Physical Medicine & Rehabilitation, Psychiatry, Psychology***



Credentialing Standards

- Current non-restricted license or certification
- Board Certification

*American Board of Medical Specialties (ABMS),
American Osteopathic Association (AOA),
American Board of Podiatric Surgery (ABPS),
American Board of Podiatric Orthopedics and Primary
Podiatric Medicine (ABPOPPM), or
American Board of Professional Psychology (ABPP)*

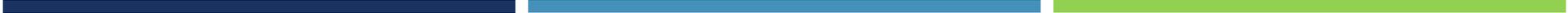
- Professional experience to include five (5) years' full-time experience providing direct clinical care to patients
- No history of sanctions or disciplinary actions
- Specialty matched based on clinical analysis of diagnosis under review



Any Questions?

THANK YOU!





CHIEF EXECUTIVE OFFICER'S REPORT

KCERA | DOMINIC D. BROWN | SEPTEMBER 2022



OFFICE UPDATE

- Board Referrals:
 - Vacation payouts for Kern County
 - Separate Position Creation from Budget
 - KCERA Property, Inc.
- New Member Portal launched – Portal blast email went out to all members; Stakeholders notified via email
- *Alameda/PEPRA* Implementation
- MMRO
- Staffing
- Solar Update – Rooftop is moving forward as soon as product is available, shade structure is being reviewed by architectural committee
- RFP for Plan Sponsor Audits

OPERATIONS ACTIVITY

- Member Services
 - 19 new retirements and calculations
 - 51 death benefit calculations
 - 9 service-credit purchase calculations
 - 83 retirement estimates
 - 126 new active members
 - 104 terminations with disposition packets
 - 25 in-person appointments
 - 178 walk-ins
 - 696 phone calls
 - 638 emails
- Accounting & Reporting
 - Awarded Certificate of Excellence for ACFR – GFOA
 - Annual audit underway
- Information Technology
 - KCERA Portal Refresh
 - Annual Benefit Statement

UPCOMING EVENTS

- Finance Committee – No meetings currently scheduled
- Administrative Committee – Meeting on September 19 (Position creation & personnel)
- Investment Committee – No meetings currently scheduled
- KCERA Property, Inc. – Annual Shareholder meeting is targeted for October
- Board of Retirement – Next regular monthly meeting will be October 12
- Special Board Meeting – A meeting will be scheduled to address *Alameda* Decision Appeals from members



CIO REPORT

INVESTMENT PROGRAM UPDATE | September 2022

Rebalancing

AUGUST ACTIVITY

- Public Equities
 - -25MM Parametric S&P 500
 - -15MM Mellon Canada Index
- Core Fixed Income
 - +125MM Parametric Barclays Agg Rates
 - +60MM on August 30th
 - +65MM on August 31st
- Emerging Market Debt
 - -10MM Stone Harbor
- Commodities
 - -20MM Wellington
- Midstream
 - -10MM Blackstone Harvest



Public Equities: Took advantage of the ~18% equity market rebound (mid-June to mid-August) to further reduce exposure.



Fixed Income (Rates): Took advantage of fixed income market weakness to add fixed income exposure and bring underweight Core Fixed Income position in line with policy target.



Emerging Market Debt: Eliminated overweight and brought position in line with policy target.



Commodities: Took advantage of strong YTD performance and reduced overweight.



Midstream: Took advantage of strong YTD performance and reduced overweight.

| Asset Class | Actual | Target | Difference |
|----------------------|--------|--------|------------|
| Public Equity | 34.2% | 37% | -2.8% |
| Fixed Income | 23.6% | 24% | -0.4% |
| Core | 14.0% | 14% | 0.0% |
| Credit | 5.6% | 6% | -0.4% |
| Emerging Market Debt | 4.1% | 4% | +0.1% |
| Commodities | 4.7% | 4% | +0.7% |
| Midstream | 6.5% | 5% | +1.5% |
| Hedge Funds | 10.8% | 10% | +0.8% |
| Alpha Pool | 5.1% | 5% | +0.1% |
| Core Real Estate | 6.9% | 5% | +1.9% |
| Opportunistic | 3.2% | 0% | +3.2% |
| Private Markets | 9.6% | 15% | -5.4% |
| Cash | -4.6% | -5% | +0.4% |

Positioning

ACTUAL VS POLICY TARGET

Key underweight position is **Public Equity**

Public Equity: underweight vs. policy target and adjusted policy target.

Core Fixed Income: in line with policy target and underweight vs. adjusted policy target.

Private Markets continues to be a key focus; the allocation should reach 15% target around 2026.

Private Equity, Private Credit and Private Real Estate underweights continue to be reallocated to other asset classes where we see better return opportunity than Public Equity or Core Fixed Income, including **Commodities**, **Midstream**, **Core Real Estate**, and **Opportunistic**.

Updates

- We continue our recruiting efforts for an Investment Officer/Senior Investment Officer

Key Initiatives



Enhancing return while managing risk

- Capital Efficiency program improvements
- Multi-asset research
- Opportunistic investments
- Private Markets
- Risk management tools
- **Tail risk hedge research**

Next meeting TBD

Investment Committee Meetings

The last IC meeting was held on August 3rd





Jennifer Esquivel Zahry, Chief Legal Officer

Phillip Jenkins, Deputy Chief Legal Officer

Maggie Peralta-Lee, Senior Paralegal

Irma Chavez, Senior Legal Secretary

CLO Report September 2022

Discussion Items

- Election Procedures Policy
- Powers of Attorney
- SACRS Legislative Update
- Calendar

Election Procedures Policy

- Last Modified 2018
 - Notice
 - Eligibility
 - Nomination of Candidates
 - Published List of Candidates
 - Write-in Candidates
 - Ballots mailed

Power of Attorney

- A power of attorney is a legal document that grants authority to a person to act on behalf of another who no longer has capacity to do so.
- Can confer authority in an array of areas
- Can be effective immediately or “springing” into effect upon an event, such as incapacity.
- Must comply generally with California statutory requirements, including updates, regardless of when it is executed.

Power of Attorney

- KCERA provides Special Durable Power of attorney form specifically for the management of member's KCERA account which can be found at www.kcera.org
- All members are encouraged to explore potential benefits of a power attorney. Should consult with an attorney if **you** have questions about **your** specific situation.
- As **members** live longer, it is important that **they** plan for the long-term management of **their** benefits.
- Is effective safeguard against elder abuse.
- KCERA Attestation form recently created to assist members with POA forms that were not signed by the agent at the time of execution.

September Calendar

| | Pending CLO/DCLO Review |
|---------------------------------------|-------------------------------|
| Operational Contracts | 2 |
| Investment/ Custodial Documents | 7 |
| Disability Matters | 5 |
| Community Property Matters | 8 |
| Staff Inquiries | 28 |
| Administrative Appeals | 2 |
| Board/Committee Meetings/ Conferences | 5 |
| Post-Retirement Employment Certs | 1 |
| Court Hearings | 1 |
| Special Projects | 3 |

ELECTION PROCEDURES POLICY

The Board of Retirement delegates responsibility for conducting Board of Retirement elections in a manner set forth in these Election Procedures for Elected Positions on KCERA's Board of Retirement to the Board of Supervisors through its Chief Registrar of Voters.

APPLICABILITY

1. These procedures shall govern the election of the second, third, seventh, eighth and seventh and eighth alternate members to the Kern County Employees' Retirement Association ("KCERA") Board of Retirement.

ELECTION DATE; COSTS; TIME REQUIREMENTS

2. Elections shall be held on the third Tuesday in November to fill the positions for terms expiring December 31 of that year. Elections shall be conducted by the Auditor-Controller-County Clerk (hereafter "elections official"). All costs associated with any election for membership on the KCERA's Board of Retirement shall be paid by the KCERA. If any day on which action is required pursuant to these procedures falls on a weekend or holiday, the election official's next scheduled work day shall be the day on which such action must occur.

NOTICE OF ELECTION; ELIGIBILITY OF CANDIDATES

3. No later than the 76th day prior to the election date, written notice as to the election and candidacy filing procedures shall be given as follows:
 - a. For all members, notices shall be mailed to the last known address of such member on file with the KCERA.
 - b. For member organizations, notices shall be furnished to any organization of active or retired members.

The notice shall include a statement to the member that additional information regarding the election, including election results, will be posted on the KCERA website. The notice shall be mailed utilizing postal address correction notification

services. Upon receipt, address correction information shall be provided to the KCERA to allow for updates prior to ballot mailing.

Any active general member who is not employed in the office of the KCERA,¹ or any deferred general member of the KCERA, is eligible to run for the position of second or third member of the Board. To be eligible to run as a safety member, the member must be among the group defined in Government Code sections 31470.2 or 31470.4. The alternate safety member shall be that candidate for the seventh member from the group under sections 31470.2 or 31470.4, which is not represented by the seventh member who received the highest number of votes of all candidates in that group.

Candidates for the eighth member and alternate eighth member on the Board of Retirement shall be retired members of the KCERA. The alternate eighth member of the Board shall be elected separately by the retired members of the KCERA in the same manner and at the same time as the eighth member is elected.

These eligibility standards shall be deemed to be amended to comply with current provisions of the County Employees' Retirement Law of 1937 or other applicable law relating to eligibility requirements for members of the Board of Retirement, or as determined by a court of competent jurisdiction.

**NOMINATION OF CANDIDATES; FILING PERIOD;
STATEMENT OF CANDIDATES**

4. At least 53 but not more than 69 days prior to the election date, the elections official shall receive nominations of candidates. The number of eligible members required to sign a nomination paper for the respective office is not less than 15, nor more than 20. Only those members qualified to vote in the election for the office may sign a nomination paper. No member may sign more than one nomination paper for the same office, and in the event a member does so, the member's signature shall count only on the first nomination paper filed which contains that member's signature. Any member eligible to vote at the election may circulate a nomination paper for the candidate for whom the member is eligible to vote, substantially in the following form:

We, the undersigned members of the Kern County Employees' Retirement Association hereby nominate _____ for the office of the _____ member on the Kern County Employees' Retirement Association Board of Retirement.

Name of Circulator

Circle one: Active General Member, Active Safety Member, Deferred General Member, Retiree

Circulator's Employing Department or Entity

¹ Kern County Employees' Retirement Association v. Bellino (2005) 126 Cal.App.4th 781

Affidavit of Circulator

I, _____, solemnly swear (or affirm) that the signatures on this nomination paper were obtained between _____, 20____, and _____, 20____; that I circulated the petition and I saw the signatures on this section of the nomination papers being written; and that, to the best of my information and belief, each signature is the genuine signature of the person whose name it purports to be. I declare under penalty of perjury that the foregoing is true and correct.

Signature of Circulator

The circulator's affidavit may either be notarized or signed in the presence of authorized staff of the elections official. Within 10 days after the close of the nomination period, the elections official shall verify that the individuals listed on the nomination papers are eligible to sign the candidate's nomination form based on a report of eligible members provided by KCERA. Any nominee whose nomination papers do not contain an adequate number of verified members shall be so notified by the elections official, and his or her name shall not be placed on the ballot.

Each nomination petition shall include a declaration of the nominee, substantially in the following form:

I, _____, am the above-named nominee for the office of the _____ member of the Kern County Employees' Retirement Association Board of Retirement. I am a (General, Safety, General Deferred or Retired) member of the Kern County Employees' Retirement Association and if elected I will qualify and serve to the best of my ability. I request my name be placed on the official ballot for election to the Board of Retirement for the election to be held on the _____ day of November, _____. I desire my name and designation to appear on the ballot as follows: (Name and designation).

I declare under penalty of perjury that the foregoing is true and correct. Executed this _____ day of _____, 20____.

Signature of Nominee

The nominee's declaration may either be notarized or signed in the presence of authorized staff of the elections official.

The ballot shall not contain the name of any candidate unless duly nominated as provided herein. No later than 53 days prior to the election, a candidate may also

submit a candidate's statement which shall be mailed with the ballot to each member. The statement, which shall not exceed 200 words, shall include the name and occupation, including identification of the candidate's employing department or special district, and a brief description of the candidate's education and qualifications expressed by the candidate. The statement may not make reference to any other candidate's qualifications, character, or activities, and the candidate shall declare under penalty of perjury that the contents of his or her candidate statement are true and correct. The elections official shall not cause to be printed or circulated any statement which is not so limited and declared under penalty of perjury.

No later than 40 days prior to the election, the elections official shall publish a list of all candidates who are eligible to be voted for at the election. The list of candidates shall be posted at the Elections Office and at the office of the Kern County Employees' Retirement Association.

EXTENSION OF FILING PERIOD IF INCUMBENT FAILS TO FILE

5. Notwithstanding any other provision of these regulations, if nomination papers and a declaration of candidacy for an incumbent trustee is not filed by 5 p.m. on the 53rd day prior to the election, any person (other than the person who was the incumbent on the 53rd day) shall have until 5 p.m. on the 46th day before the election to file nomination papers and a declaration of candidacy as provided in paragraph 4 above. This paragraph 5 is not applicable where there is no incumbent to be elected or the incumbent is not eligible for re-election to the trustee position in which he or she holds at the time the filing period closes.

WITHDRAWAL

6. A candidate may withdraw his or her declaration of candidacy no later than 53 days prior to the election date, or in the event Paragraph 5 above is applicable, 46 days prior to the election date.

WRITE-IN CANDIDATES

7. A member may declare his or her candidacy as a write-in candidate no later than 14 days, nor earlier than 46 days, prior to the date of the election by filing nomination papers as provided in Rules 4 herein and a declaration of candidacy substantially in the following form, and signed under penalty of perjury:

I, _____, am the above-named nominee for the office of the _____ member of Kern County Employees' Retirement Association Board of Retirement. I am a (General, Safety, or Retired) member of the Kern County Employees' Retirement Association and if elected I will qualify and serve to the best of my ability. I do hereby declare myself as a write-in candidate for election to the Board of Retirement of the Kern County Employees' Retirement Association as its _____ Member. If elected I

will qualify and serve to the best of my ability.

Signature of Write-In Nominee

ELECTION RESULT IF NO MORE THAN ONE CANDIDATE

- 8.
- a. No later than 46 days prior to the election, if only one member has filed nomination papers and a declaration of candidacy pursuant to paragraph 4 or 5 above, no election shall be held and the elections official shall prepare an appointment in lieu of election declaring such member elected to the office for which he or she was nominated. If the Seventh is appointed in lieu of election, an election may be held for the Seventh Alternate member if an eligible candidate timely files as a Write-in Candidate.
 - b. Election of Seventh Alternate Member. The elections official shall inform KCERA of any appointment in lieu of election for the Seventh Member. Once informed, KCERA shall direct a notice regarding the Write-in Candidate process to County Departments employing eligible Seventh Alternate Member candidates, eligible member candidates, and member groups representing the Seventh Alternate Member candidates.
 - c. If no eligible candidate for the Seventh Alternate position files as a Write-in Candidate, the Board of Retirement may elect not to fill the alternate member seat, or may elect to receive applications for appointment. Applications for appointment to an alternate member seat shall be placed on a Regular Board of Retirement Meeting Agenda.

BALLOTS; STATEMENT BY BOARD OF RETIREMENT; VOTING DEADLINE

9. No later than 15 days prior to the election, ballots shall be prepared by the elections official and shall be mailed to each member eligible to vote. Ballots shall be mailed in forwardable envelopes utilizing postal address correction notification services. Upon receipt, address correction information shall be provided to the KCERA.

Members eligible to vote for the second and third members of the Board of Retirement are all active and deferred members of the KCERA. Only retired members are eligible to vote for the eighth member of the Board. All members designated as safety members are eligible to vote for the seventh member.

The names of all candidates who have timely filed the required nomination papers and declaration of intent to serve shall be printed on the ballot. At the option of the candidate, the title of the public service position he or she holds or from which he or she is retired may be printed immediately after or below his or her name on the ballot. In lieu of the public service position designation, a candidate may have the name of his or her appointing authority's department or division printed on the ballot. A candidate for the same seat which he or she presently holds may also

have the word “Incumbent” printed immediately after or below his or her name on the ballot. Any title or designation provided to the elections official to print on the ballot, as indicated above, shall be declared by the candidate to be true and correct under penalty of perjury.

The order in which the candidates appear on the ballot shall be determined by a random drawing conducted by the elections official. Voting instructions, similar to those provided in Exhibit “A”, shall be included with the ballots mailed to the members. The ballot will be void and shall not be counted if the member fails to comply with voting instructions. Instead of voting for a candidate listed on the ballot, a member may cast a vote for a write-in candidate who has timely filed a valid nomination petition and declaration of candidacy by writing in the name of that member in the space provided.

In addition to the ballot, the voting instructions, and the Candidate’s Statements (if any), each member shall receive a statement from the KCERA Board of Retirement substantially in the following form:

The Board of Retirement consists of nine members and two alternates, _____ of whom will be selected as a result of this election. The Board manages investments of the retirement fund, which has assets of approximately \$_____. In addition, the Board makes decisions on applications for disability retirement and on many other matters vital to its members. We urge you to take the time to learn about the candidates and to vote.

In order to be processed and counted, voted ballots must be received by the Elections Division of the Auditor-Controller-County Clerk’s Office no later than 5 p.m. on the day of the election.

CAMPAIGN

10. No member may use County time or resources to campaign for a member seeking election to the Board of Retirement, including dissemination of campaign information via the County’s electronic communications system; provided, however, that department heads shall permit each candidate, upon request, to post reasonable campaign material on the department bulletin board. Posted items shall be no larger than 8 ½” by 11 ½”. Department heads may reasonably refuse to post any offensive or defamatory material. Nothing herein shall be deemed to make any campaign material or statement or the authors thereof free or exempt from any civil or criminal action or penalty because of any false, slanderous or libelous statements offered for distribution or posting.

TALLY OF VOTES; TIE VOTE

11. The elections official shall verify the names on all returned envelopes against the members’ mailing list or roster and ready ballots for counting. Staff from the

Elections Office shall serve as the canvassing board. The canvassing board shall meet at 8:00 a.m. in the Elections Office on the third day of the election, no later than the 1st Thursday following the election, for the counting of ballots and determination of any questionable ballots. Any person may observe the tally of votes.

The candidate for the second, third, seventh, eighth and eighth alternate member offices who receives the highest number of votes cast for such office shall be elected to such office for the term next succeeding. In the event of a tie vote, the procedures set forth in Elections Code section 15651(a) shall be used to determine the election results. The elections results shall be filed with the Board of Retirement, and the Executive Director of the KCERA shall file a certificate of the election results with the Board of Supervisors.

POSTING CERTIFICATE OF ELECTION RESULTS; ELECTION CONTEST; RETENTION OF BALLOTS

12. A certificate of election results shall be posted on the KCERA's Web page and on the door at the entrance to the KCERA's office for one week commencing with the day following the day election results are certified by the elections official.

Any member of the KCERA desiring to contest the results of any election shall file a written statement of contest not later than the 30th day following the date of the election. The grounds for contest shall be those specified in California Elections Code section 16100-16101. The procedures for contests of general elections contained in the California Elections Code shall control except that the contestant and the candidate-elect whose election is being contested shall file all statements, affidavits and other papers with the Board of Retirement. The Board of Retirement shall take such action upon any election contest as it shall deem just and proper. The provisions of Code of Civil Procedure section 1094.6 (relating to limitations on time to commence proceedings in mandate) are applicable to petitions for writs of mandate filed to review final decisions of the Board on the election contest.

All envelopes containing voted ballots and all voted ballots (whether or not counted) shall be retained for 30 days in the offices of the elections official or until such further time as is required to settle any contest concerning the election.

SPECIAL ELECTIONS

13. A special election shall be called by the Board of Retirement within 30 days of the occurrence of the vacancy if a vacancy occurs for any reason during the term of office of an elected board member, other than alternate members, unless the term of office will end less than 365 days from the occurrence of the vacancy; provided, however, that if the term of office will end less than 365 days from the occurrence of the vacancy, the Board may call a special election to fill such vacancy of the Board, in its discretion, determines that such action is in the best interests of the KCERA. The Board of Retirement may call a special election to fill a vacancy occurring in the office of any alternate member if the Board, in its discretion,

determines that such action is in the best interests of the KCERA.

RETIREMENT BOARD DISCRETION

14. The purpose of these election procedures is to ensure an orderly, fair and impartial process for the conduct of elections of trustees to the Board of Retirement. In the event there is any ambiguity or uncertainty regarding the application of these procedures to a particular election issue, or there is no procedure specifically addressing the election issue, the Board of Retirement shall decide the issue upon application by any person, or on its own motion. In exercising its administrative discretion under these procedures, the Board shall be mindful of the purpose of these procedures and may be guided by general principles of California elections or other applicable law.



POLICY REVIEW AND HISTORY

- 1) This policy was:
 - a) Adopted by the Board on August 8, 2018.

The bill was amended substantially after the author and sponsors worked with committee staff. While SACRS did not take a position, we are aware that some systems submitted their own letters and shared concerns with the Legislature.

The bill passed out of the Senate, but before it was brought up for a final vote in the Assembly, the author pulled the bill from consideration based on opposition from counties and discussions with the Governor's office.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements. The last amendments to the bill added more guardrails for when a board member can participate remotely and added a sunset date, among other changes.

The bill passed out of the Legislature and is on the Governor's desk for consideration.

Compensation Earnable Bills – Last year, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva)** and **AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September.

In late June, AB 498 was gutted and amended again, this time with provisions unrelated to county retirement systems, so it is no longer of interest to SACRS.

AB 826 was amended and pulled off the Inactive File on August 3. It subsequently passed out of both houses of the Legislature and is now on the Governor's desk.