

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

February 9, 2022

8:31 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, Gonzalez, Hughes, Kaufman, Kratt, Matthews, Nunneley, Seibly, Whitezell

Absent: Franey

MOMENT OF SILENCE

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

CONSENT MATTERS

- *1. Discussion and appropriate action pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry –

THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA

- *2. Summary of proceedings of the following meetings:
- January 19, 2022 Board of Retirement

RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *3. Report from the KCERA office on members retired from service for the month of January 2022 – RATIFIED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *4. Report from the KCERA office on deceased retirees for the month of January 2022 – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *8. KCERA Class Action Proceeds Report from October 1, 2021 through December 31, 2021 from the Northern Trust Company – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *9. Corrections in Benefit Payments Report for the period July through December 2021 – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *10. Corrections in Benefit Contributions Report for the period July through December 2021 – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *11. Glass Lewis Proxy Voting Management Report for the period January 1, 2021 through December 31, 2021 – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *12. Letter from Auditor-Controller-County Clerk Mary B. Bedard, CPA, dated January 14, 2022, regarding the Certificate of Results of the Retirement Election held December 14, 2021 – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *13. Letter from Chief Executive Officer Dominic Brown, dated February 15, 2022, to the Kern County Board of Supervisors regarding Board of Retirement Election for Second, Third, Seventh and Alternate Seventh Members – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *14. Invitation for trustees and/or staff to attend the 2022 California Association of Public Retirement Systems (CALAPRS) General Assembly, March 5-8, 2022 in San Diego, CA – APPROVED THE ATTENDANCE OF TRUSTEE JEANINE ADAMS AND CHIEF EXECUTIVE OFFICER DOMINIC BROWN

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *15. Letter from Segal Consulting, dated January 24, 2022, on annual cost-of-living adjustment (COLA) rates for as of April 1, 2022 – ADOPTED THE FOLLOWING:

RETIREMENT DATE	COLA
ON OR BEFORE APRIL 1, 2022	2.5%

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *16. Letter from Segal, dated December 2, 2021, regarding FY 2022-2023 Required Contributions with Adjustments to Reflect Three-Year Phase-in of Increases in Employer Unfunded Actuarial Accrued Liability (UAAL) Contribution Rate Due to Assumption Changes – RECEIVED AND FILED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *17. Letter from Segal, dated January 25, 2021, regarding Five-Year Projection of Employer Contribution Rates based on June 30, 2021 Valuation – RECEIVED AND FILED; DISTRIBUTED TO KCERA PLAN SPONSORS TO BE INTEGRATED INTO PAYROLL PROCESS

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

- *18. Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFIED

Hughes-Couch – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

1. Discussion and appropriate action pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES JOSEPH HUGHES, JORDAN KAUFMAN AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

DIRECTED STAFF TO BRING RECOMMENDATIONS TO THE ADMINISTRATIVE COMMITTEE AT THEIR FEBRUARY 23, 2022 MEETING

Kaufman-Hughes – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

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 – NONE

INVESTMENT MATTERS

20. Presentation on Annual Private Markets Plan presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Anelise Hohl, Investment Director, Cambridge Associates, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – KELLY JENSEN, ANDREA AUERBACH, KEIRSTEN LAWTON AND ANELISE HOHL, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

RECEIVED AND FILED

Couch-Kratt – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

21. Discussion and appropriate action on private market fund recommendation presented by Andrea Auerbach, Investment Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – ANDREA AUERBACH, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE JORDAN KAUFMAN HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO RUBICON TECHNOLOGY PARTNERS IV; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Hughes-Kratt – 9 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

22. Trustee education regarding Capital Efficiency program and potential changes presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – SCOTT WHALEN, CFA, VERUS HEARD; TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED EDUCATIONAL TRAINING (42 MINUTES TRUSTEE EDUCATION CREDIT)

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.

23. Presentation on the 4th Quarter Investment Performance Review for the period ending December 31, 2021 by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Kaufman-Kratt – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

TRUSTEE JOSEPH HUGHES LEFT AT 10:30 A.M.

24. Presentation on the 4th Quarter 2021 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA, HEARD

RECEIVED AND FILED

Kratt-Whitezell – 8 Ayes

Trustee Robb Seibly voted in place of Trustee Phil Franey

STAFF REPORTS

25. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- AON CONTRACT COMPLETE
- RFP STATUS
- STAFFING UPDATE
- ALAMEDA DECISION UPDATE
- DISABILITIES STATUS
- CONTRIBUTION CORRECTIONS
- SJVAPCD ACTUARIAL STUDY
- REOKC PRESENTATION
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

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 Investment Officer

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

- JANUARY REBALANCING ACTIVITY
- POSITIONING
- KEY INITIATIVES
- INVESTMENT COMMITTEE MEETINGS

TRUSTEE CHASE NUNNELEY LEFT AT 11:14 A.M.

27. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- POLICY REVIEW PROJECT
- FEBRUARY 2022 CALENDAR ITEMS

COMMITTEE REPORTS

28. Report from Committee Chairs:

- a. Administrative Committee: HUGHES – NONE
- b. Finance Committee: FRANNEY – NONE
- c. Investment Committee: KAUFMAN – MEETING TO BE HELD IN LATE FEBRUARY 2022
- d. KCERA Property, Inc.: SEIBLY – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

29. 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

30. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE

31. ADJOURNED – 11:26 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement