

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (KCERA)
BOARD OF RETIREMENT**

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
December 11, 2024**

8:36 a.m.

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

ROLL CALL (IN PERSON)

Present: Couch, Duffey, Franey, Gonzalez, Hughes, Kaufman, Nunneley, Sanders, Seibly, Whitezell

Absent: Contreras, Kratt

SALUTE TO FLAG – TRUSTEE WHITEZELL

MOMENT OF SILENCE

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

THE FOLLOWING ITEM HEARD OUT OF ORDER

CONSENT MATTERS

All consent matter items listed below with an asterisk () were considered to be routine and non-controversial by staff and approved by one motion, unless otherwise noted.*

- *3. Application for service-connected disability pension benefits for Loida Guivas Smith, Aging and Adult Services (General) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Couch-Sanders – 8 Ayes

- *4. Application for service-connected disability pension benefits for Tamara Kimbrell, Sheriff (General) – **ADOPTED RECOMMENDATION OF SDAG TO DENY SERVICE-CONNECTED DISABILITY PENSION BUT GRANT NON-SERVICE-CONNECTED DISABILITY PENSION**

Couch-Sanders – 8 Ayes

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

Couch-Sanders – 8 Ayes

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

- October 29, 2024 Administrative Committee
- November 6, 2024 Board of Retirement

RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *7. Report from the KCERA office on members retired from service for the month of November 2024 – RATIFIED

Couch-Sanders – 8 Ayes

- *8. Report from the KCERA office on deceased retirees for the month of November 2024 – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *9. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending November 30, 2024 – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *10. Securities Lending Earnings Summary Report for the period ending October 31, 2024 from Deutsche Bank – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *11. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of October 2024 – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

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

Couch-Sanders – 8 Ayes

- *13. Annual Fee Disclosure Report FY 2023-24 – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *14. Annual On-Site Due Diligence Schedule FY 2023-24 – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *15. Annual Investment Manager Compliance Report FY 2023-2024 – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *16. Extension of Agreement for Investment Consultant Services with Cambridge Associates, effective February 1, 2025 – RECEIVED AND FILED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Sanders – 8 Ayes

- *17. Actuarial Audit of the June 30, 2023 Actuarial Valuations and Peer Review of the July 1, 2019 through June 30, 2022 Experience Study and June 30, 2023 GASB 67 Report performed by Cheiron, Inc. – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

- *18. Proposed revisions to KCERA's Service Provider Evaluation Policy – APPROVED PROPOSED CHANGES

Couch-Sanders – 8 Ayes

- *19. Proposed revisions to KCERA's Securities Litigation Policy – APPROVED PROPOSED CHANGES

Couch-Sanders – 8 Ayes

- *20. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting January 14-15, 2025, in Huntington Beach, California – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Couch-Sanders – 8 Ayes

- *21. Invitation from NCPERS for Senior Communications Manager Jeremy Rowell to attend the NCPERS 2025 Pension Communications Summit, January 26-27, 2025, in Washington, D.C. – RECEIVED AND FILED

Couch-Sanders – 8 Ayes

PUBLIC COMMENTS

22. 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

23. Presentation on the 1H Private Markets Performance Report as of June 30, 2024 by Chief Investment Officer Daryn Miller, CFA, Andrea Auerbach, Partner, Kelly Jensen, Investment Managing Director, Maria Surina, Investment Managing Director, and Mark Mallory, Investment Director, Cambridge Associates¹ – CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; KELLY JENSEN, ANDREA AUERBACH, MARK MALLORY, AND MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD

RECEIVED AND FILED

Hughes-Sanders – 8 Ayes

24. Presentation on the 3rd Quarter Investment Performance Review period ending September 30, 2024 presented by Scott Whalen, CFA, Verus – CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; SCOTT WHALEN, CFA, VERUS, HEARD

RECEIVED AND FILED; RECEIVED EDUCATIONAL TRAINING (29 MINUTES TRUSTEE EDUCATION CREDIT)

Whitezell-Couch – 8 Ayes

25. Presentation on the 3rd Quarter 2024 Portfolio Review presented by Spencer Edge, CFA, CAIA, Albourne America² – CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SPENCER EDGE, CFA, CAIA, ALBOURNE AMERICA, HEARD

RECEIVED AND FILED

Couch-Whitezell – 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.

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.

26. Discussion and appropriate action on Aristotle Short Duration Bond Strategy (“Aristotle”) recommendation presented by Chief Investment Officer Daryn Miller, CFA, Senior Investment Officer Geoff Nolan, Senior Investment Analyst Rafael Jimenez, CFA, Scott Whalen, CFA, Verus, and the Investment Committee – CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST RAFAEL JIMENEZ HEARD; TRUSTEE TYLER WHITEZELL HEARD; SCOTT WHALEN, CFA, VERUS, HEARD

APPROVED UP TO \$240MM INVESTMENT IN ARISTOTLE; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kaufman-Duffey – 8 Ayes

FINANCE MATTERS

27. Discussion and appropriate action on the auditor’s report to management, and the draft Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024, presented by Auditors Tim Rawal and Jason Ostroski, UHY LLP – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; JASON OSTROSKI, UHY LLP, HEARD

APPROVED AUDITOR REPORTS AND DRAFT ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Couch-Sanders – 8 Ayes

28. Discussion and appropriate action on review of the actuarial valuation as of June 30, 2024, recommended employer and employee contribution rates for fiscal year 2025-2026, and related reports presented by Actuaries Molly Calcagno and Todd Tauzer, Segal – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEE JUAN GONZALEZ HEARD; MOLLY CALCAGNO AND TODD TAUZER, SEGAL, HEARD

PUBLIC COMMENT: ALEX ALVA, COUNTY ADMINISTRATIVE OFFICE, HEARD; ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

RECEIVED AND FILED; APPROVED THE ACTUARIAL VALUATION, EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, AND RELATED REPORTS FOR FISCAL YEAR 2025-26 RECOMMENDED BY ACTUARY; SEND TO PLAN SPONSORS FOR ADOPTION

Couch-Sanders – 8 Ayes

29. Discussion and appropriate action on proposed Optional Settlement 4 Policy presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, Actuaries Molly Calcagno and Todd Tauzer, Segal, and the Finance Committee – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEE JUAN GONZALEZ HEARD; MOLLY CALCAGNO, SEGAL, HEARD

APPROVED PROPOSED POLICY

Duffey-Couch – 8 Ayes

ADMINISTRATIVE MATTERS

30. Presentation on Three Opportunities for 2025 by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES JUAN GONZALEZ, JORDAN KAUFMAN, AND ROBB SEIBLY HEARD

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

HEARD PRESENTATION; REFERRED TO STAFF TO RESEARCH FURTHER AND BRING BACK TO THE FINANCE COMMITTEE

Couch-Sanders – 8 Ayes

31. Presentation of slate of nominees for Board of Retirement Chair and Vice-Chair for calendar year 2025 by Chief Executive Officer Dominic Brown and the Nominating Committee – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; TRUSTEE TYLER WHITEZELL HEARD

ELECTED 2025 BOARD OF RETIREMENT CHAIR DAVID COUCH AND VICE-CHAIR DUSTIN CONTRERAS

Whitezell-Kaufman – 8 Ayes

32. Presentation of plaque honoring Chair Phil Franey for his service to the Kern County Employees' Retirement Association Board of Retirement as Chair – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD

MADE PRESENTATION

33. Presentation of plaque honoring Trustee Juan Gonzalez for his service to the Kern County Employees' Retirement Association Board of Retirement – CHAIR PHIL FRANEY HEARD; TRUSTEE JUAN GONZALEZ HEARD

MADE PRESENTATION

STAFF REPORTS

34. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- STAFFING UPDATE
- KERN360 PLANNING MEETINGS CONTINUE
- CHATBOT (ASK JAN) LAUNCHED ON KCERA WEBSITE
- POSTAGE MACHINE INSTALLED
- BOARDROOM AUDIO VISUAL EQUIPMENT UPDATE
- HOLIDAY SCHEDULE & WINTER RECESS
- KCERA 80TH ANNIVERSARY IN 2025
- OPERATIONS ACTIVITY
- MEMBER OUTREACH AND EDUCATION
- UPCOMING EVENTS

35. Report from Chief Investment Officer

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

- REBALANCING – NOVEMBER ACTIVITY
- POSITIONING – ACTUAL VS POLICY TARGET
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETINGS
- DELEGATION
- CLOSED INVESTMENTS

36. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY AND DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD REPORTED THE FOLLOWING:

- NEW PARALEGAL
- 2025 LEGISLATIVE UPDATE
- SACRS REPORT
- TRUSTEE EDUCATION

CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD;
TRUSTEES ROBB SEIBLY AND TYLER WHITEZELL HEARD

COMMITTEE REPORTS

37. Report from Committee Chairs:

- a. Administrative Committee: CONTRERAS – NONE
- b. Finance Committee: SANDERS – MEETING TODAY
- c. Investment Committee: WHITEZELL – MEETING WILL BE SCHEDULED NEXT YEAR

THE FOLLOWING ITEM HEARD OUT OF ORDER

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S) – NONE

EXECUTIVE SESSION

38. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to Government Code §54957): Title – Chief Executive Officer

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 12:30 P.M.

ROLL CALL

To establish quorum present upon resuming public session

Present: Couch, Duffey, Franey, Gonzalez, Hughes, Kaufman, Nunneley, Sanders, Seibly, Whitezell

Absent: Contreras, Kratt

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 38 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

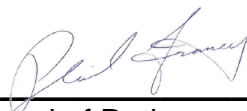
39. On their own initiative, Board members may make a brief announcement, refer matters to staff (subject to KCERA's rules and procedures), or make a brief report on their own activities – TRUSTEE JUAN GONZALEZ HEARD

NEW BUSINESS

40. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – NONE
41. ADJOURNED – 12:32 P.M.



Secretary, Board of Retirement



Chair, Board of Retirement