

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

**SUMMARY OF PROCEEDINGS**

**Teleconference Meeting – Board of Retirement Meeting**

**January 19, 2022**

**8:30 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, Kratt, Matthews, Nunneley, Seibly, Whitezell

Absent: Kaufman

**MOMENT OF SILENCE**

- \*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 – CIRCUMSTANCES OF THE STATE OF EMERGENCY RECONSIDERED; BOARD FINDS THE STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF ATTENDEES TO MEET SAFELY IN PERSON AND THAT SOCIAL DISTANCING MEASURES ARE BEING RECOMMENDED AT THE STATE AND LOCAL LEVEL; FINDINGS ADOPTED FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVED 30-DAY RESOLUTION

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*2. Application for service-connected disability pension benefits for Anita Haight, Courts (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*3. Application for non-service-connected disability pension benefits for Juan Lucio, Public Works (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT NON-SERVICE-CONNECTED DISABILITY PENSION

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

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

- December 2, 2021 Administrative Committee
- December 3, 2021 Special Board of Retirement
- December 8, 2021 Board of Retirement
- December 14, 2021 Investment Committee
- December 20, 2021 Special Board of Retirement

RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*5. Report from the KCERA office on members retired from service for the month of December 2021 – RATIFIED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*6. Report from the KCERA office on deceased retirees for the month of December 2021 – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*7. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending December 31, 2021 – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*8. Securities Lending Earnings Summary Report for the period November 1-30, 2021 from Deutsche Bank – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

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

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*10. 2022 Board of Retirement Committee Assignments – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*11. Board of Retirement Semi-annual Trustee Education Report – RECEIVED AND FILED; POSTED TO KCERA WEBSITE IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 31522.8(d)

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*12. Kern County Employees' Retirement Association Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021 – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*13. Auditor's reports to management for the fiscal year ended June 30, 2021 – APPROVED AUDITOR'S REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*14. Letter from Segal, dated January 7, 2022, regarding the Allocation of June 30, 2021 Liabilities and Assets by District – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*15. Memorandum from Chief Legal Officer Jennifer Zahry, dated January 19, 2022, regarding gift restrictions – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*16. Memorandum from Chief Legal Officer Jennifer Zahry, dated January 19, 2022, regarding gifts of travel – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- \*17. Report on Special Pays Codes classified by the Chief Executive Officer – RECEIVED AND FILED

**Whitezell-Franey – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

## **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 – NONE

## **INVESTMENT MATTERS**

19. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Investment Managing Director, Cambridge Associates<sup>1</sup>, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE RICK KRATT HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED UP TO \$40MM COMMITMENT TO FORTRESS LENDING FUND III;  
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL  
ADVICE AND REVIEW

### **Kratt-Nunneley – 9 Ayes**

*Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

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<sup>1</sup> 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.

**STAFF REPORTS**

20. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- RFP STATUS
- NEW COUNTY COMPENSATION STRUCTURE
- FACILITIES UPDATE
- STAFFING UPDATE
- *ALAMEDA* DECISION UPDATE
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

CHAIR JUAN GONZALEZ HEARD

21. Report from Chief Investment Officer

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

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

22. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LITIGATION UPDATE
- LEGISLATION UPDATE
- JANUARY 2022 CALENDAR ITEMS
- Q4 2021 METRICS

DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS HEARD

### **COMMITTEE REPORTS**

23. Report from Committee Chairs:
- a. Administrative Committee: HUGHES – NONE
  - b. Finance Committee: FRANNEY – NONE
  - c. Investment Committee: KAUFMAN – NONE
  - d. KCERA Property, Inc.: SEIBLY – NONE

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

### **EXECUTIVE SESSION**

24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed (approximately 1,200 potential cases).

### **RETURN TO PUBLIC SESSION**

BOARD OF RETIREMENT RECONVENED AT 10:15 A.M.

### **ROLL CALL**

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

Absent: Kaufman

### **REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE**

ITEM 24 – NO REPORTABLE ACTION

### **REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS**

25. 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 – CHAIR JUAN GONZALEZ HEARD

**NEW BUSINESS**

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

27. ADJOURNED – 10:17 A.M.

  
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Secretary, Board of Retirement

  
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Chair, Board of Retirement