

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

**11125 River Run Boulevard, Bakersfield, California**

**SUMMARY OF PROCEEDINGS**

**Board of Retirement Meeting  
April 12, 2023**

**8:30 A.M.**

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

**ROLL CALL**

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

Absent: Hughes, Seibly

**SALUTE TO FLAG – TRUSTEE JEANINE ADAMS**

**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.

**AB 2449 REMOTE APPEARANCE(S)**

*Items 1 and 2 withdrawn from agenda.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

3. Recognition of KCERA staff's implementation of the California Supreme Court's *Alameda* Decision presented by Chief Executive Officer Dominic Brown – CHAIR TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

TRUSTEE ROBB SEIBLY ARRIVED AT 8:32 A.M.

HEARD PRESENTATION

**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.*

- \*4. Application for service-connected disability pension benefits for Michael Brown, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Couch – 7 Ayes**

- \*5. Application for service-connected disability pension benefits for Stephen Gardner, Fire (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Couch – 7 Ayes**

- \*6. Application for service-connected disability pension benefits for Ted Rodriguez, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Couch – 7 Ayes**

- \*7. Application for service-connected disability pension benefits for Douglas Tisinger, Water Agency (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Couch – 7 Ayes**

- \*8. Kern County Superior Court Order Denying Petition for Writ of Mandate: Mark Ashley, Sheriff (Safety) – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*9. Summary of proceedings of the following meetings:

- February 27, 2023 Investment Committee
- February 28, 2023 Administrative Committee
- March 8, 2023 Board of Retirement

RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*10. Report from the KCERA office on members retired from service for the month of March 2023 – RATIFIED

**Kratt-Couch – 7 Ayes**

- \*11. Report from the KCERA office on deceased retirees for the month of March 2023 – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*12. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending March 31, 2023 – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*13. Securities Lending Earnings Summary Report for the periods February 28, 2023 from Deutsche Bank – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*14. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of February 2023 – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*15. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS Spring Conference, May 9-12, 2023, in San Diego, California – APPROVED ATTENDANCE OF TRUSTEES JEANINE ADAMS, PHIL FRANEY, JUAN GONZALEZ, JOSEPH D. HUGHES AND JORDAN KAUFMAN

**Kratt-Couch – 7 Ayes**

- \*16. Finance Committee recommendation to approve Agreement for Audit Services with UHY LLP, effective April 12, 2023 – APPROVED AGREEMENT; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Kratt-Couch – 7 Ayes**

- \*17. Report on Special Pays Codes classified by the Chief Executive Officer – CODE CB REMOVED FROM LIST OF SPECIAL PAYS FOR APPROVAL; RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*18. Finance Committee recommendation to receive and file memo from Chief Executive Officer Dominic Brown regarding application of the Supplemental Retiree Benefit Reserve (SRBR) Actuarial Valuation to the SRBR Policy – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*19. Finance Committee recommendation to receive and file application of the Actuarial Valuation to the Declining Employer Payroll Policy – RECEIVED AND FILED

**Kratt-Couch – 7 Ayes**

- \*20. Finance Committee recommendation to approve proposed edits to the Declining Employer Payroll Policy – APPROVED PROPOSED CHANGES

**Kratt-Couch – 7 Ayes**

- \*21. Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFIED

**Kratt-Couch – 7 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

### **ADMINISTRATIVE MATTERS**

23. KCERA Governance Report for the period from July 1, 2021 – December 31, 2022 presented by Governance Consultants Julie Becker and Benita Harper, Aon, and the Administrative Committee – JULIE BECKER, AON, HEARD; TRUSTEE DAVID COUCH HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED AND FILED

**Kaufman-Couch – 7 Ayes**

24. Annual Strategic Planning Discussion presented by Chief Executive Officer Dominic Brown and Governance Consultants Julie Becker and Benita Harper, Aon – JULIE BECKER AND BENITA HARPER, AON, HEARD; CHAIR TYLER WHITEZELL HEARD, VICE-CHAIR PHIL FRANNEY HEARD; TRUSTEES JEANINE ADAMS, JUAN GONZALEZ, JORDAN KAUFMAN, AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

HEARD PRESENTATION

25. Trustee education regarding Special District status considerations presented by Fiduciary Counsel Maytak Chin, Partner, and Harvey L. Leiderman, Partner, Reed Smith LLP – MAYTAK CHIN AND HARVEY L. LEIDERMAN, REED SMITH LLP, HEARD; CHAIR TYLER WHITEZELL HEARD; VICE-CHAIR PHIL FRANNEY HEARD; TRUSTEES JEANINE ADAMS AND JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 9:12 A.M.

RECEIVED EDUCATIONAL TRAINING (46 MINUTES TRUSTEE EDUCATION CREDIT)

### **FINANCIAL MATTERS**

26. Trustee education regarding the triennial Actuarial Experience Study presented by Actuaries Paul Angelo and Molly Calcagno, Segal – PAUL ANGELO AND MOLLY CALCAGNO, SEGAL, HEARD; CHAIR TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED EDUCATIONAL TRAINING (59 MINUTES TRUSTEE EDUCATION CREDIT)

27. Discussion and appropriate action on changes to the Finance Committee Charter, including response to referral regarding clarification of Form 700 reporting, presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and the Finance Committee – TRUSTEE DUSTIN CONTRERAS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

APPROVED PROPOSED CHARTER CHANGES

**Franey-Contreras – 8 Ayes**

### **ADMINISTRATIVE MATTERS (CONTINUED)**

28. Presentation on KCERA Organizational Landscape presented by Chief Executive Officer Dominic Brown – CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

HEARD PRESENTATION

29. Presentation on Annual KCERA Human Resources Report presented by Chief Executive Officer Dominic Brown and the Administrative Committee – CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH, JORDAN KAUFMAN, AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED AND FILED

**Franey-Couch – 8 Ayes**

30. Response to referral regarding changes to the KCERA Elections Procedures Policy presented by Chief Executive Officer Dominic Brown and the Administrative Committee – CHAIR TYLER WHITEZELL HEARD; TRUSTEES JEANINE ADAMS AND JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED PROPOSED CHANGES AND DIRECTED STAFF TO WORK WITH KERN COUNTY ELECTIONS DIVISION TO IMPLEMENT CHANGES

**Franey-Adams – 8 Ayes**

31. Response to referral (Part I) and trustee education regarding history of KCERA Property, Inc. (KPI) presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH AND JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

RECEIVED EDUCATIONAL TRAINING (15 MINUTES TRUSTEE EDUCATION CREDIT)

32. Discussion and appropriate action on KCERA's voting delegation for the State Association of County Retirement Systems (SACRS) Spring 2023 Conference, presented by Chief Executive Officer Dominic Brown – TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPOINTED TRUSTEE JORDAN KAUFMAN AS THE VOTING DELEGATE AND CHIEF EXECUTIVE OFFICER DOMINIC BROWN AS ALTERNATE VOTING DELEGATE

**Hughes-Kratt – 8 Ayes**

33. Recommended slate of candidates and final ballot for the State Association of County Retirement Systems (SACRS) Board of Directors Elections 2023-2024 – CHAIR TYLER WHITEZELL HEARD; VICE-CHAIR PHIL FRANEY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

SACRS Nominating Committee recommended 2023-2024 slate and final ballot:

- President – David MacDonald, Contra Costa CERA
- Vice President – Adele Tagaloa, Orange CERS
- Treasurer – Jordan Kaufman, Kern CERA
- Secretary – Zandra Cholmondeley, Santa Barbara CERS
- Regular Member – David Gilmore, San Diego CERA
- Regular Member – Open

DIRECTED VOTING DELEGATE TO VOTE FOR SLATE OF CANDIDATES AS RECOMMENDED BY THE SACRS NOMINATING COMMITTEE

**Kratt-Couch – 8 Ayes**

### **INVESTMENT MATTERS**

34. Discussion and appropriate action on Opportunistic investment<sup>1</sup> recommendation presented by Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – SCOTT WHALEN, CFA, VERUS, HEARD; VICE-CHAIR PHIL FRANEY HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

APPROVED UP TO \$20MM INVESTMENT; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Couch-Kratt – 8 Ayes**

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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 § 7928.710, § 7922.000, and §54957.5.

## **STAFF REPORTS**

### 35. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- COMPLETED BOARD REFERRALS
- STAFFING UPDATE
- SOLAR PROJECT UPDATE
- RFP UPDATE
- SERVICE PURCHASE UPDATE
- MMRO UPDATE
- OPERATIONS ACTIVITY
- MEMBER HANDBOOK UPDATE
- UPCOMING MEETINGS AND EVENTS

CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH, JUAN GONZALEZ, AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

### 36. Report from Chief Investment Officer

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

- REBALANCING – MARCH ACTIVITY
- PORTFOLIO POSITIONING
- UPDATES
- KEY INITIATIVES

### 37. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- KCERA LITIGATION – ASHLEY V. BOARD OF RETIREMENT OF KCERA
- CASE LAW AND LEGSLIATIVE UPDATES
- Q1 2023 METRICS
- APRIL CALENDAR
- CALAPRS LEGAL SUPPORT ROUNDTABLE

TRUSTEE ROBB SEIBLY HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS HEARD



### **COMMITTEE REPORTS**

38. Report from Committee Chairs:
- a. Administrative Committee: GONZALEZ – MEETING SCHEDULED APRIL 19, 2023
  - b. Finance Committee: CONTRERAS – MEETING TO BE SCHEDULED
  - c. Investment Committee: KRATT – NONE
  - d. KCERA Property, Inc.: KRATT – NONE

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

### **EXECUTIVE SESSION**

39. CONFERENCE WITH LABOR NEGOTIATORS REGARDING UNREPRESENTED EMPLOYEE (pursuant to Government Code §54957.6(a))

Agency Designated Representatives: Juan Gonzalez and Joseph D. Hughes;  
Unrepresented Employee: Chief Executive Officer

40. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title: Chief Executive Officer

### **RETURN TO PUBLIC SESSION**

BOARD OF RETIREMENT RECONVENED AT 1:52 P.M.

### **ROLL CALL**

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

Absent: None

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

ITEM 39 – NO REPORTABLE ACTION

ITEM 40 – NO REPORTABLE ACTION

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

41. 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 DAVID COUCH HEARD

**NEW BUSINESS**

42. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
43. ADJOURNED – 1:53 P.M.

  
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Secretary, Board of Retirement

  
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Chair, Board of Retirement