

## 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

Tyler Whitezell, Chair  
Phil Franey, Vice-Chair  
David Couch  
Juan Gonzalez  
Joseph D. Hughes  
Jordan Kaufman  
Rick Kratt  
John Sanders  
Dustin Contreras, Alternate  
Chase Nunneley, Alternate  
Robb Seibly, Alternate  
3rd Member (Vacant)

December 5, 2023

Members, Board of Retirement  
Employee Bargaining Units  
Requesting News Media  
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association  
Administrative Committee

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Administrative Committee will be held on Monday, December 11, 2023 at 3:30 p.m. in the KCERA Boardroom, 11125 River Run Boulevard, Bakersfield, California, 93311.

**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 (for best audio a landline is recommended) and enter ID# 845 1338 8327

- (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/84513388327?pwd=TDlvekRZZTdhS0k3QUpYalo4Y2dZUT09>
- Passcode: 138998

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](mailto:administration@kcera.org).

Sincerely,

Dominic D. Brown  
Chief Executive Officer

Attachments

**AGENDA:**

All agenda item supporting documentation is available for public review on KCERA's website at [www.kcera.org](http://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 meeting of the Board of Retirement may request assistance by calling (661) 381-7700 or sending an email to [administration@kcera.org](mailto: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.

**CALL TO ORDER**

**ROLL CALL (IN PERSON)**

**AB 2449 REMOTE APPEARANCE(S)**

*Items 1 and/or 2 withdrawn from agenda if no trustees will have a need to appear via teleconference:*

The first two items on the agenda are reserved for trustees who have a need to appear via teleconference due to a "just cause" need or an "emergency circumstance." Trustees who have notified this Committee before agenda-posting will be called upon and will provide a general description of their need to attend via teleconference as allowed by law. Trustees who were not able to notify the Committee in advance of posting and have a need to attend via teleconference will state their notification or request when called upon to do so. All trustees appearing via teleconference will need to disclose any adult person(s) present in the room of their remote location and their relationship to such person(s). Trustees appearing remotely are reminded to keep their camera on throughout the meeting.

**1. JUST CAUSE CIRCUMSTANCE(S):**

- a) The following Trustee(s) have notified the Committee of a "Just Cause" to attend this meeting via teleconference. (See Government Code § 54953).
  - NONE
- b) Call for Trustee(s) who wish to notify the Committee of a "Just Cause" to attend this meeting via teleconference. (See Government Code § 54953).

2. EMERGENCY CIRCUMSTANCE(S):

a) The following Trustee(s) have requested the Committee approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.” (See Government Code § 54953).

- NONE

b) Call for Trustee(s) requesting the Committee approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.” (See Government Code § 54953).

TAKE ACTION ON REQUEST(S) FOR REMOTE APPEARANCE

**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 Committee 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 Committee concerning the item before action is taken. Staff recommendations are shown in caps after each item.

\*3. [Annual Review of KCERA Insurance Coverages – RECEIVE AND FILE](#)

**PUBLIC COMMENTS**

4. 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.

**REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS**

5. 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.

**CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)**

**EXECUTIVE SESSION**

6. 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

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

**RETURN TO PUBLIC SESSION**

**ROLL CALL TO CONFIRM QUORUM**

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

8. Adjournment





**Date:** December 11, 2023  
**To:** Trustees, Administrative Committee  
**From:** Dominic D. Brown, Chief Executive Officer *Dominic D. Brown*  
**Subject:** **KCERA Insurance Coverages**

This report updates the Administrative Committee on insurance coverage maintained by KCERA for the fiscal year 2023-2024 pursuant to section 6(a) of the Administrative Committee Charter.

**1. Types and Costs of Insurance:**

KCERA Building Contents	\$3,039.30
Worker's Comp	\$13,587.00
Crime	\$272.84
Cyber liability	\$1,171.49
General liability	\$8,900.00
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Total County	\$26,970.63

**KCERA private coverages**

Fiduciary	\$155,498.00
Building	\$5,192.00
Earthquake & Flood	\$10,344.00
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Total Private	\$171,034.00

KCERA maintains several policies to cover the exposures inherent in administering a public pension plan. County-provided insurance coverages for worker's compensation, crime, cyber liability, general liability, and the contents of our building are charged on a fiscal year basis, and the cost estimates are provided to KCERA by the County during the County's budget development process.

KCERA also maintains insurance coverage through private brokers for fiduciary and building insurance policies with Los Angeles-based broker The Liberty Company Insurance Brokers.

**2. KCERA Insurance Profile**

KCERA is profiled by insurers when determining premium costs. KCERA is classified as a "public entity" on its insurance applications. No other entity classification breakdown is provided. Insurance companies set KCERA's premiums based on the number of its employees and trustees, amount of plan assets, and on its policy deductibles.

### **3. General Liability**

The general liability coverage provided by County Risk Management includes a variety of coverages, including Employment Practices Liability coverage, errors and omissions, employer's liability and public official's liability (directors and officers).

### **4. Fiduciary Insurance Coverage**

KCERA maintains fiduciary insurance to pay, on behalf of the insured (i.e., the Plan, past, present, and future trustees, and employees of the plan), covered losses and claims expenses arising from claims alleging "wrongful acts" by KCERA's fiduciaries or its employees. This includes losses resulting from any breach of fiduciary duty by the Board or any negligent acts, errors, and omissions by any trustee or KCERA employee.

In 2000, when KCERA had \$1.6 billion in assets, Kern County Risk Management recommended that KCERA obtain an aggregate limit of \$10 million in fiduciary liability insurance. Coverage continued at this level until 2005, when KCERA secured an additional \$5 million policy via insurance broker Walter Mortensen. The \$15 million coverage was renewed annually until 2013, when KCERA management reduced the fiduciary insurance coverage limit to \$10 million "due to cost." KCERA staff presented this information to the Committee in December 2015 and informed the Committee of the intention to return the coverage level to \$15 million. Staff increased the coverage the following fiscal year. Coverage remains at \$15 million presently.

### **5. Building and Building Contents**

When KCERA staff reviewed its insurance coverages, staff discovered that KCERA's property insurance covered the building structure, but not the contents of the building. The contents of the building are covered under KCERA's coverage through the County.

Addition of Earthquake and Flood coverage – not previously included in property insurance policy. All property insurance has transitioned from principal named insured of KCERA Property Inc. to Kern County Employees' Retirement Association.

### **6. Waiver of Recourse**

As done in the past, the Board was provided with the ability to purchase waiver of recourse coverage from their personal funds. Waiver of Recourse, or non-recourse, coverage is an endorsement to a fiduciary liability insurance policy that prevents an insurer from exercising its subrogation rights against an insured fiduciary. Waiver of Recourse Coverage with Hudson Insurance Company, for those who elect to purchase it, has been secured for the period of July 8, 2023 through July 8, 2024 to provide eligible KCERA fiduciaries and management with defense and indemnification coverage.

Staff recommends that the Administrative Committee receive and file this report.