

**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:**

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

July 28, 2025

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 Friday, August 1, 2025, at 8:30 a.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 and enter ID# 894 2993 1302

- (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/89429931302?pwd=bUI7wKs0xJaYN7kJTwpkfwlAMA80Zv.1>
- Passcode: 354994

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 trustee(s) request to appear remotely:*

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) – RECEIVE/HEAR REQUEST(S); NO COMMITTEE ACTION REQUIRED
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 DUE TO EMERGENCY CIRCUMSTANCE

### **PUBLIC COMMENTS**

3. 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.

### **MATTERS FOR CONSIDERATION**

4. [Response to referrals to Administrative Committee to 1\) consolidate KCERA Chief Executive Officer governance policies/charters and review evaluation form to incorporate changes, and 2\) review the Annual KCERA Human Resources Report presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and Governance Consultants Julie Becker and Benita Falls Harper, Aon – RECOMMEND THE BOARD OF RETIREMENT APPROVE: 1\) PROPOSED REVISIONS TO KCERA'S CHIEF EXECUTIVE OFFICER CHARTER, DUE DILIGENCE SERVICE PROVIDER SELECTION POLICY, AND BOARD OF RETIREMENT CHARTER; 2\) NEW KCERA CEO EVALUATION FORM; AND 3\) DELETION OF KCERA'S SECRETARY TO THE BOARD CHARTER; PROVIDE DIRECTION TO STAFF](#)

### **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.
6. Adjournment

## **CHIEF EXECUTIVE OFFICER CHARTER**

### **INTRODUCTION**

- 1) The Board of Retirement will appoint a Chief Executive Officer who will serve at its pleasure. The Chief Executive Officer is the most senior executive of KCERA and is not subject to county civil service and merit system rules.

### **DUTIES AND RESPONSIBILITIES**

#### **Leadership and Policy Analysis**

- 2) The Chief Executive Officer will provide leadership for staff in implementing the programs necessary to achieve the goals and objectives established by the Board. The Chief Executive Officer will manage the day-to-day affairs of KCERA in accordance with policies established by the Board, and may delegate duties to senior management and staff as necessary. In so doing, the Chief Executive Officer will solicit advice and counsel from the Board, the Chair, or individual trustees, as appropriate.
- 3) The Chief Executive Officer will provide support to the Board and its committees in establishing all policies of the Board including identifying and analyzing issues requiring Board policies or strategies, and providing well-supported recommendations for consideration by the Board or its committees. The Chief Executive Officer will be responsible for ensuring that all policies and strategies are properly implemented.

#### **Authority**

- 4) The Chief Executive Officer shall operate in a manner consistent with all Board policies and applicable legislation. Subject to any limitation set out in such policies and legislation, the Chief Executive Officer is authorized to:
  - a) Manage the day-to-day operations of KCERA;
  - b) Select and terminate the senior executives of KCERA including the Chief Operations Officer, Chief Investment Officer, and Chief Legal Officer; and, subject to review by legal counsel, offer employment to such personnel (see paragraph 12 below);
  - c) Develop and establish human resource staff positions and corresponding job specifications, as necessary for the proper administration and management of

KCERA and in furtherance of operational risk mitigation, which will be reported annually to the Administrative Committee as further set forth in the *Human Resources Report Protocol*, Appendix A of the Administrative Committee Charter.

- d) Hire service providers where:
  - i) The Board has not specifically retained the authority to hire such service providers; and
  - ii) The total value of the services to be rendered by the service provider over a 12-month period is not more than \$100,000 50,000 (see paragraph 16 below);
- e) Approve all qualified members who apply for service retirement and report such retirements to the Board at the next public meeting of the Board after retirement (§31670);
- f) Resolve and settle disputes involving the over- or under-payment of:
  - i) Benefit payments to a member, provided such payment does not exceed \$20,000, consistent with the *Overpayment and Underpayment of Member Benefits Policy* and subject to review by Legal Counsel.
  - ii) Contributions made by a member, provided such payment does not exceed \$5,000, consistent with the *Overpayment and Underpayment of Member Contributions Policy* and subject to review by Legal Counsel.
- g) Settling and compromising claims and controversies (not directly involving over or under payments) on behalf of the Board and/or KCERA relating to benefits, personnel, and other legal matters.
- h) Notwithstanding f) above, if the present value of the settlement, claim, or compromise to be made by KCERA exceeds \$20,000, or the settlement or compromise involves multiple current or future KCERA members or beneficiaries, then such settlement or compromise shall require Board approval.

#### Governance

5) The Chief Executive Officer will:

- a) Recommend governance policies and charters to ensure appropriate board governance practices.
- b) Assist the Board in implementing its governance policies, charters, and the Regulations.
- c) Coordinate trustee education and travel.
- d) Serve as Secretary to the Board, coordinating Board and committee meetings, agendas, schedules and presentations in compliance with the Brown Act. The CEO shall also maintain and sign minutes upon Board approval, issue subpoenas, and perform other Secretarial duties as assigned by the Board.

### Risk Management

- 6) The Chief Executive Officer is responsible for monitoring, managing, and/or mitigating material risks to KCERA, including those pertaining to investments, funding, and operations. In keeping with this responsibility, the Chief Executive Officer will recommend risk management policies concerning all material aspects of KCERA, and oversee staff's implementation of such policies. The Chief Executive Officer will furthermore approve and implement any necessary risk management procedures to support the above policies.

### Investments

- 7) The Chief Executive Officer is responsible for the KCERA investment program and for providing oversight of investment staff.
- 8) The Chief Executive Officer, delegating to the Chief Investment Officer as appropriate, will:
  - a) Recommend to the Board a written investment policy statement and other material investment policies necessary to properly invest the assets of KCERA.
  - b) Coordinate asset allocation studies.
  - c) Execute portfolio rebalancing and portfolio transitions.
  - d) Ensure appropriate due diligence is performed in connection with investment managers and other investment-related service providers.
  - e) Remain abreast of investment trends, issues and opportunities that may have implications for the investment program of KCERA.

### Benefits Administration

- 9) The Chief Executive Officer will:
  - a) Recommend to the Board, as necessary, policies and service quality benchmarks to ensure effective administration of member benefits.
  - b) Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures (e.g. *Overpayment and Underpayment of Member Benefits Policy*).
  - c) Prepare or oversee the preparation of all member communications in accordance with applicable policies and plans.
  - d) Manage the disability application and appeal processes in accordance with applicable policies and procedures.
  - e) Recommend annual cost-of-living adjustments to the Board.
  - f) Maintain accurate records of member accounts.

## Operations

10) The Chief Executive Officer will:

- a) Recommend to the Board, as appropriate, policies to ensure effective operations.
- b) Develop and recommend a strategic plan and other material plans to the Board, including updates, as necessary.
- c) Recommend the annual Operating Budget to the Board.
- d) Authorize payments related to the administration of KCERA, consistent with the Operating Budget and internal controls of KCERA.
- e) Account for and ensure appropriate collection, deposit and distribution of funds as required.
- f) Develop and implement operational controls, and procedures.
- g) Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer KCERA.
- h) Maintain the records of KCERA in a permanent and readily accessible format.

## Finance, Actuarial and Accounting

11) The Chief Executive Officer will:

- a) Recommend to the Board, as appropriate, financial, accounting, and actuarial policies.
- b) Implement appropriate internal financial controls to safeguard the assets of KCERA.
- c) Coordinate financial audits, actuarial valuations, actuarial experience studies, actuarial audits, and any other audits that may be required.
- d) File in the office of the County Auditor and with the Board of Supervisors an Annual Comprehensive Financial Report which will exhibit the financial condition of KCERA at the close of the preceding June 30th and its financial transactions for the fiscal year ending on that day (§31597.1).

## Human Resources

12) The Chief Executive Officer is responsible for hiring, directing, and terminating all personnel of KCERA. This includes but is not limited to:

- a) Selecting and terminating the Chief Operations Officer, Chief Investment Officer, and Chief Legal Officer, providing an opportunity to the Board to interview candidates and provide input.
- b) When appropriate, and subject to review by legal counsel, offering employment to the above personnel.
- c) Ensuring KCERA's human resource practices are consistent with applicable legislation, agreements, and County requirements.

- d) Regularly assessing the human resource needs of KCERA and establishing human resource positions and corresponding job specifications, appropriate human resource programs, succession plans, and procedures to address them.

#### Litigation

13) The Chief Executive Officer will:

- a) Determine settlements and compromises within his/her authority as specified in paragraphs 4 e) and f) above and report to the Board accordingly.
- b) In consultation with the Chief Legal Officer, advise the Board concerning the commencement, conduct, settlement, and termination of all litigation involving KCERA that exceeds the authority of the Chief Executive Officer.
- c) Coordinate with the Chief Legal Officer on all legal proceedings involving KCERA.
- d) Develop and implement plans to comply with court rulings.

#### Communications

14) The Chief Executive Officer will:

- a) Ensure effective and timely communications with stakeholders on matters relating to the administration of KCERA.
- b) Recommend communications and disclosure-related plans or policies to the Board for approval.
- c) Serve as spokesperson for KCERA, conferring with the Chair in advance if the issue in question is significant.
- d) In consultation with the Chief Legal Officer, recommend for Board approval any legislative proposals to be initiated, supported or opposed by the Board.

#### Appointment of Service Providers

15) The Chief Executive Officer will perform or cause to be performed all due diligence for Board-appointed service providers, as listed in paragraph 16 of the Board Charter, and will provide the Board with appropriate recommendations.

~~16) The Chief Executive Officer may hire other service providers, consistent with the Operating Budget and other policies of the Board, provided that:~~

- ~~a) The Board has not specifically retained the authority to hire such service providers; and~~
- ~~b) The total value of the services to be rendered by the service provider over a 12-month period is not more than \$50,000.~~

## Monitoring and Reporting

~~17~~16) The Chief Executive Officer will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the Chief Executive Officer will apprise the Board in a timely manner of all significant issues, concerns, or developments pertaining to KCERA, and provide recommended courses of action as appropriate.

~~18~~17) The Chief Executive Officer will regularly monitor and report to the Board on the following issues:

- a) Implementation and continued appropriateness of all KCERA policies.
- b) The funded status of KCERA and all issues that may reasonably have a significant impact on such status.
- c) The investment performance of the Fund, the component asset classes, and the investment managers retained to manage the assets of the Fund.
- d) The findings of any internal audits that may be performed.
- e) Compliance by employees and KCERA service providers with the policies of KCERA.
- f) The activities and performance of key service providers including the actuary, the financial auditor, the investment consultant, legal counsel, and the custodian.
- g) The performance of Management.
- h) The accuracy and timeliness of all payments due to and payable by KCERA.
- i) KCERA's compliance with applicable laws and regulations.
- j) In conjunction with the Chief Legal Officer, the status of all legal proceedings involving KCERA.
- k) The status of the strategic plan, and any other material plans.

## **POLICY REVIEW AND HISTORY**

~~19~~18) This charter will be reviewed at least every five years.

~~20~~19) This charter was:

- a) Adopted by the Board on November 14, 2001.
- b) Amended on January 28, 2004; June 23, 2004; September 27, 2006; July 28, 2010; December 12, 2012; April 13, 2016; March 11, 2020; August 11, 2021; April 13, 2022; and December 14, 2022.

## **SECRETARY TO THE BOARD CHARTER**

### **BACKGROUND**

- ~~1) In accordance with the Regulations, the Chief Executive Officer shall fulfill the role of Secretary to the Board.~~

### **DUTIES AND RESPONSIBILITIES**

- ~~2) The Secretary to the Board shall:~~
- ~~a) Coordinate meetings, agendas, schedules and presentations for both Board and committee meetings in a manner consistent with the Brown Act;~~
  - ~~b) Maintain minutes of Board and committee meetings;~~
  - ~~c) Sign minutes upon approval of the Board;~~
  - ~~d) Sign subpoenas; and~~
  - ~~e) Carry out such other functions and duties as may be prescribed by the Board.~~

### **POLICY REVIEW AND HISTORY**

- ~~3) This charter shall be reviewed at least every five years.~~
- ~~4) This charter was:~~
- ~~a) Adopted by the Board on November 14, 2001.~~
  - ~~b)a) Amended on June 23, 2004; April 13, 2016; August 11, 2021; and April 13, 2022.~~



## Kern County Employees' Retirement Association Chief Executive Officer Performance Evaluation

### RATING DEFINITIONS

O – Outstanding Performance.	Excellent performance with above outstanding outcomes.
S – Standard Performance.	Consistently and continuously performs to high level expectations.
NI – Needs Improvement.	Performance requiring areas of improvement.

### GOVERNANCE AND PERSONAL LEADERSHIP

	O	S	NI	N/A
Ensures board and committee meetings are well organized (e.g.; balanced agendas, appropriate topics, meeting minutes, timely issuance of materials).				
Provides sound and timely recommendations and alternatives for the Board's consideration.				
Keeps the Board abreast of relevant trends, issues and risks.				
Directs and promotes organizational change initiatives consistent with KCERA's strategic goals and changing business needs.				
Anticipates and positions the organization to address and respond to anticipated events and circumstances.				
Makes firm, clear, transparent decisions that are consistent with KCERA's mission and strategic goals.				

### MANAGING PEOPLE

	O	S	NI	N/A
Shapes organizational culture to accomplish the mission and strategic objectives.				
Encourages the ongoing learning and development of employees to help others reach their potential and prepare for succession planning.				

### CUSTOMER SERVICE AND PUBLIC RELATIONS

	O	S	NI	N/A
Conveys and delivers a clear commitment to providing customer-focused services and ensures prompt handling of inquiries and complaints.				
Establishes and maintains a positive image of KCERA to the membership, stakeholders and the media.				



CUSTOMER SERVICE AND PUBLIC RELATIONS	O	S	NI	N/A
Effectively communicates the Board's position to all stakeholder groups				

FISCAL MANAGEMENT	O	S	NI	N/A
Develops a balanced budget for the Board's consideration.				
Makes the most efficient and effective use of available funds and appropriately administers fiscal activities in consideration of long-term planning, accountability, and sustainability.				
Communicates budgetary and fiscal concerns that could impact KCERA in the foreseeable future to the Board.				

INNOVATION, COLLABORATION AND ADAPTABILITY	O	S	NI	N/A
Embraces and communicates new ideas to solve problems by recognizing where change needs to happen.				
Communicates, supports, and cooperates with others to achieve objectives and goals.				
Accepts and adapts to new challenges.				

QUALITY OF JUDGEMENT AND COMMUNITY LEADERSHIP	O	S	NI	N/A
Maintains constructive communication with board members and stakeholders.				
Appropriately involves community members, stakeholders, and organizations in the matters that affect them.				
Articulates the vision, mission and strategic goals of KCERA to the community, media and other stakeholders to build support.				
Demonstrates concern and respect for differing opinions.				

OVERALL PERFORMANCE RATING				
O – Outstanding Performance. Excellent performance with above outstanding outcomes.				
S – Standard Performance. Consistently and continuously performs to high level expectations.				
NI – Needs Improvement. Performance requiring areas of improvement.				

OVERALL COMMENTS



## OVERALL COMMENTS

--

---

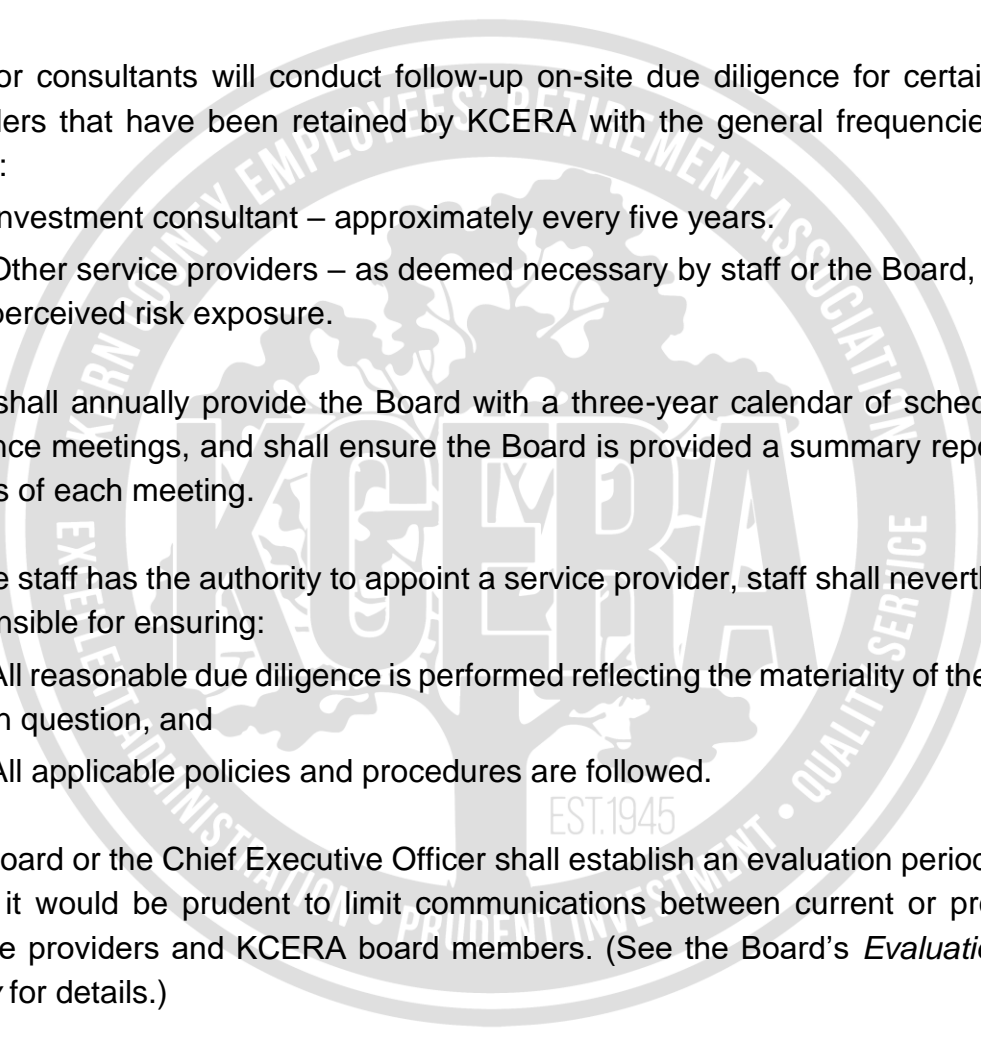
## **DUE DILIGENCE & SERVICE PROVIDER SELECTION POLICY**

### **BACKGROUND**

- 1) KCERA retains many different types of service providers to assist with the investment and administration functions. Given the different services involved and their relative importance, the role of the Board and staff in selecting, appointing, and terminating service providers will differ. This policy is intended to provide general guidance concerning these roles.

### **GUIDELINES**

- 2) The roles involved in the procurement of service providers will be allocated in the manner illustrated in Table I.
- 3) In general, the Board or its committees will play a relatively more active role in the selection of those service providers that:
  - a) Advise or work with the Board directly; e.g. the actuary and independent fiduciary counsel.
  - b) Serve as an independent check on the operations of KCERA; e.g. the financial auditor.
  - c) May have a material impact on the performance of KCERA; e.g. investment managers.
- 4) In the interest of organizational efficiency and effectiveness, the Board recognizes that the Chief Executive Officer should be allowed autonomy and authority to select service providers that do not meet the criteria in paragraph 3 above, provided the Chief Executive Officer complies with applicable laws, policies, controls, and procedures.
- 5) The Board may depart from the prescribed allocation of roles (set out in Table 1) by formal motion when it determines that it is in the best interests of KCERA to do so.
- 6) In cases when the Board or a board committee appoints a service provider, staff will nevertheless be expected to provide the Board or committee with a recommendation. Staff may employ the services of consultants and advisors to assist staff in performing any due diligence supporting its recommendations.

- 
- 7) When recommending service providers for appointment, staff shall provide adequate background information and analysis to demonstrate that sufficient due diligence was performed, consistent with applicable policies, procedures, and fiduciary standards. In the case of investment manager recommendations, such information shall include a discussion of any relevant drawbacks of finalist firms that were not recommended, as appropriate. Any trustee seeking additional information about a finalist firm that was not recommended may review any available staff documentation and analysis at KCERA's office.
- 8) Staff or consultants will conduct follow-up on-site due diligence for certain service providers that have been retained by KCERA with the general frequencies set out below:
- a) Investment consultant – approximately every five years.
  - b) Other service providers – as deemed necessary by staff or the Board, reflecting perceived risk exposure.
- 9) Staff shall annually provide the Board with a three-year calendar of scheduled due diligence meetings, and shall ensure the Board is provided a summary report on the results of each meeting.
- 10) Where staff has the authority to appoint a service provider, staff shall nevertheless be responsible for ensuring:
- a) All reasonable due diligence is performed reflecting the materiality of the services in question, and
  - b) All applicable policies and procedures are followed.
- 11) The Board or the Chief Executive Officer shall establish an evaluation period in cases when it would be prudent to limit communications between current or prospective service providers and KCERA board members. (See the Board's *Evaluation Period Policy* for details.)

## **POLICY REVIEW AND HISTORY**

- 1) This policy will be reviewed at least every five years.
- 2) This policy was:
  - a) Adopted by the Board on March 14, 2001.
  - b) Amended on June 23, 2004; July 13, 2005; September 26, 2007; August 27, 2008; August 26, 2009; June 15, 2011; December 12, 2012; April 13, 2016; October, 10, 2018; August 11, 2021; April 13, 2022; and September 11, 2024.

TABLE I: ROLES IN SERVICE PROVIDER SELECTION					
SERVICE PROVIDER	CONDUCT DUE DILIGENCE	IDENTIFY INTERVIEW CANDIDATES	INTERVIEW FINALISTS, IF REQUIRED	RECOMMEND (APPOINTMENT & TERMINATION)	APPOINT/ TERMINATE
<b>AUDIT, ACTUARIAL, AND LEGAL</b>					
<b>Legal Counsel (Fiduciary)</b>	Staff	Staff	Board	Staff	Board
<b>Financial Auditor</b>	Staff	Finance Committee	Finance Committee	Finance Committee	Board
<b>Plan Actuary</b>	Staff	Staff	Board	Staff	Board
<b>Actuarial auditor</b>	Staff	Staff	Staff	Finance Committee	Board
<b>Accountants for special investigations by Finance Committee</b>	Staff or Finance Committee	Staff or Finance Committee	Finance Committee	N/A	Finance Committee
<b>INVESTMENTS</b>					
<b>Custodian (incl. securities lending &amp; commission recapture)</b>	Staff/Inv. Consultant	Staff/ Inv. Consultant	Staff/Inv. Consultant	Staff	Board
<b>Investment Consultants (incl. proxy voting)</b>	Staff	Investment Committee	Board	Staff	Board
<b>Investment Mgrs. (public &amp; private markets)</b>	Staff/ Inv. Consultant <sup>1</sup>	Staff/Inv. Consultant	Staff/Investment Committee	Staff/Consultant to IC IC to Board when applicable	Board/Staff where delegated
<b>HUMAN RESOURCES &amp; LEGAL</b>					
<b>HR Consultant (Director-related projects)</b>	Staff	Staff	Admin. Committee	N/A	Admin. Committee
<b>HR Consultant (Other projects)</b>	Staff	Staff	Chief Executive Officer	N/A	Chief Executive Officer
<b>OPERATIONS</b>					
<b>IT Consultants (material projects)</b>	Staff	Staff	Staff	Staff to Admin. Comm. Admin. Comm. to Board	Board
<b>IT Consultants (non-material)<sup>2</sup></b>	Staff	Staff	Staff	Staff	Chief Executive Officer
<b>Other Service providers (non-material)<sup>2</sup></b>	Staff	Staff	Staff	Staff	Chief Executive Officer

<sup>1</sup> To be performed jointly for prospective managers; staff may do so independently subsequent to the appointment of managers and outside of formal search processes.

<sup>2</sup> "Non-material" to include contracts with a cost not to exceed \$100,000.50,000.

## **BOARD OF RETIREMENT CHARTER**

### **INTRODUCTION**

- 1) The Board consists of nine members and two alternates. Subject to the provisions of the Act, the Board is responsible for the administration and oversight of KCERA and is committed to carrying out its responsibilities in a manner consistent with the highest standards of fiduciary practice. In keeping with this commitment, the Board has established this charter to guide its conduct and operations.

### **DUTIES AND RESPONSIBILITIES**

- 2) The Board has various powers and responsibilities under the Act. These include but are not limited to:
  - a) Making Regulations, consistent with the Act, which will become effective when approved by the Board of Supervisors. (§31525, §31526, & §31527)
  - b) Approving all qualified members who apply for service retirement or delegating the authority for such approvals to the Chief Executive Officer or other personnel<sup>1</sup>. (§31670)
  - c) Determining the merits of applications for disability benefits, making necessary determinations of service and permanency of injury. (§31720)
  - d) Annually approving cost-of-living adjustments. (§31870.1 & *Ventura* Settlement Agreement)
  - e) Approving the distribution of supplemental funds pursuant to the SRBR Policy. (§31618)
  - f) Approving the annual actuarial valuation and the actuarial assumptions contained therein, and the determination of supplemental funds, upon the advice of the actuary and other experts as required, and recommend adoption by the Board of Supervisors of such changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations, as necessary. (§31611)
  - g) Ensuring a financial audit is conducted at least annually. (§31593)
  - h) Appointing an Chief Executive Officer. (§31522.2)
  - i) Appointing a custodian. (§31596)

<sup>1</sup> The Board has elected to delegate such authority to the Chief Executive Officer. See *Chief Executive Officer Charter*.

- 3) The Board also has certain powers and responsibilities under Article XVI section 17 of the California Constitution.
- 4) The Board believes that effective governance demands that the Board, directly or through its committees, also carry out the added responsibilities set out in the remainder of this charter.

### **POLICY & DECISION MAKING**

- 5) The Board can most effectively oversee KCERA through the establishment of prudent policies and controls. Accordingly, the Board is responsible for adopting policies pertaining to material aspects of KCERA's activities. Examples of such policies appear throughout the remainder of this Charter.

### **GOVERNANCE**

- 6) The Board shall:
  - a) Approve, and amend as necessary, Regulations and governance policies to support and promote appropriate governance practices.
  - b) Approve charters describing the roles and responsibilities of key parties involved in the governance and management of KCERA.
  - c) Elect a Chair and a Vice Chair.
  - d) Designate a Secretary to the Board.<sup>2</sup>
  - e) Establish the committee structure of the Board.
  - f) Provide appropriate opportunities and resources for board education.
  - g) Evaluate the performance of the Board on a regular basis.

### **INVESTMENTS**

- 7) The Board has exclusive control of the administration and investment of the Fund and shall invest the assets of the Fund in accordance with the fiduciary standards imposed by law. In keeping with this requirement, the Board will:
  - a) Approve a written investment policy statement and all other material investment policies of the Fund.
  - b) Approve investment manager mandates (i.e. dollar amount and asset class).
  - c) Regularly review that any delegation of authority or discretion to investment staff, investment managers, the Investment Committee, and investment advisors is prudent and consistent with industry best practices.
- 8) The Board shall participate in asset allocation studies as required.

---

<sup>2</sup> Under the Regulations, the Board has designated the Chief Executive Officer to serve as Secretary to the Board.

## **BENEFITS ADMINISTRATION**

9) The Board shall:

- a) Provide staff with strategic direction concerning the nature and quality of services and communications to be provided to plan members and beneficiaries.
- b) Ensure appropriate processes and procedures are in place to provide for disability benefit hearings and appeals.
- c) Approve policies and review any service quality benchmarks that may be established to guide the effective administration and delivery of member services.
- d) Act on member appeals of decisions made by Management, as applicable.

## **PLANNING AND OPERATIONS**

10) The Board shall:

- a) Review and approve the strategic plan, and other material plans of KCERA, including for example, those pertaining to stakeholder relations and plan sustainability.
- b) Approve the annual Operating Budget and any changes thereto.
- c) Ensure that all required contributions to the Fund are collected in a timely manner.
- d) Ensure that all required distributions from the Fund are made in a timely manner.
- e) Approve the location of KCERA's operations and associated leases or purchase agreements.
- f) Monitor that appropriate operational control policies are in place to provide secure, efficient and accurate delivery of member services and protect the confidentiality of member data.

## **FINANCIAL, ACTUARIAL AND ACCOUNTING**

11) The Board shall:

- a) Approve the establishment of accounting and actuarial policies and any changes thereto.
- b) Approve the annual financial statements.
- c) Review the qualifications and independence of the financial auditor.
- d) Ensure actuarial valuations, experience studies, and audits are conducted on a regular basis.
- e) Ensure special investigations or audits are performed, as necessary.

## **RISK MANAGEMENT**

- 12) The Board is responsible for ensuring Management establishes an appropriate system of risk management that addresses risks including but not limited to those pertaining to investments, funding, insurance, and technology.

## **LITIGATION**

- 13) The Board shall be responsible for approving the commencement, conduct, settlement, and termination of all material litigation involving KCERA, with the advice of the Chief Executive Officer and legal counsel.

## **HUMAN RESOURCES**

- 14) The Board shall:
- a) Appoint and may terminate the Chief Executive Officer.
  - b) When it believes it would be appropriate to do so, meet with finalist candidates identified by the Chief Executive Officer for the positions of Chief Operations Officer, Chief Investment Officer, and Chief Legal Officer and advise the Chief Executive Officer when he or she is selecting individuals for such positions.
  - c) Approve any human resource policies that may be developed and recommended to the Board by the Chief Executive Officer.
  - d) Regularly review with the Chief Executive Officer the staffing, compensation, and succession planning needs of KCERA.
  - e) Periodically review the performance of the Chief Executive Officer.

## **STAKEHOLDER COMMUNICATIONS**

- 15) The Board shall be responsible for adequate and appropriate communications between KCERA and its stakeholders. Accordingly, the Board will:
- a) Establish a spokesperson for KCERA or otherwise authorize individuals to communicate on behalf of the Board.
  - b) Establish policies or plans to guide material communications and disclosure to stakeholders.
  - c) Establish policies to guide Board proposals on state or local legislation.
  - d) Approve the Comprehensive Annual Financial Report.

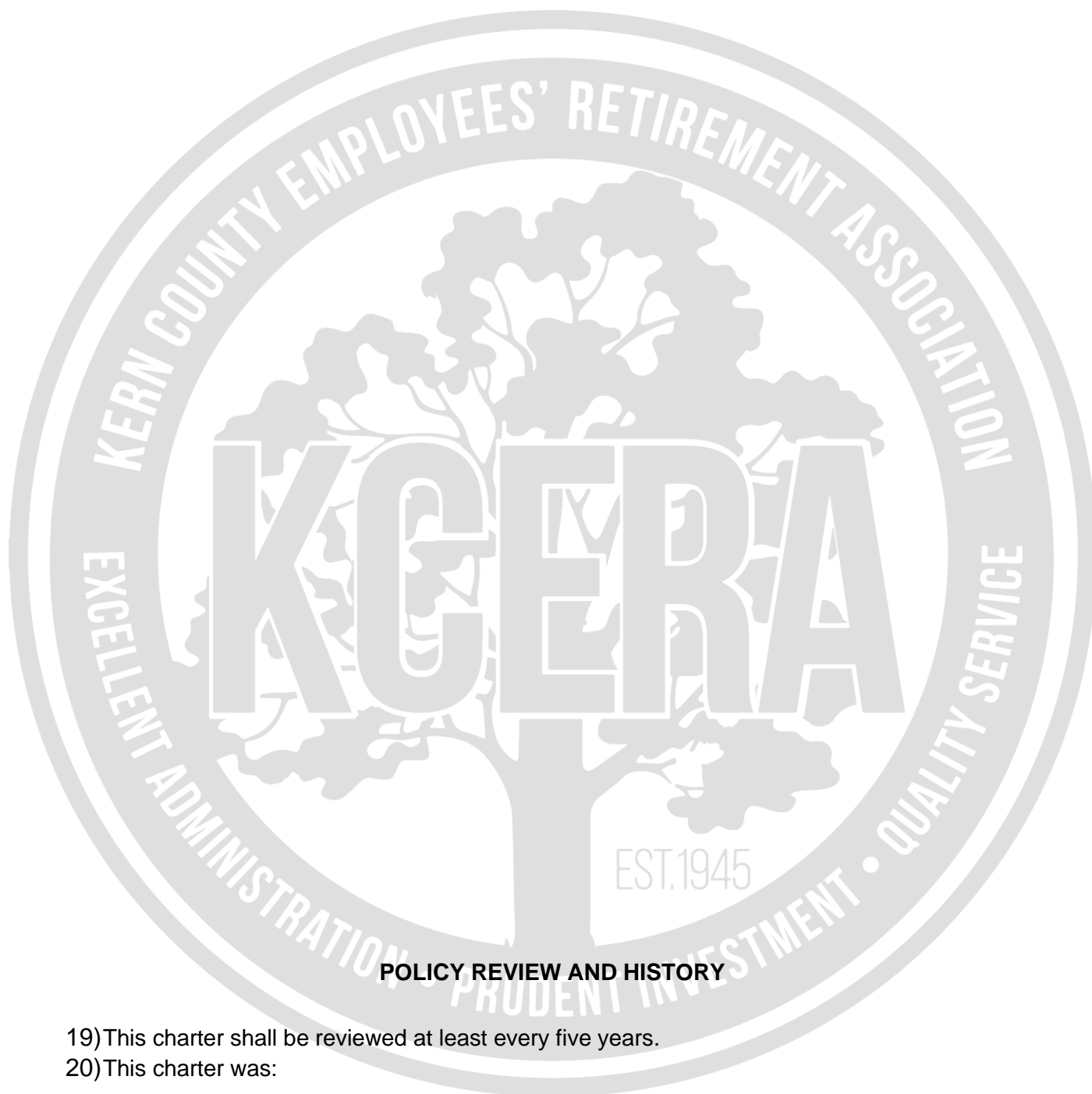
## **SERVICE PROVIDERS**

- 16) The Board shall appoint, and may terminate the:
- a) Actuary.
  - b) Actuarial auditor.
  - c) Financial auditor.
  - d) Legal counsel.

- e) Custodian. (§31596)
- f) Investment managers for selection that fall outside the parameters and constraints that have been delegated to the Chief Investment Officer as set forth in the most recently adopted Investment Policy Statement (including investment managers and partners, transition managers, securities lending managers, and commission recapture brokers). The Board has fully delegated termination of investment managers to the Chief Investment Officer as set forth in the most recently adopted Investment Policy Statement.
- g) Investment consultants retained to advise the Board.
- h) Other service providers where the total value of the services to be rendered during a 12-month period exceeds \$~~100,000~~ 50,000.

### **MONITORING AND REPORTING**

- 17) The Board shall work with staff to develop a system of reporting that effectively supports the Board in exercising its oversight responsibilities.
- 18) As part of the above, the Board shall establish a monitoring and reporting policy and any other necessary policies to set out the nature and frequency of reports to be provided to the Board and its committees by staff and service providers.



### **POLICY REVIEW AND HISTORY**

19) This charter shall be reviewed at least every five years.

20) This charter was:

- a) Adopted by the Board on November 14, 2001.
- b) Amended on January 28, 2004; June 23, 2004; September 27, 2006; August 27, 2008; July 28, 2010; December 12, 2012; April 13, 2016; March 11, 2020; August 11, 2021; April 13, 2022; and September 11, 2024.