

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)  
BOARD OF RETIREMENT**

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

**SUMMARY OF PROCEEDINGS**

**Board of Retirement Meeting  
March 8, 2023**

**8:32 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, Kratt, Seibly, Whitezell

Absent: Hughes, Kaufman, Nunneley

**SALUTE TO FLAG – TRUSTEE DUSTIN CONTRERAS**

**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)**

1. JUST CAUSE CIRCUMSTANCE(S):

- NONE

2. EMERGENCY CIRCUMSTANCE(S):

- NONE

**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 John Coletti, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

**Kratt-Couch – 6 Ayes**

- \*4. Fifth Appellate District Court Opinion Affirming Trial Court Order Denying Petition for Writ of Mandate: Gloria Morgan, Sheriff (General) – RECEIVED AND FILED

**Kratt-Couch – 6 Ayes**

- \*5. Summary of proceedings of the following meetings:

- February 8, 2023 Board of Retirement

RECEIVED AND FILED

**Kratt-Couch – 6 Ayes**

- \*6. Report from the KCERA office on members retired from service for the month of February 2023 – RATIFIED

**Kratt-Couch – 6 Ayes**

- \*7. Report from the KCERA office on deceased retirees for the month of February 2023 – RECEIVED AND FILED

**Kratt-Couch – 6 Ayes**

- \*8. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending February 28, 2023 –

THIS ITEM REMOVED FROM CONSENT AGENDA

- \*9. Securities Lending Earnings Summary Report for the periods January 31, 2023 from Deutsche Bank – RECEIVED AND FILED

**Kratt-Couch – 6 Ayes**

- \*10. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of January 2023 – RECEIVED AND FILED

**Kratt-Couch – 6 Ayes**

- \*11. Invitation for trustees to attend the 2023 California Association of Public Retirement Systems (CALAPRS) Advanced Principles of Pension Governance for Trustees, March 29-31, 2023 in Los Angeles, CA – APPROVED THE ATTENDANCE OF TRUSTEES DUSTIN CONTRERAS AND TYLER WHITEZELL

**Kratt-Couch – 6 Ayes**

- \*12. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting March 20-21, 2023, in Sacramento, CA – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

**Kratt-Couch – 6 Ayes**

- \*13. Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFIED

**Kratt-Couch – 6 Ayes**

- \*14. Report on Special Pay Codes classified by the Chief Executive Officer – RECEIVED AND FILED

**Kratt-Couch – 6 Ayes**

8. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending February 28, 2023 – CHAIR TYLER WHITEZELL HEARD; TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 8:38 A.M.

RECEIVED AND FILED

**Kratt-Adams – 7 Ayes**

### **PUBLIC COMMENTS**

15. 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**

16. Discussion and appropriate action on private market fund recommendation presented by Mark Mallory, Associate Investment Director, Cambridge Associates<sup>1</sup>, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARK MALLORY, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEES JEANINE ADAMS, JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO LGT CROWN GLOBAL SECONDARIES VI; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Kratt-Gonzalez – 7 Ayes**

17. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Investment Managing Director, Cambridge Associates<sup>2</sup>, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO PARTHENON INVESTORS VII; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Kratt-Gonzalez – 7 Ayes**

18. Response to referral and Trustee education regarding fiduciary duties with emphasis on investment considerations, including evaluation of ESG (Environmental, Social, and Governance) factors presented by Fiduciary Counsel Maytak Chin, Partner, and Harvey L. Leiderman, Partner, Reed Smith LLP – MAYTAK CHIN, REED SMITH LLP, HEARD; SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR TYLER WHITEZELL HEARD; VICE-CHAIR PHIL FRANNEY HEARD; TRUSTEES JEANINE ADAMS, DAVID COUCH, JUAN GONZALEZ, RICK KRATT AND ROBB SEIBLY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

RECEIVED EDUCATIONAL TRAINING (60 MINUTES TRUSTEE EDUCATION CREDIT)

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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.

<sup>2</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.

19. Response to referral and Trustee Education regarding Proxy Voting presented by Matt Seufert and Seth May-Patterson, Glass Lewis – MATT SEUFERT, GLASS LEWIS, HEARD; TRUSTEE JUAN GONZALEZ HEARD; CHIEF EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED EDUCATIONAL TRAINING (15 MINUTES TRUSTEE EDUCATION CREDIT)

### **ADMINISTRATIVE MATTERS**

20. Discussion and review of the 2023-2024 Chief Executive Officer Performance Evaluation Criteria presented by Chief Executive Officer Dominic Brown and the Administrative Committee – TRUSTEE JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED THE CHIEF EXECUTIVE OFFICER PERFORMANCE EVALUATION CRITERIA FOR EVALUATION PERIOD OF 2023-2024

**Gonzalez-Kratt – 7 Ayes**

### **STAFF REPORTS**

21. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- BOARD REFERRAL UPDATE
- STAFFING UPDATE
- SOLAR PROJECT UPDATE
- UPDATE ON RFP FOR OTHER AUDIT SERVICES
- GOVERNANCE CONSULTANT AON CONDUCTING TRUSTEE INTERVIEWS FOR STRATEGIC PLANNING
- SERVICE PURCHASE UPDATE
- MMRO UPDATE
- BOARDROOM AUDIO UPGRADES
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

TRUSTEE JOSEPH D. HUGHES LEFT AT 10:58 A.M.

CHAIR TYLER WHITEZELL HEARD; VICE-CHAIR PHIL FRANEY HEARD; TRUSTEES DAVID COUCH, JUAN GONZALEZ, JOSEPH D. HUGHES, RICK KRATT AND ROBB SEIBLY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

22. Report from Chief Investment Officer

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

- REBALANCING – FEBRUARY ACTIVITY
- PORTFOLIO POSITIONING
- UPDATES
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETINGS

23. Report from Chief Legal Officer and Trustee education regarding case review

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LACERA V. COUNTY OF LOS ANGELES
- MORGAN V. BOARD OF RETIREMENT OF KCERA
- MARCH CALENDAR

DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS HEARD

RECEIVED EDUCATIONAL TRAINING (14 MINUTES TRUSTEE EDUCATION CREDIT)

**COMMITTEE REPORTS**

24. Report from Committee Chairs:

- a. Administrative Committee: GONZALEZ – MEETING SCHEDULED MARCH 22, 2023
- b. Finance Committee: CONTRERAS – MEETING SCHEDULED MARCH 22, 2023
- c. Investment Committee: KRATT – NO UPCOMING MEETING
- d. KCERA Property, Inc.: KRATT – NONE

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

**EXECUTIVE SESSION**

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

26. 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

TRUSTEE JUAN GONZALEZ LEFT AT 12:50 P.M.

**RETURN TO PUBLIC SESSION**

BOARD OF RETIREMENT RECONVENED AT 1:08 P.M.

**ROLL CALL**

Present: Adams, Contreras, Couch, Franey, Hughes, Kratt, Seibly, Whitezell

Absent: Gonzalez, Kaufman, Nunneley

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

ITEM 25 – NO REPORTABLE ACTION

ITEM 26 – NO REPORTABLE ACTION

**REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS**

27. 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 RICK KRATT HEARD

**NEW BUSINESS**

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

29. ADJOURNED – 1:10 P.M.

  
Secretary, Board of Retirement

  
Chair, Board of Retirement