

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
May 3, 2023**

8:30 A.M.

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

ROLL CALL

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

Absent: Hughes, Kaufman

SALUTE TO FLAG – TRUSTEE DAVID COUCH

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Items 1 and 2 withdrawn from agenda.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.

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

Nunneley-Couch – 8 Ayes

**Trustee Dustin Contreras voted in place of Trustee Rick Kratt per Cal. Gov. Code section 31520.1*

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

Nunneley-Couch – 8 Ayes

**Trustee Dustin Contreras voted in place of Trustee Rick Kratt per Cal. Gov. Code section 31520.1*

- *5. Application for service-connected disability pension benefits for Enrique Bravo, Sheriff (Safety) –

THIS ITEM REMOVED FROM CONSENT AGENDA

- *6. Summary of proceedings of the following meetings:

- March 22, 2023 Finance Committee
- March 22, 2023 Administrative Committee
- April 5, 2023 Investment Committee
- April 12, 2023 Board of Retirement

RECEIVED AND FILED

Nunneley-Couch – 8 Ayes

- *7. Report from the KCERA office on members retired from service for the month of April 2023 – RATIFIED

Nunneley-Couch – 8 Ayes

- *8. Report from the KCERA office on deceased retirees for the month of April 2023 – RECEIVED AND FILED

Nunneley-Couch – 8 Ayes

- *9. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending April 30, 2023 – RECEIVED AND FILED

Nunneley-Couch – 8 Ayes

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

Nunneley-Couch – 8 Ayes

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

Nunneley-Couch – 8 Ayes

- *12. KCERA Class Action Proceeds Report from January 1, 2023 through March 31, 2023 from the Northern Trust Company – RECEIVED AND FILED

Nunneley-Couch – 8 Ayes

- *13. 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 TRUSTEE DAVID COUCH

Nunneley-Couch – 8 Ayes

- *14. SACRS Business Meeting 2023 Packet for SACRS business meeting on May 12, 2023 in San Diego, California – RECEIVED AND FILED

Nunneley-Couch – 8 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

ADMINISTRATIVE MATTERS

16. KCERA 2023 Board Self-Assessment Report presented by Chief Executive Officer Dominic Brown, Governance Consultants Julie Becker and Benita Harper, Aon, and the Administrative Committee – JULIE BECKER, AON, HEARD; CHAIR TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 8:36 A.M.

HEARD PRESENTATION; RECEIVED AND FILED

Couch-Franey – 9 Ayes

17. Trustee education regarding KCERA Disability Retirement Process presented by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED EDUCATIONAL TRAINING (14 MINUTES TRUSTEE EDUCATION CREDIT)

FINANCIAL MATTERS

18. Trustee education regarding Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA § 401(a)(17) presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

RECEIVED EDUCATIONAL TRAINING (18 MINUTES TRUSTEE EDUCATION CREDIT)

19. Discussion and appropriate action on Request for Proposal (RFP) for Audit Services, presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, and the Finance Committee – CHAIR TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

ENGAGED UHY LLP CERTIFIED PUBLIC ACCOUNTANTS TO PERFORM THE 2023 AUDIT; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Gonzalez-Adams – 9 Ayes

20. Discussion and appropriate action on Request for Proposal (RFP) for Other Audit Services, presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, and the Finance Committee – TRUSTEE JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

ENGAGED UHY LLP CERTIFIED PUBLIC ACCOUNTANTS TO PERFORM OTHER AUDIT SERVICES; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Couch – 9 Ayes

STAFF REPORTS

21. Report from Chief Executive Officer

CHIEF OPERATIONS OFFICER MATTHEW HENRY REPORTED THE FOLLOWING:

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

TRUSTEES JEANINE ADAMS AND DAVID COUCH HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

22. Report from Chief Investment Officer

SENIOR INVESTMENT OFFICER GEOFF NOLAN REPORTED THE FOLLOWING:

- REBALANCING – NO APRIL ACTIVITY
- PORTFOLIO POSITIONING
- UPDATES – INVESTMENT ANALYST STARTED APRIL 2023
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE JUNE 1, 2023

TRUSTEE JUAN GONZALEZ HEARD

23. Report from Chief Legal Officer and Trustee education regarding service purchases and community property:

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- SERVICE PURCHASES AND COMMUNITY PROPERTY
- LEGISLATIVE UPDATES
- MAY CALENDAR

TRUSTEES DAVID COUCH AND RICK KRATT HEARD

RECEIVED EDUCATIONAL TRAINING (10 MINUTES TRUSTEE EDUCATION CREDIT)

COMMITTEE REPORTS

- 24. Report from Committee Chairs:
 - a. Administrative Committee: GONZALEZ – NONE
 - b. Finance Committee: CONTRERAS – NONE
 - c. Investment Committee: KRATT – MEETING SCHEDULED JUNE 2, 2023
 - d. KCERA Property, Inc.: KRATT – NONE

THIS ITEM HEARD OUT OF ORDER

- 27. Administrative Appeal of Sharon Meyer (formerly Eby) regarding request for escheated contributions and interest – SHARON MEYER (FORMERLY EBY) HEARD; TRUSTEE DAVID COUCH HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS HEARD

HEARD STATEMENTS; RECEIVED ADMINISTRATIVE RECORD

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

TRUSTEE DUSTIN CONTRERAS DISCLOSED PERSONAL KNOWLEDGE OF THE MEMBER IN ITEM 5, RECUSED HIMSELF FROM ITEM 5, AND LEFT THE MEETING AT 9:47 A.M.

EXECUTIVE SESSION

- 5. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:

Enrique Bravo

Sheriff

Safety

CHAIR TYLER WHITEZELL LEFT AT 10:30 A.M.*

**In Chair Tyler Whitezell's absence, Vice-Chair Phil Franey assumed the Chair role for the remainder of the meeting*

TRUSTEE DUSTIN CONTRERAS RETURNED AT 10:30 A.M. FOLLOWING THE CONCLUSION OF ITEMS 5 AND 27

THE FOLLOWING ITEMS HEARD OUT OF ORDER

- 27. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Paragraph (1) of subdivision (d) of Section 54956.9). Administrative Appeal submitted by Shannon Meyer (formerly Eby)

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

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED AT 10:55 A.M.

ROLL CALL

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

Absent: Kaufman, Whitezell

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 5 – RECOMMENDATION TO RETURN TO THE BOARD WITHIN 120 DAYS

ITEM 26 – NO REPORTABLE ACTION

ITEM 25 – NO REPORTABLE ACTION

27. Administrative Appeal of Sharon Meyer (formerly Eby) regarding request for escheated contributions and interest – CHAIR PHIL FRANNEY HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

DIRECTED STAFF TO RETURN THE CLAIMANT’S CONTRIBUTION BALANCE IN THE FUND AT THE TIME OF HER TERMINATION AND DENY HER REQUEST FOR INTEREST

Gonzalez-Adams – 8 Ayes

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

28. 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 – NONE

NEW BUSINESS

29. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – TRUSTEES JUAN GONZALEZ AND JOSEPH D. HUGHES HEARD

STAFF AND ADMINISTRATIVE COMMITTEE TO WORK WITH AON TO DEVELOP A COMPENSATION POLICY AND COMPENSATION STUDY FOR THE CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER

Gonzalez-Couch – 8 Ayes

30. ADJOURNED – 11:01 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement