

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

March 9, 2022

8:32 a.m.

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

ROLL CALL

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

Absent: Hughes, Nunneley

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.

1. Discussion and appropriate action regarding proposed State of Emergency Protocol for KCERA Board Meetings recommended by the Administrative Committee and presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry and the Administrative Committee – CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANNEY AND JOSEPH HUGHES HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE JOSEPH HUGHES ARRIVED AT 8:39 A.M.

APPROVED PROPOSED STATE OF EMERGENCY PROTOCOL

Franey-Hughes – 9 Ayes

CONSENT MATTERS

- *2. Evidence in support of Findings and Resolution pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – ADOPTED FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVED 30-DAY RESOLUTION

Kratt-Kaufman – 9 Ayes

- *3. Application for non-service-connected disability pension benefits for Maria Alaniz, Public Health (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT NON-SERVICE-CONNECTED DISABILITY PENSION

Kratt-Kaufman – 9 Ayes

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

- February 4, 2022 Investment Committee
- February 9, 2022 Board of Retirement
- February 23, 2022 Administrative Committee
- February 28, 2022 Investment Committee

RECEIVED AND FILED

Kratt-Kaufman – 9 Ayes

- *5. Report from the KCERA office on members retired from service for the month of February 2022 – RATIFIED

Kratt-Kaufman – 9 Ayes

- *6. Report from the KCERA office on deceased retirees for the month of February 2022 – RECEIVED AND FILED

Kratt-Kaufman – 9 Ayes

- *7. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending February 28, 2022 – RECEIVED AND FILED

Kratt-Kaufman – 9 Ayes

- *8. Securities Lending Earnings Summary Report for the period January 1-31, 2022 from Deutsche Bank – RECEIVED AND FILED

Kratt-Kaufman – 9 Ayes

- *9. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of January 2022 – RECEIVED AND FILED

Kratt-Kaufman – 9 Ayes

- *10. Review of the KCERA Legislative Policy and proposed changes from the Administrative Committee – APPROVED PROPOSED CHANGES

Kratt-Kaufman – 9 Ayes

- *11. Invitation for trustees and/or staff to attend the 2022 California Association of Public Retirement Systems (CALAPRS) General Assembly, March 5-8, 2022 in San Diego, CA – RETROACTIVELY APPROVED THE ATTENDANCE OF DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS

Kratt-Kaufman – 9 Ayes

PUBLIC COMMENTS

12. 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

13. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Investment Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE JORDAN KAUFMAN HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED UP TO \$40MM COMMITMENT TO BLUE TORCH CREDIT OPPORTUNITIES FUND III; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Matthews – 9 Ayes

¹ 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 §6254.26, §6255, and §54957.5.

14. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Investment Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANEY HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO BRIGHTON PARK CAPITAL II;
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL
ADVICE AND REVIEW

Kaufman -Kratt – 9 Ayes

ADMINISTRATIVE MATTERS

15. Trustee education regarding Fiduciary Responsibility & Governance presented by Chief Executive Officer Dominic Brown and Governance Consultant Julie Becker, Partner, Aon – JULIE BECKER, AON, HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED EDUCATIONAL TRAINING (47 MINUTES TRUSTEE EDUCATION
CREDIT)

16. Presentation regarding issues identified related to implementation of PEPPRA employee contribution rates presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – CHAIR JUAN GONZALEZ HEARD; TRUSTEES JEANINE ADAMS, PHIL FRANEY, JORDAN KAUFMAN AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

HEARD PRESENTATION

¹ 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 §6254.26, §6255, and §54957.5.

FINANCIAL MATTERS

TRUSTEE JOSEPH HUGHES LEFT AT 10:20 A.M.

17. Discussion and appropriate action on recommendation for Actuarial Services Provider presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry and the Finance Committee – TRUSTEE PHIL FRANNEY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED SEGAL AS ACTUARIAL SERVICES PROVIDER; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey- Kratt – 8 Ayes

STAFF REPORTS

18. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- RFP STATUS
- TRAVEL RESUMING
- STAFFING UPDATE
- PEPRA IMPLEMENTATION ISSUE
- *ALAMEDA* DECISION UPDATE
- ZOOM WEBINAR TESTING
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

TRUSTEE TRACO MATTHEWS LEFT AT 10:32 A.M.

TRUSTEE JORDAN KAUFMAN HEARD; CHIEF TECHNOLOGY OFFICER BRENDA GREENWOOD HEARD

19. Report from Chief Investment Officer

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

- FEBRUARY REBALANCING ACTIVITY
- RUSSIA/UKRAINE POSITIONING
- PORTFOLIO POSITIONING AND MARKET UPDATE
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETING

TRUSTEE DAVID COUCH LEFT AT 10:39 A.M.

TRUSTEE RICK KRATT LEFT AT 10:45 A.M.

CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD

20. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- UPDATE ON EXECUTIVE ORDER N-04-22
- LEGISLATIVE POLICY
- LEGISLATIVE UPDATE – AB 1944
- MARCH CALENDAR

COMMITTEE REPORTS

21. Report from Committee Chairs:

- a. Administrative Committee: HUGHES – NONE
- b. Finance Committee: FRANEY – NONE
- c. Investment Committee: KAUFMAN – MEETING TO BE SCHEDULED AT THE END OF MARCH
- d. KCERA Property, Inc.: SEIBLY – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

22. 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

23. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
24. ADJOURNED – 10:55 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement