

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
August 14, 2024**

8:32 a.m.

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

ROLL CALL (IN PERSON)

Present: Contreras, Duffey, Franey, Gonzalez, Kaufman, Sanders, Whitezell

Absent: Couch, Hughes, Kratt, Nunneley, Seibly

SALUTE TO FLAG – TRUSTEE WHITEZELL

MOMENT OF SILENCE

NOTE: The vote is displayed in bold below each item. For example, Sanders-Kaufman denotes Trustee John Sanders 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Items 1 and 2 withdrawn from agenda.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 Dolores Gregory, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

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

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *5. Application for service-connected disability pension benefits for Jerry Rice, Fire (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *6. Proposed Decision and Findings of Fact submitted by Hearing Officer Barbara Kong-Brown for Brenda Martinez De Moore, Behavioral Health & Recovery (General) – ADOPTED PROPOSED FINDINGS OF FACT, CONCLUSIONS, AND RECOMMENDATION OF HEARING OFFICER TO DENY APPLICATION FOR SERVICE-CONNECTED DISABILITY

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

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

- May 14, 2024 Investment Committee
- May 29, 2024 Finance Committee
- May 31, 2024 Investment Committee
- June 12, 2024 Board of Retirement
- June 24, 2024 Special Board of Retirement

RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *8. Report from the KCERA office on members retired from service for the months of June and July 2024 – RATIFIED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *9. Report from the KCERA office on deceased retirees for the months of June and July 2024 – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *10. Report of current disability retirement applications and appeals of KCERA Board decisions for the periods ending June 30, 2024 and July 31, 2024 – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *11. Securities Lending Earnings Summary Report for the periods ending May 31, 2024 and June 30, 2024 from Deutsche Bank – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *12. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the months of May and June 2024 – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *13. KCERA Class Action Proceeds Report from April 1 through June 30, 2024 for the Northern Trust Company – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *14. Corrections in Benefit Payments Report for the period January through June 2024 – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *15. Corrections in Benefit Contributions Report for the period January through June 2024 – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *16. Board of Retirement Semi-annual Trustee Education Report – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *17. 2024 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVED AND FILED; APPROVED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

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

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *19. Amendment to agreement for Actuarial Services with the Segal, effective August 14, 2024 – RECEIVED AND FILED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *20. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting July 18, 2024, in Berkeley, California – RATIFIED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *21. Invitation from California Association of Public Retirement Systems (CALAPRS) to trustees to attend the CALAPRS Principles of Pension Governance for Trustees, August 26-29, 2024, in Tiburon, California – APPROVED ATTENDANCE OF TRUSTEES DEON DUFFEY AND JOHN SANDERS

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *22. Invitation from Workiva for Member Services Manager Cory Pruett to attend the Amplify Conference, September 9-11, 2024, in Aurora, Colorado – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *23. Invitation from SALT iConnections for Senior Investment Analyst Rafael Jimenez to attend the Global Alts Asia 2024 Conference, November 11-13, 2024, in Singapore – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

- *24. Letter from Chief Executive Officer Dominic Brown, dated June 26, 2024, to the Kern County Auditor-Controller-County Clerk regarding Board of Retirement Election for Second, Seventh, and Alternate Seventh Members – RECEIVED AND FILED

Whitezell-Contreras – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

PUBLIC COMMENTS

25. 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

26. Discussion and appropriate action on emerging markets equity recommendations presented by Brian Kwan, CFA, CAIA, Verus, Chief Investment Officer Daryn Miller, CFA, Senior Investment Analyst Rafael Jimenez, Investment Analyst, Melekte Yohannes (MJ), and the Investment Committee – BRIAN KWAN, CFA, CAIA, VERUS, HEARD; TRUSTEES JUAN GONZALEZ AND JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST RAFAEL JIMENEZ HEARD; INVESTMENT ANALYST MELEKTE YOHANNES HEARD

TRUSTEE CHASE NUNNELEY ARRIVED AT 8:37 A.M.

APPROVED (A) \$70MM INVESTMENT IN ABS EMERGING MARKETS DIRECT PORTFOLIO; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW; AND (B) \$70MM INVESTMENT IN CARRHAE CAPITAL EMERGING MARKETS EQUITIES FUND; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Duffey-Sanders – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

27. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; VICE-CHAIR DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE DAVID COUCH ARRIVED 8:52 A.M.

APPROVED UP TO \$30MM COMMITMENT TO COVENANT FUND XII;
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL
ADVICE AND REVIEW

Whitezell-Couch – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

28. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Managing Director, Cambridge Associates², Senior Investment Analyst Jack Bowman, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; VICE-CHAIR DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST JACK BOWMAN HEARD

APPROVED UP TO \$50MM COMMITMENT TO SCULPTOR FUND V AND UP
TO \$10MM COMMITMENT TO SCULPTOR FUND V RELATED CO-
INVESTMENT; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN,
SUBJECT TO LEGAL ADVICE AND REVIEW

Sanders-Couch – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

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 § 7928.710, § 7922.000, and § 54957.5.

2 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.

29. Discussion and appropriate action on private market fund recommendation presented by Mark Mallory, Investment Director, Cambridge Associates³, Senior Investment Officer Geoff Nolan, and the Investment Committee – MARK MALLORY, CAMBRIDGE ASSOCIATES, HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEE DUSTIN CONTRERAS HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

APPROVED UP TO \$25MM COMMITMENT TO FORTRESS CREDIT OPPORTUNITIES FUND VI; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Kaufman – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

30. Presentation on Core Real Estate deep dive presented by Brian Kwan, CFA, CAIA, Verus, Senior Investment Officer Geoff Nolan, Senior Investment Analyst Jack Bowman, and the Investment Committee – BRIAN KWAN, CFA, CAIA, VERUS, HEARD; CHAIR PHIL FRANEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

HEARD PRESENTATION; RECEIVED EDUCATIONAL TRAINING (20 MINUTES TRUSTEE EDUCATION CREDIT)

31. Discussion and appropriate action on core real estate recommendation presented by Brian Kwan, CFA, CAIA, Verus, Senior Investment Analyst Jack Bowman, and the Investment Committee – BRIAN KWAN, CFA, CAIA, VERUS, HEARD; CHAIR PHIL FRANEY HEARD; VICE-CHAIR DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST JACK BOWMAN

APPROVED \$50MM INVESTMENT IN ANGELO GORDON ESSENTIAL HOUSING FUND III; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Couch-Whitezell – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Rick Kratt

³ 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.

ADMINISTRATIVE MATTERS

32. Trustee education regarding the Life Cycle of a Member presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, Chief Financial Officer Angela Kruger, and Deputy Chief Member Services Officer Sherry Willard – CHAIR PHIL FRANEY HEARD; TRUSTEES JORDAN KAUFMAN AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF FINANCIAL OFFICER ANGELA KRUGER, CPFO, HEARD; DEPUTY CHIEF MEMBER SERVICES OFFICER SHERRY WILLARD HEARD

HEARD PRESENTATION; RECEIVED EDUCATIONAL TRAINING (26 MINUTES TRUSTEE EDUCATION CREDIT)

STAFF REPORTS

33. Report from Chief Executive Officer:

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- ELECTION UPDATE
- SOLAR UPDATE
- INVESTMENT DELEGATION
- LACERA DECISION
- COMPENSATION POLICY
- SEGAL CONTRACT UPDATE
- BUDGET VARIANCES AT YEAR-END
- FUTURE AI UTILIZATION BOARD PRESENTATION
- DISABILITY UPDATE
- RECRUITMENTS UPDATE
- MEMBER OUTREACH AND EDUCATION
- UPCOMING EVENTS

CHAIR PHIL FRANEY HEARD; TRUSTEE JUAN GONZALEZ HEARD

34. Report from Chief Investment Officer:

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

- REBALANCING ACTIVITY – JUNE AND JULY
- POSITIONING – ACTUAL VS POLICY TARGET
- MARKET UPDATE
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETINGS

CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD

35. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY AND DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATE
- LITIGATION UPDATE

CHAIR PHIL FRANNEY HEARD

COMMITTEE REPORTS

36. Report from Committee Chairs:

- a. Administrative Committee: CONTRERAS – NONE
- b. Finance Committee: SANDERS – NONE
- c. Investment Committee: WHITEZELL – NONE

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

EXECUTIVE SESSION

37. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Determination of whether to initiate litigation pursuant to paragraph (4) of subdivision (c) and (d) of Government Code § 54956.9. (Number of potential cases: one).

38. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Paragraph (1) of subdivision (d) of Government Code § 54956.9. (*Reynolds v. Reynolds*, Kern County Superior Court Case No. BFL-20-001032).

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 11:55 A.M.

ROLL CALL

To establish quorum present upon resuming public session

Present: Contreras, Couch, Duffey, Franey, Gonzalez, Kaufman, Nunneley Sanders, Whitezell

Absent: Hughes, Kratt, Seibly

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 37 – NO REPORTABLE ACTION

ITEM 38 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

39. 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

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

41. ADJOURNED – 11:57 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement