

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

December 14, 2022

8:37 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, Hughes, Kaufman, Kratt, Matthews, Seibly, Whitezell

Absent: Nunneley

SALUTE TO FLAG – CHIEF EXECUTIVE OFFICER DOMINIC BROWN

MOMENT OF SILENCE

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.*

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. Findings and new Initial Resolution needed to utilize alternative teleconferencing requirements during a state of emergency 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**

Whitezell-Matthews – 9 Ayes

*2. Summary of proceedings of the following meetings:

- November 2, 2022 Board of Retirement
- November 16, 2022 Administrative Committee

RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

*3. Report from the KCERA office on members retired from service for the month of November 2022 – RATIFIED

Whitezell-Matthews – 9 Ayes

*4. Report from the KCERA office on deceased retirees for the month of November 2022 – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

*5. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending November 30, 2022 – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

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

Whitezell-Matthews – 9 Ayes

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

Whitezell-Matthews – 9 Ayes

*8. Letter from Auditor-Controller-County Clerk Mary B. Bedard, CPA, dated November 22, 2022, regarding the Certificate of Results of the KCERA Board of Retirement Election scheduled for December 6, 2022 – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

*9. Annual Fee Disclosure Report FY 2021-22 – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

*10. Annual On-Site Due Diligence Schedule FY 2021-22 – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

- *11. Annual Investment Manager Compliance Report FY 2021-22 – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

- *12. Verus On-Site Due Diligence Meeting Summary – RECEIVED AND FILED

Whitezell-Matthews – 9 Ayes

- *13. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting January 9-10, 2023, in Northern California (location TBA) – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Whitezell-Matthews – 9 Ayes

PUBLIC COMMENTS

14. 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

FINANCIAL MATTERS

15. Discussion and appropriate action on review of the actuarial valuation as of June 30, 2022, recommended employer and employee contribution rates for fiscal year 2023-2024, and related reports presented by Actuaries Paul Angelo and Molly Calcagno, Segal – PAUL ANGELO AND MOLLY CALCAGNO, SEGAL, HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED AND FILED; APPROVED THE ACTUARIAL VALUATION, EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, AND RELATED REPORTS FOR FISCAL YEAR 2023-24 RECOMMENDED BY ACTUARY; SEND TO PLAN SPONSORS FOR ADOPTION

Franey-Kratt – 9 Ayes

16. Discussion and appropriate action on the draft Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022, presented by Auditor Daniel Sefick, Engagement Principal, CliftonLarsonAllen LLP, Chief Financial Officer Angela Kruger and Deputy Chief Financial Officer Maritza Rodriguez – DANIEL SEFICK, CLIFTONLARSONALLEN LLP HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE TRACO MATTHEWS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED DRAFT ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Matthews-Couch – 9 Ayes

INVESTMENT MATTERS

17. Presentation on the Private Markets Performance Report as of June 30, 2022 presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Maria Surina, Senior Investment Director, Cambridge Associates¹, and Chief Investment Officer Daryn Miller, CFA – KELLY JENSEN, ANDREA AUERBACH, KEIRSTEN LAWTON, AND MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Kaufman-Matthews – 9 Ayes

18. Discussion and appropriate action on private equity fund recommendation presented by Mark Mallory, Associate Investment Director, Cambridge Associates², Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARK MALLORY, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO ACCEL-KKR CAPITAL PARTNERS FUND VII; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Couch – 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.

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 §6254.26, §6255, and §54957.5.

ADMINISTRATIVE MATTERS

19. Response to referral regarding implementation of Risk Mitigation and Position Creation presented by Chief Executive Officer Dominic Brown, Governance Consultants Julie Becker and Benita Harper, Aon, and the Administrative Committee – JULIE BECKER, AON, HEARD; CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH, PHIL FRANEY, JOSEPH D. HUGHES, JORDAN KAUFMAN, RICK KRATT AND TRACO MATTHEWS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

APPROVED PROPOSED EDITS TO CHARTERS WITH ADDITION OF REPORT TO BOARD OF RETIREMENT ON CONSENT AGENDA

Kratt-Franey – 9 Ayes

20. Trustee education regarding Due Process and KCERA's Administrative Appeals Processes presented by Deputy Chief Legal Officer Phillip Jenkins – CHAIR JUAN GONZALEZ HEARD; TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS HEARD

RECEIVED EDUCATIONAL TRAINING (17 MINUTES TRUSTEE EDUCATION CREDIT)

21. Slate of nominees for Chair and Vice-Chair for the calendar year 2023 presented by Nominating Committee Chair – CHAIR JUAN GONZALEZ HEARD; TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD

ELECTED TRUSTEE TYLER WHITEZELL AS CHAIR AND TRUSTEE PHIL FRANEY AS VICE-CHAIR FOR CALENDAR YEAR 2023

Kratt-Couch – 9 Ayes

22. Presentation of plaque honoring Chair Juan Gonzalez for his service to the Kern County Employees' Retirement Association Board of Retirement as Chair – CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH, PHIL FRANEY, JOSEPH D. HUGHES AND TRACO MATTHEWS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

TRUSTEE ROBB SEIBLY LEFT AT 11:21 A.M.

MADE PRESENTATION

STAFF REPORTS

23. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- BOARD REFERRAL UPDATES
- KCERA TRUSTEE ELECTION/APPOINTMENTS
- STAFFING UPDATE
- AED INSTALLED IN KCERA LOBBY
- SOLAR PROJECT UPDATE
- RFP FOR OTHER AUDIT SERVICES UPDATE
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

TRUSTEE DAVID COUCH LEFT AT 11:22 A.M.

TRUSTEE ROBB SEIBLY RETURNED AT 11:23 A.M.

TRUSTEE MATTHEWS LEFT AT 11:30 A.M.

CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD;
TRUSTEE TRACO MATTHEWS HEARD; CHIEF LEGAL OFFICER JENNIFER
ZAHRY HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

24. Report from Chief Investment Officer

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

- OCTOBER REBALANCING ACTIVITY
- PORTFOLIO POSITIONING & MARKET UPDATE
- KEY INITIATIVES & UPDATES

CHAIR JUAN GONZALEZ HEARD

25. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- U.S. DEPARTMENT OF LABOR FINAL RULE REGARDING ESG
- EXPANDED PAY TO PLAY TO COVERED ELECTED OFFICIALS
- DECEMBER CALENDAR ITEMS

TRUSTEE JEANINE ADAMS HEARD

TRUSTEE JORDAN KAUFMAN LEFT AT 11:43 A.M

COMMITTEE REPORTS

26. Report from Committee Chairs:
- a. Administrative Committee: HUGHES – NONE
 - b. Finance Committee: FRANNEY – NONE
 - c. Investment Committee: KAUFMAN – NONE
 - d. KCERA Property, Inc.: KRATT – NONE

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

EXECUTIVE SESSION

27. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title: Chief Executive Officer
28. 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 1:00 P.M.

ROLL CALL

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

Absent: Couch, Kaufman, Matthews, Nunneley

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 27 – NO REPORTABLE ACTION

ITEM 28 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

29. 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

30. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
31. ADJOURNED – 1:01 P.M.



Secretary, Board of Retirement



Chair, Board of Retirement