

Executive Team:

Dominic D. Brown, CPA, CFE
Chief Executive Officer

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
Chief Legal Officer

Matthew Henry, CFE
Chief Operations Officer



Board of Retirement:

Dustin Contreras, Chair
Joseph D. Hughes, Vice-Chair
Jordan Kaufman
Ajaib Gill
Rocio Mosqueda
David Couch
John Sanders
Rick Kratt
Jeff Frapwell
Tyler Whitezell
Chase Nunneley, Alternate
Robb Seibly, Alternate

February 5, 2026

Trustees, Board of Retirement
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association
Administrative Committee

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Administrative Committee will be held on Wednesday, February 11, 2026 immediately following the Board of Retirement meeting in the KCERA Boardroom, 11125 River Run Boulevard, Bakersfield, California, 93311.

How to Participate: Listen to or View the Board Meeting

To listen to the live audio of the Board meeting, please dial one of the following numbers and enter ID# 878 4089 7620:

- (669) 900-9128; U.S. Toll-free: (888) 788-0099 or (877) 853-5247

To access live audio and video of the Board meeting, please use the following:

- <https://us02web.zoom.us/j/87840897620?pwd=DvUpN8f8YRiYymRrbMPqzYQ8YHmzb6.1>
- Passcode: 022440

Items of business will be limited to the matters shown on the attached agenda. If you have any questions or require additional service, please contact KCERA at (661) 381-7700 or send an email to Administration@kcera.org.

Sincerely,

Dominic D. Brown
Chief Executive Officer

Attachments

AGENDA:

All agenda item supporting documentation is available for public review on KCERA's website at www.kcera.org following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

**AMERICANS WITH DISABILITIES ACT
(Government Code §54953.2)**

Disabled individuals who need special assistance to listen to and/or participate in the meeting of the Board of Retirement may request assistance by calling (661) 381-7700 or sending an email to Administration@kcera.org. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials and access available in alternative formats. Requests for assistance should be made at least two (2) days in advance of a meeting whenever possible.

CALL TO ORDER

ROLL CALL (IN PERSON)

SB 707 REMOTE APPEARANCE(S)

Item 1 withdrawn from agenda if no trustee(s) request to appear remotely:

1. JUST CAUSE CIRCUMSTANCE(S):
 - a) The following Trustee(s) have notified the Committee of a "Just Cause" to attend this meeting via teleconference. (See Government Code § 54953.8.3).
 - NONE
 - b) Call for Trustee(s) who wish to notify the Committee of a "Just Cause" to attend this meeting via teleconference. (See Government Code § 54953.8.3) – RECEIVE/HEAR REQUEST(S); NO COMMITTEE ACTION REQUIRED

PUBLIC COMMENTS

2. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee 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 Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation.

MATTERS FOR CONSIDERATION

Staff recommendations are shown in caps after each item.

3. [Presentation on the KCERA Governance Report for the period from January 1 – December 31, 2025](#) by Chief Executive Officer Dominic Brown and Governance Consultants Julie Becker and Benita Falls Harper, Aon – RECOMMEND THE BOARD OF RETIREMENT RECEIVE AND FILE
4. [Presentation on the 2025 KCERA Board Self-Assessment by Chief Executive Officer Dominic Brown and Governance Consultants Julie Becker and Benita Falls Harper, Aon](#) – RECOMMEND THE BOARD OF RETIREMENT RECEIVE AND FILE
5. [Response to referral, discussion, and appropriate action on review of position creation and timing of budget process](#) presented by Chief Executive Officer Dominic Brown and Governance Consultants Julie Becker and Benita Falls Harper, Aon – HEAR PRESENTATION; RECOMMEND THE BOARD OF RETIREMENT MAINTAIN CURRENT PROCESS

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)

EXECUTIVE SESSION

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

RETURN TO PUBLIC SESSION

ROLL CALL TO CONFIRM QUORUM

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

REFERRALS TO STAFF, ANNOUNCEMENTS, OR REPORTS

7. On their own initiative, Committee 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.
8. Adjournment



Kern County Employees' Retirement Association

Governance Report — January 1 – December 31, 2025

Julie Becker, Partner
Benita Harper, Associate Partner

February 11, 2026



Introduction

| | |
|--|---|
| Governance Structure | Board Governance Report |
| <p>The Kern County Employees’ Retirement Association Board of Trustees has established a comprehensive governance structure through the implementation of charters and policies. These documents clearly define roles and responsibilities, offering direction to all parties engaged in KCERA’s governance.</p> | <p>The Board Governance Consultant is responsible for providing an annual review of compliance with the Board’s adopted governance policies and charters. The review does not constitute an audit, but rather a review of practice compliance with policies and charters. This Governance Report (“Report”) focuses on compliance between January 1 – December 31, 2025 (“Review Period”). This Report demonstrates that KCERA maintains a robust governance framework, with Trustees and Staff consistently attentive to and in compliance with the organization’s adopted policies and charters</p> |
| Findings | Comprehensive Review |
| <p>This Report presents our findings regarding compliance with Board policy requirements. To develop these findings, we examined the relevant policies and charters, reviewed board and committee meeting minutes, and engaged in discussions with Staff. We have not restated our conclusions about the adopted charters, as they would duplicate our findings related to the adopted policies.</p> | <p>During the Review Period, the Board approved various policy and charter updates. In accordance with the Board Operations Policy, Aon as the Board Governance Consultant will perform a comprehensive review of the Board’s policies and charters in 2026.</p> |

Introduction

Trustees are encouraged to be familiar with the provisions of the policies and charters listed below.

| Policies | Charters |
|--|-------------------------------------|
| 1. Board Communications Policy | 1. Administrative Committee Charter |
| 2. Board Operations Policy | 2. Board Chair Charter |
| 3. Board Performance Evaluation Policy | 3. Board of Retirement Charter |
| 4. Chief Executive Officer Evaluation Policy | 4. Chief Executive Officer Charter |
| 5. Chief Executive Officer Succession Policy | 5. Committee Chair Charter |
| 6. Code of Conduct | 6. Finance Committee Charter |
| 7. Due Diligence & Service Provider Selection Policy | 7. Investment Committee Charter |
| 8. Evaluation Period Policy | 8. Nominating Committee Charter |
| 9. Monitoring and Reporting Policy | 9. Vice-Chair Charter |
| 10. Service Provider Evaluation Policy | |
| 11. Trustee Education Policy | |
| 12. Trustee Travel Policy | |

Board Communications Policy

Aon Compliance Comments



Aon recommends periodic Trustee training to remind Trustees of the policy guidelines. The most recent legal guidance regarding gift restrictions and gifts of travel were issued by the Chief Legal Officer in February 2025. Note that this policy is subjective, making evaluation less definitive for purposes of this Report.

Board Operations Policy

Aon Compliance Comments



1. Consistent with policy:
 - a) The Nominating Committee put forth their recommendations for Board Chair and Vice Chair at the December 2025 meeting. The Board elected a Chair and Vice Chair at the December 2025 meeting for calendar year 2026.
 - b) The 2025 committee assignments were approved at the February 2025 Board meeting.
 - c) At its October meeting in 2025, the Board approved its 2026 meeting schedule.
 - d) The scheduling of regular Board meetings was generally consistent.
 - e) During the Review Period, the Administrative Committee Chair appointed an alternate Trustee for purposes of meeting quorum requirements. The Finance Committee also appointed a Chair for purposes of its meeting due to the Committee Chair's absence.
 - f) Meeting agendas were posted publicly on the KCERA website at least five days in advance of the regular meeting.
 - g) KCERA Administration confirmed that Trustees received meeting agendas and materials appropriately in advance of meetings, in compliance with legal requirements.
 - h) Quorum and voting rules were observed for all Board and committee meetings and all meeting minutes were presented for approval to the Board and Committee at the next regularly scheduled meeting.

Board Operations Policy

Aon Compliance Comments



- i) The last comprehensive review of Board charters and policies was accomplished in 2021, which conforms to the minimum five-year review cycle. Aon will be conducting the comprehensive five-year review during calendar year 2026.
- j) No issues were identified for consideration.

Board Performance Evaluation Policy

Aon Compliance Comments



1. Consistent with the policy:
 - a) Aon administered the 2025 Board Self-Assessment and Educational Needs Assessment survey in April 2025. Ten Trustees participated.
 - b) The Administrative Committee reviewed the results of the survey at its May 28, 2025 meeting. On June 11, 2025, the full Board reviewed the results.

Chief Executive Officer Performance Evaluation Policy

Aon Compliance Comments



1. The Administrative Committee met on March 10, 2025 to review the criteria and weights for fiscal year 2025-2026. The Board subsequently approved the criteria in April 2025. Additionally, the Administrative Committee reviewed the criteria and weights for fiscal year 2026-2027 at its December 3 meeting. The Board approved at its December 10, 2025 meeting.
2. On August 8, 2025, the Administrative Committee reviewed suggested revisions to the CEO performance evaluation survey that was subsequently adopted by the Board at its August 13 meeting.
3. Aon issued the 2025 Chief Executive Evaluation packet and survey on November 6, 2025. Seven Trustees completed the survey by the November 21 deadline. Aon provided the survey results on November 25, 2025.
4. The Administrative Committee met on December 3, 2025, to review the results of the survey which was also reviewed by the full Board on December 10, 2025.
5. No issues were identified for consideration.

Chief Executive Officer Succession Policy

Aon Compliance Comments



1. The Chief Executive Officer reported on staffing issues throughout the year and also issued the Human Resources Report.
2. No issues were identified for consideration.

Code of Conduct

Aon Compliance Comments



The scope of this review does not enable a compliance check on individual Trustees' compliance with the provisions of the Code of Conduct. Trustees are urged to be familiar with the provisions of the Code of Conduct.



During the Review Period, all Trustees met the 75% minimum attendance requirement for board and committee meetings. Please see Appendix A for a summary of Trustee attendance.

Due Diligence and Service Provider Selection Policy

Aon Compliance Comments



Consistent with the policy:

- The Board approved two securitized products, one equity fund, one core fixed income fund, and one core real estate fund.
- Staff confirmed that the investment consultants perform onsite due diligence for managers at least triennially.
- According to the Due Diligence schedule provided to the Board, planned onsite due diligence is planned for Albourne American in 2026, Verus Advisory in 2027, and Cambridge Associates in 2029.

No issues were identified for consideration.

Evaluation Period Policy

Aon Compliance Comments



1. Consistent with the policy:
 - a) Evaluation periods were initiated during the Review Period for service providers pursuant to policy.
 - b) The Board has been consistent in its ratification of the establishment of evaluation periods.
 - c) No issues were identified for consideration.

Monitoring and Reporting Policy

Aon Compliance Comments



1. Consistent with the policy, the Board received the required routine reports during the Review Period covering Governance, Investment and Funding, and Administration/Operations.
2. No issues were identified for consideration.

Service Provider Evaluation Policy

Aon Compliance Comments



1. All Key Service Provider relationships are required to be formally reviewed from time-to-time and should generally be performed every six years. Consistent with policy, Key Service Provider relationships have been reviewed by KCERA as outlined below:

| Key Service Provider | Last Formal Review | Last RFP Issued |
|-----------------------|--------------------|-----------------|
| Consulting Actuary | 2024 | 2022 |
| Auditor | 2026 | 2023 |
| Custodian | 2024 | 2023 |
| General IC Consultant | 2022 | 2021 |
| Fiduciary Counsel | 2021 | 2012 |

2. The 2025 Board Self-Assessment included Board satisfaction levels for the Key Service Providers.
3. No issues were identified for consideration.

Trustee Education Policy

Aon Compliance Comments



1. Consistent with the policy:
 - a) Several in-house education sessions were provided to the Board during its meeting. Appendix B lists the sessions provided during the Review Period.
 - b) One new Trustee joined the Board during the Review Period. Staff provided the required orientation during the forty-five days following election/appointment to the Board. Staff provided the new Trustee with the required documentation and briefings by key senior management.
 - c) The Education Compliance Report ending December 2025 indicates that:
 - i. Six Trustees had education cycles that ended in 2025. All six Trustees met the required 24 hours of continuing education.
 - ii. The remaining Trustees have education cycles that expire in future years.
 - iii. Trustees are encouraged to ensure they are taking advantage of the educational opportunities available to them in order to comply with the policy requirements.

Trustee Travel Policy

Aon Compliance Comments



1. During the Review Period, Trustees obtained Board pre-approval for education related travel and made arrangements through the office of the Chief Executive Officer. This review does not constitute an audit of travel expenses as it is outside the scope of this review.
2. No issues were identified for consideration.

Appendix A

Current Trustees – Regular Board Meeting Attendance Summary

| Trustee | Total Meetings | Meetings Attended | | Meetings Missed | |
|-----------|----------------|-------------------|------|-----------------|-----|
| Contreras | 10 | 9 | 90% | 1 | 10% |
| Couch | 10 | 10 | 100% | 0 | 0% |
| Gill | 10 | 9 | 90% | 1 | 10% |
| Hughes | 10 | 9 | 90% | 1 | 10% |
| Kaufman | 10 | 8 | 80% | 2 | 20% |
| Kratt | 10 | 8 | 80% | 2 | 20% |
| Mosqueda | 2 | 2 | 100% | 0 | 0% |
| Sanders | 10 | 8 | 80% | 2 | 20% |
| Seibly | 10 | 10 | 100% | 0 | 0% |
| Whitezell | 10 | 8 | 80% | 2 | 20% |

Appendix A

Current Trustees – Assigned Committee Meeting Attendance Summary

| Trustee | Total Meetings | Meetings Attended | Meetings Missed |
|-----------|----------------|-------------------|-----------------|
| Contreras | 12 | 11 91.67% | 1 8.33% |
| Couch | 7 | 7 100% | 0 0% |
| Gill | 5 | 4 80% | 1 20% |
| Hughes | 7 | 7 100% | 0 0% |
| Kaufman | 5 | 4 80% | 1 20% |
| Kratt | 6 | 5 83.33% | 1 16.67% |
| Mosqueda | 1 | 1 100% | 0 0% |
| Sanders | 6 | 6 100% | 0 0% |
| Seibly | 6 | 6 100% | 0 0% |
| Whitezell | 6 | 5 83.33% | 1 16.67% |

Appendix B

In-House Education

| Topic | Date | Educational Hour Credit |
|---|---------|-------------------------|
| Investment Committee | | |
| California Carbon Allowances | 1/22/25 | 1 |
| Securitized products | 3/31/25 | .35 |
| Opportunistic deep dive | 3/31/25 | .6 |
| Finance Committee | | |
| Service credit for part-time and full-time members | 3/28/25 | 1.08 |
| Board | | |
| Fiduciary Duties | 1/22/25 | .45 |
| 2025 Chair/Vice Chair Orientation | 3/10/25 | .25 |
| 2025 Committee Chair Orientation | 3/10/25 | .33 |
| New Trustee Orientation | 3/10/25 | 2 |
| Life Cycle of a Member (part 5) | 3/12/25 | .83 |
| Securitized products | 4/9/25 | .26 |
| Life Cycle of a Member (part 6) | 4/9/25 | 1.15 |
| Three policies and charters that govern KCERA's CEO | 4/9/25 | .1 |
| Quirky Disability Topics | 8/13/25 | .5 |
| TOTAL HOURS | | 8.9 |

Legal Disclosures and Disclaimers

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2026 Self-Assessment Report

Kern County Employees' Retirement Association

Julie Becker, Partner

Benita Falls Harper, Associate Partner

February 11, 2026

Fiduciary services provided by Aon Consulting, Inc.

To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon.



What do you hope to gain during the Board Self-Assessment discussion?

- *Identify any particular concerns of Trustees so we can address them.*
- *What the other board members feel about the board itself.*
- *Are all Trustees thinking the same way.*



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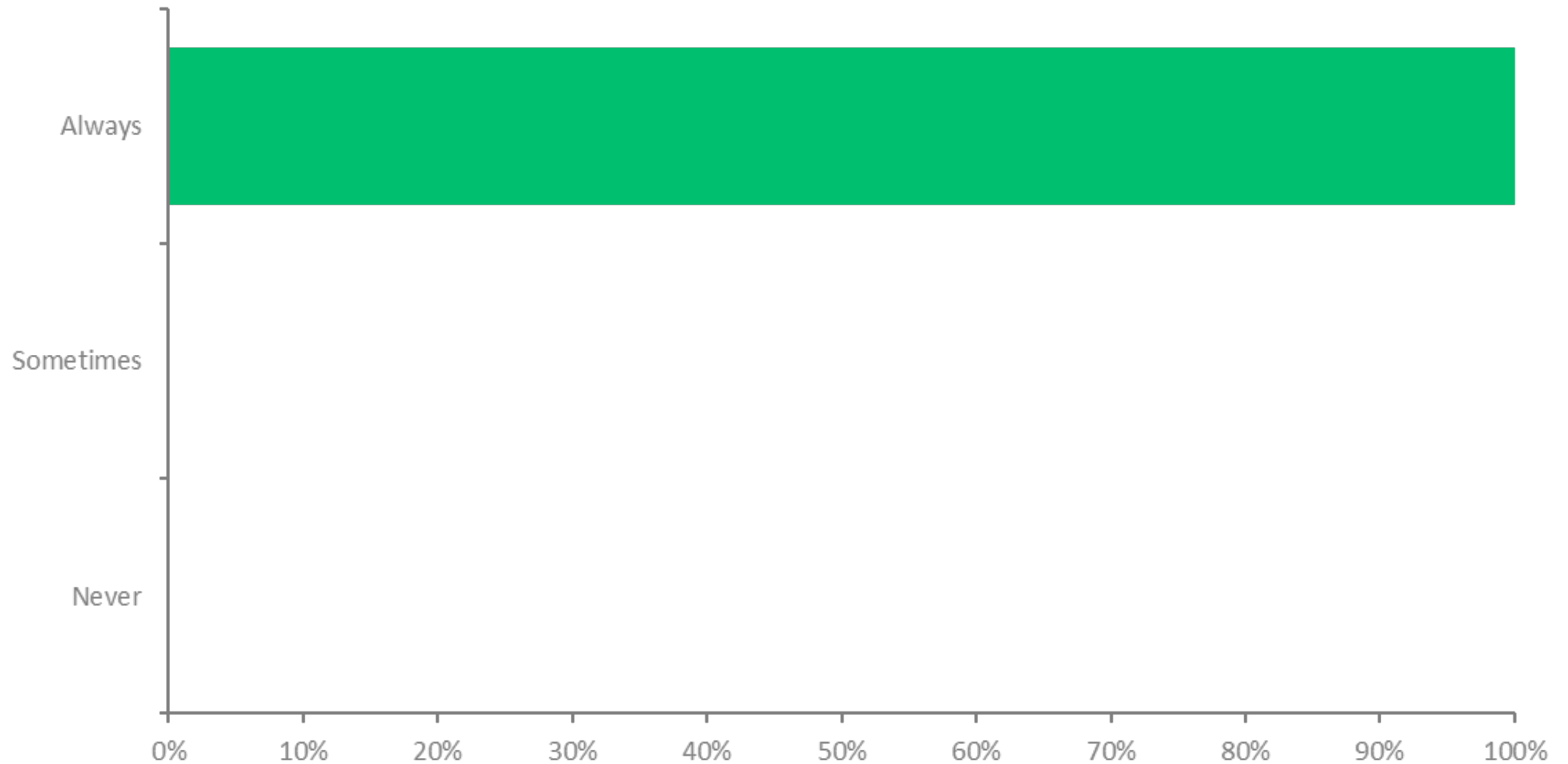
Open-Ended Questions Results

1

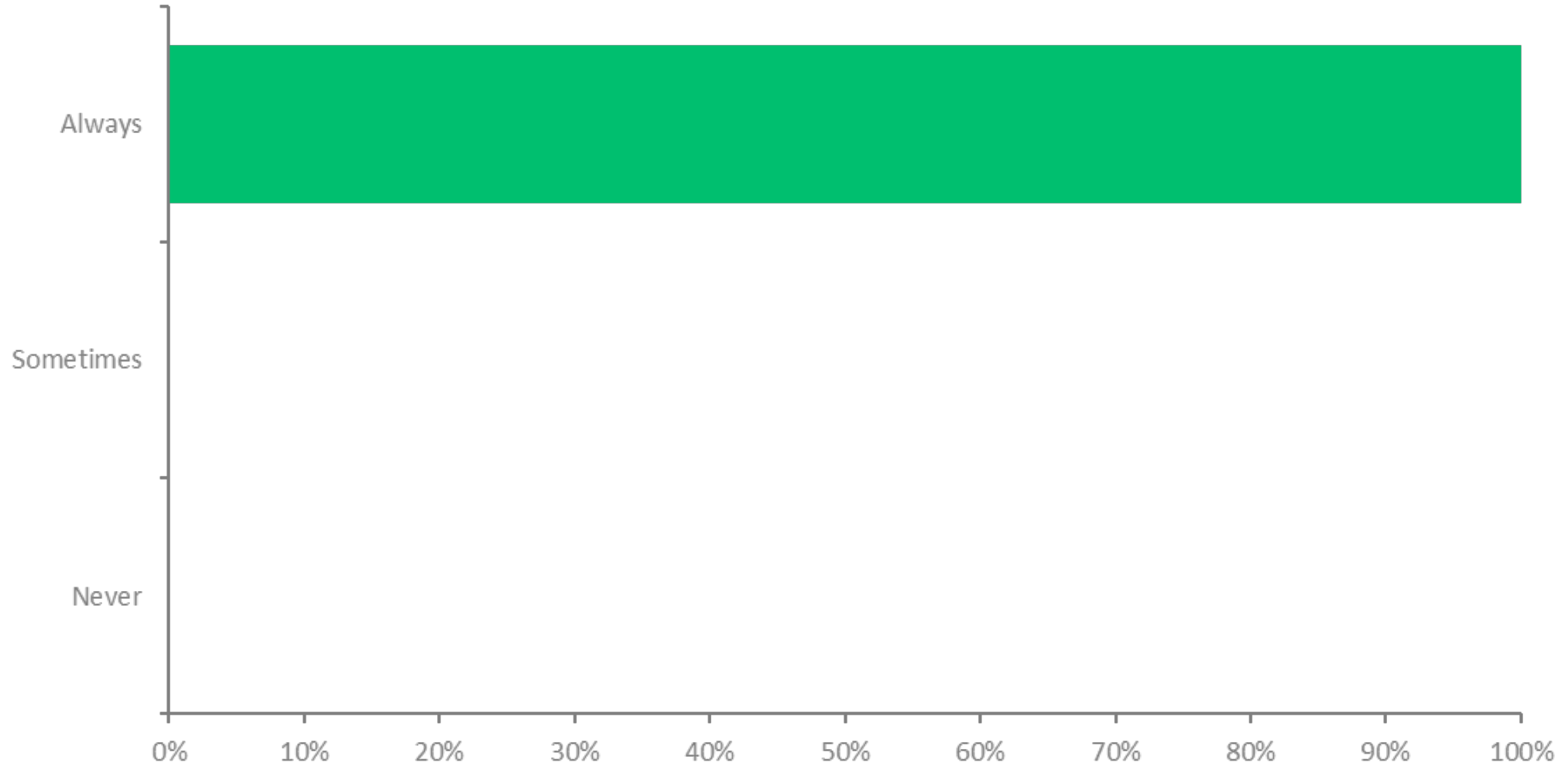
Board Member Individual Self-Assessment Results



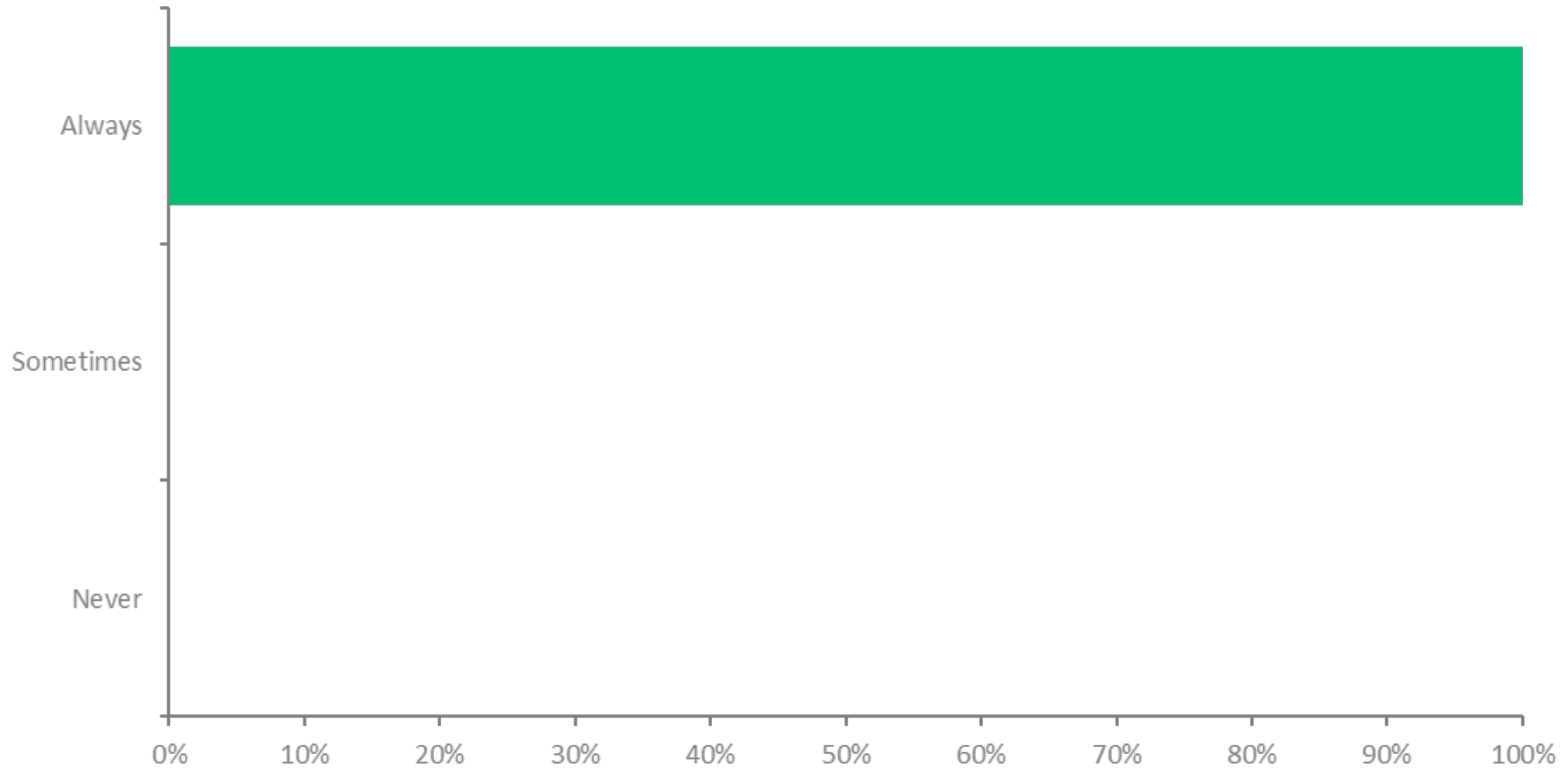
Q1: I attend and am prepared for Board and my Committee meetings.



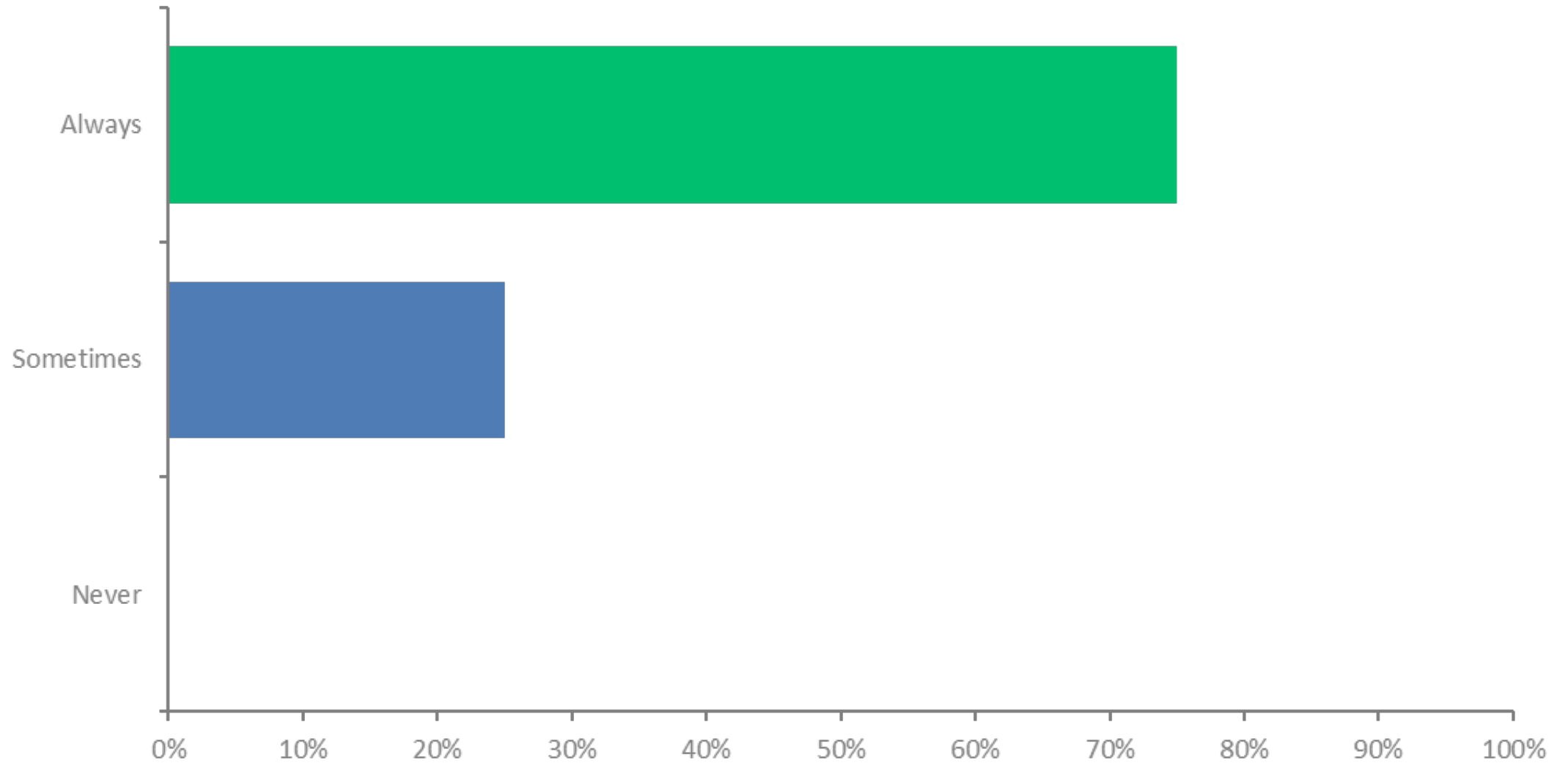
Q2: I understand my fiduciary duties regarding the funds for which we are responsible.



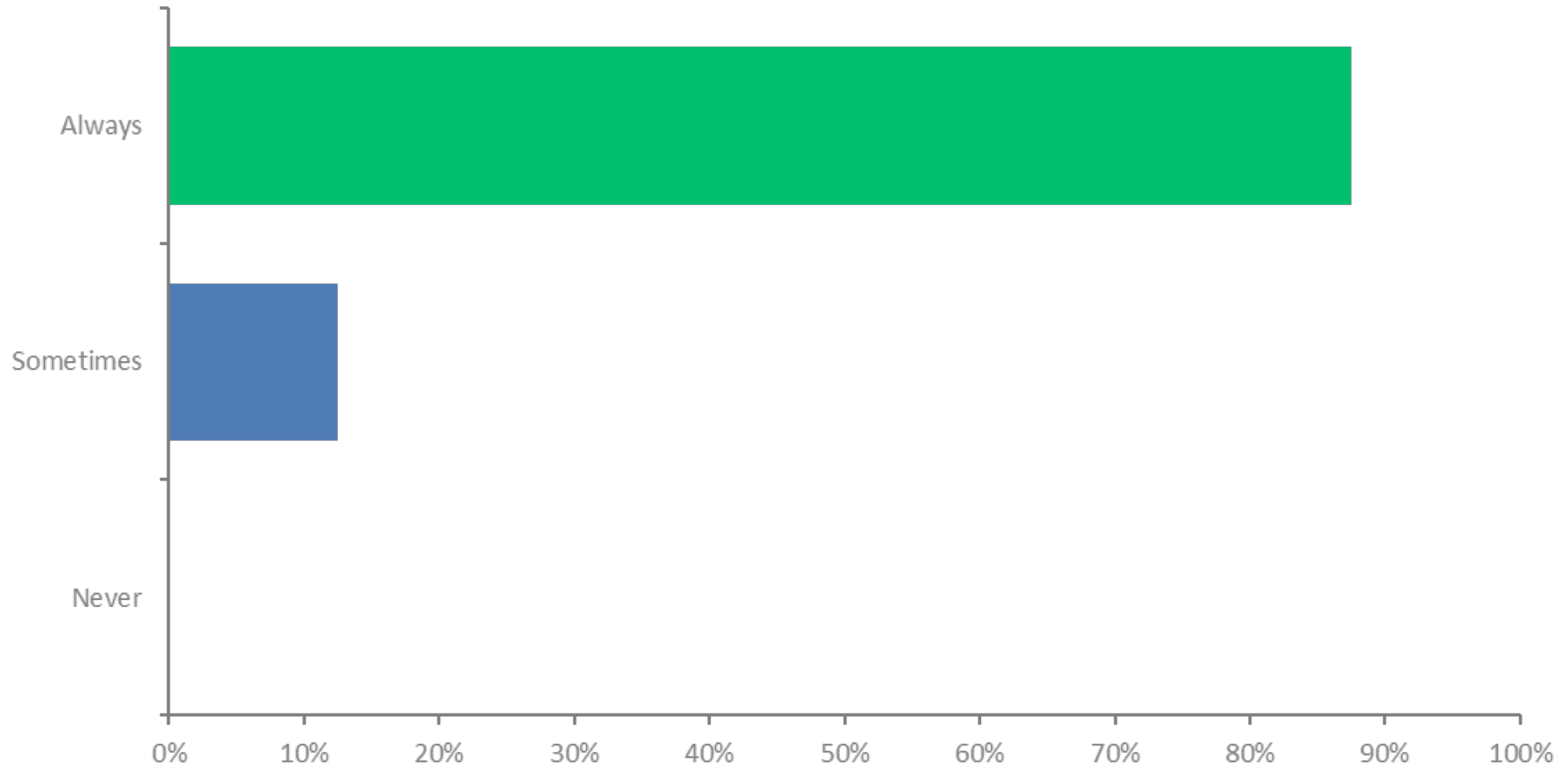
Q3: I understand conflicts of interest and refrain from activities that could give rise to the appearance of impropriety.



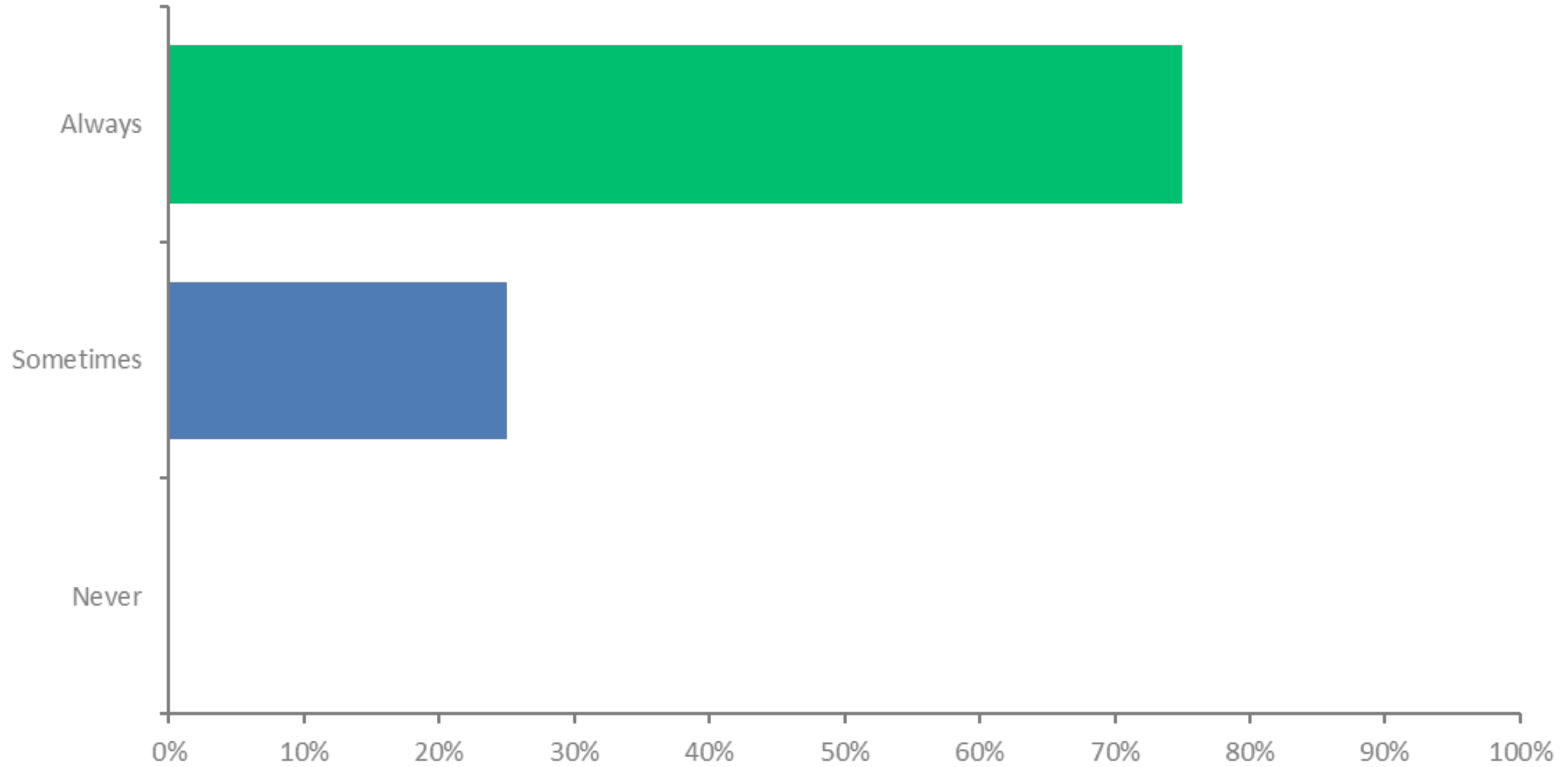
Q4: I contribute to the discussion in a meaningful and helpful way.



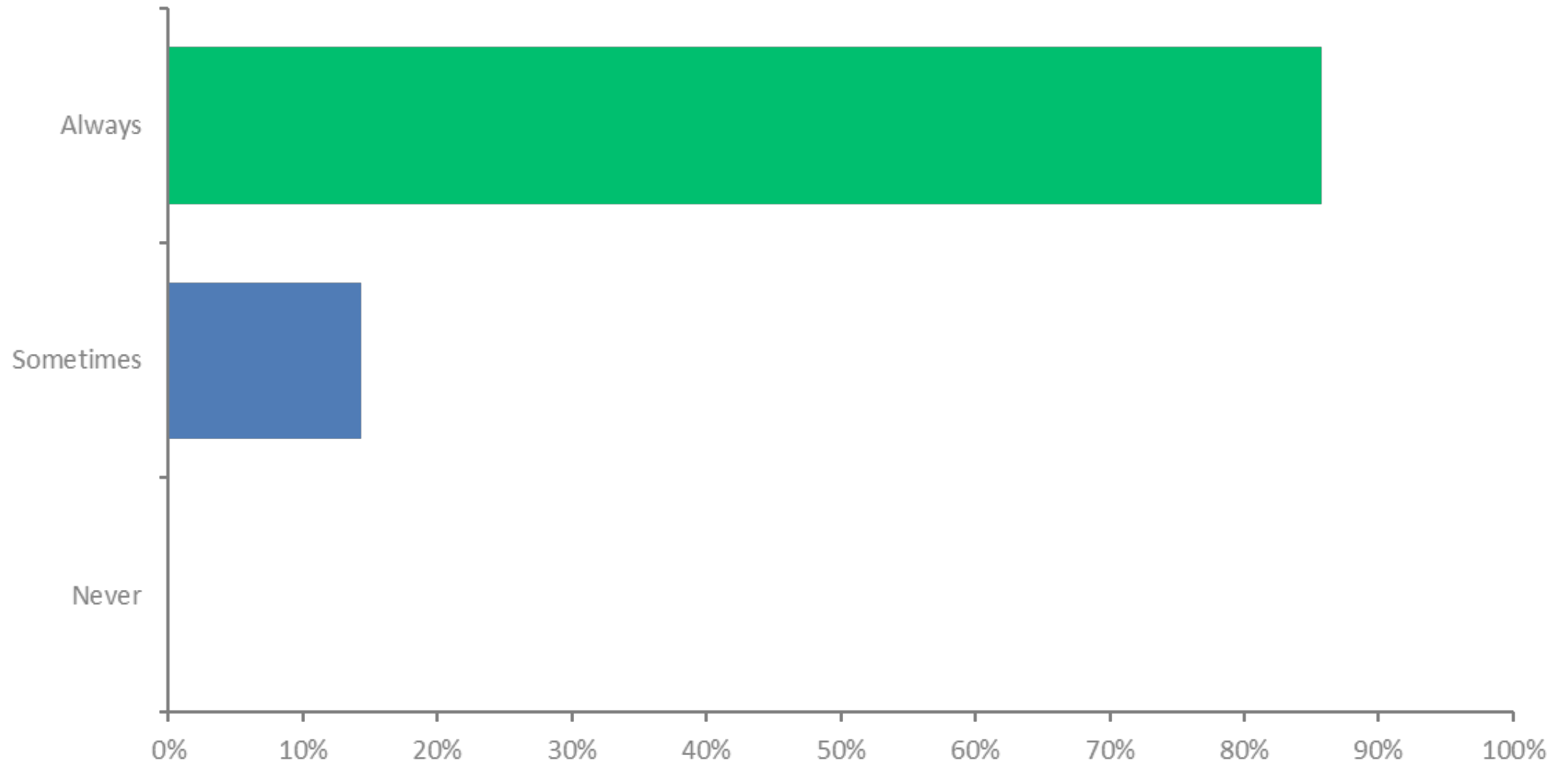
Q5: I have read and am familiar with the KCERA Board policies and procedures.



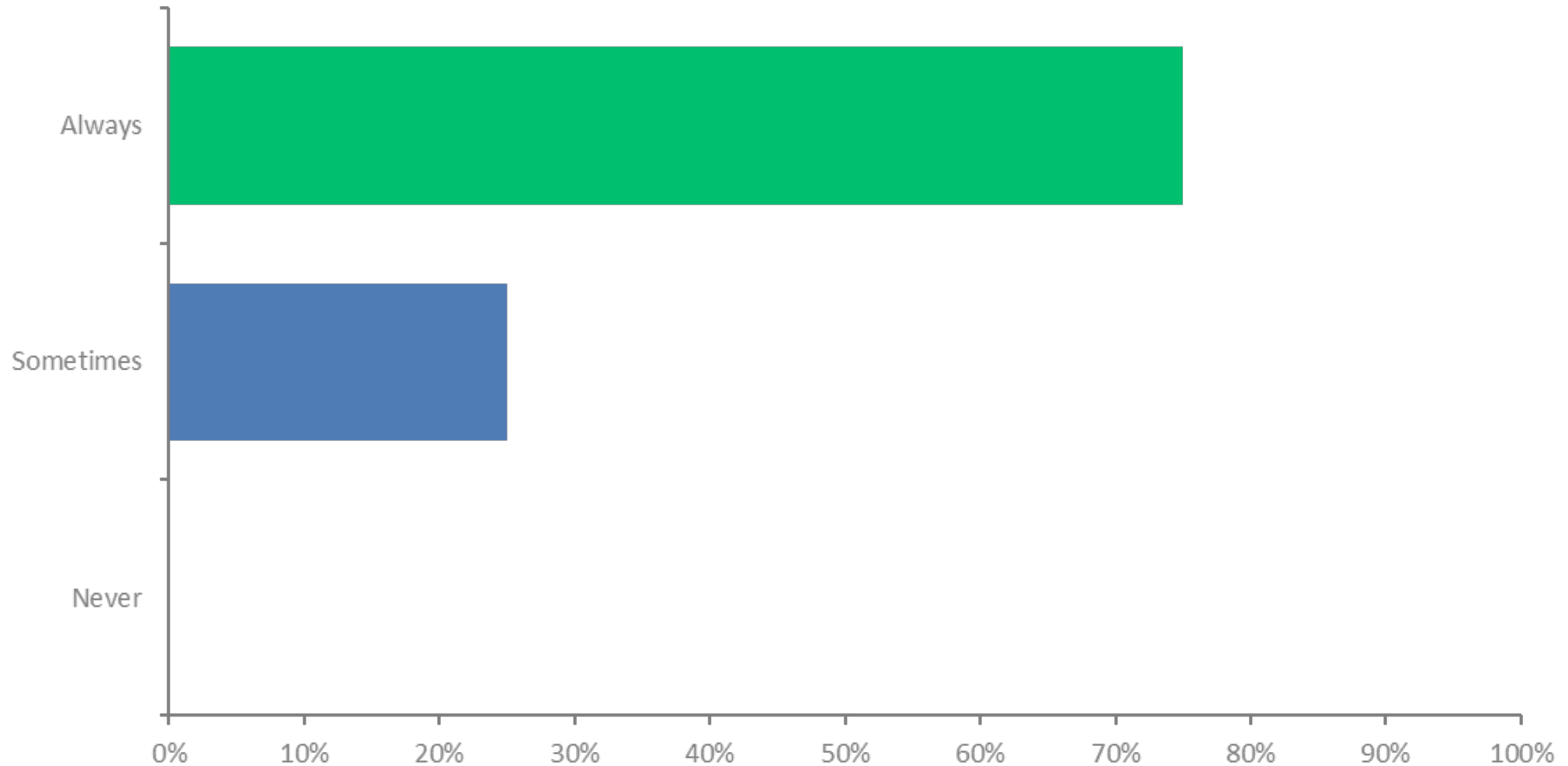
Q6: The highest and best use of the Board is to establish policy and the role of the Staff is to implement policy.



Q7: I show respect to Staff and service providers.



Q8: If I am aware of any Board governance problems, I know how to report those properly.

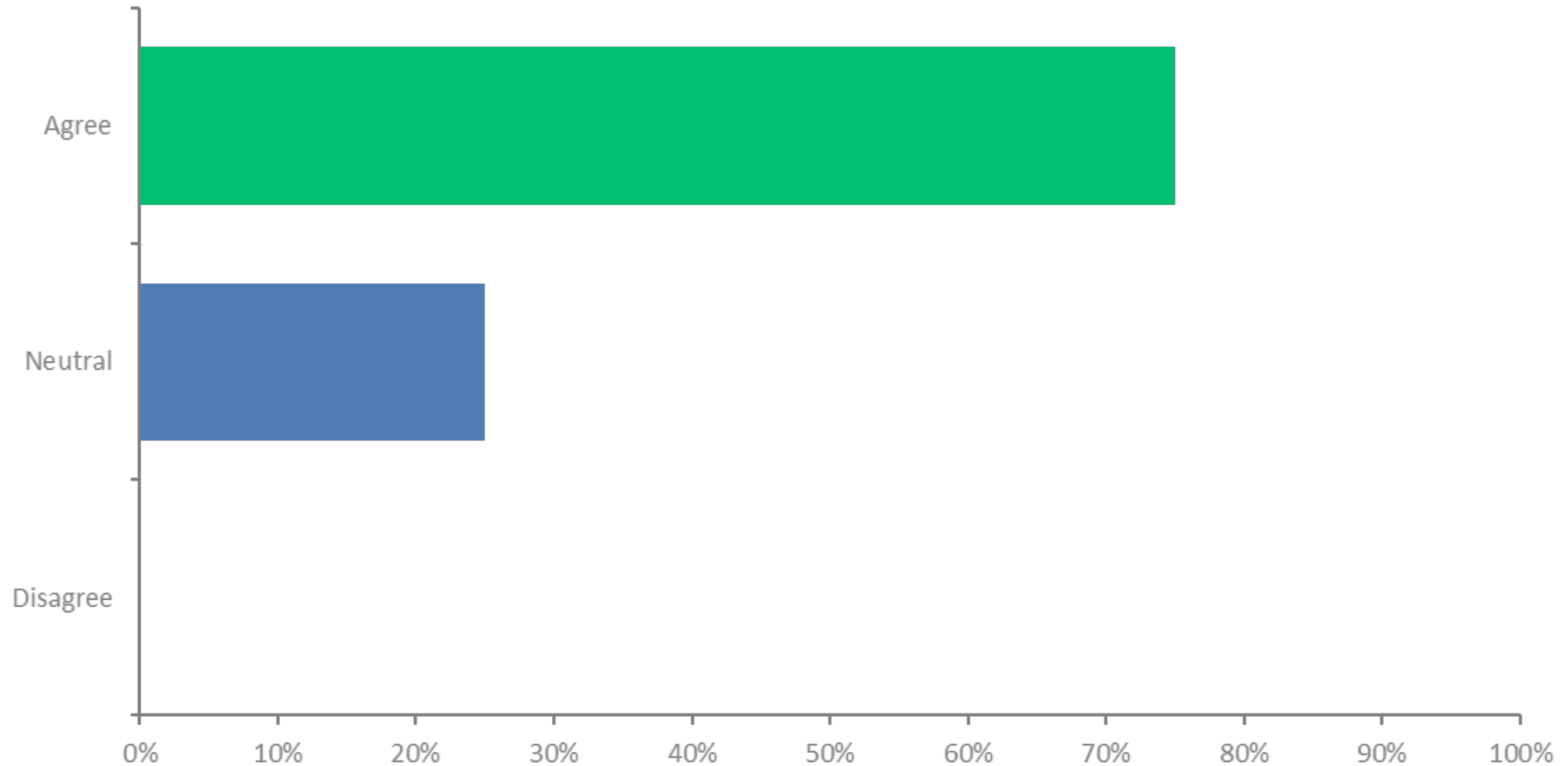


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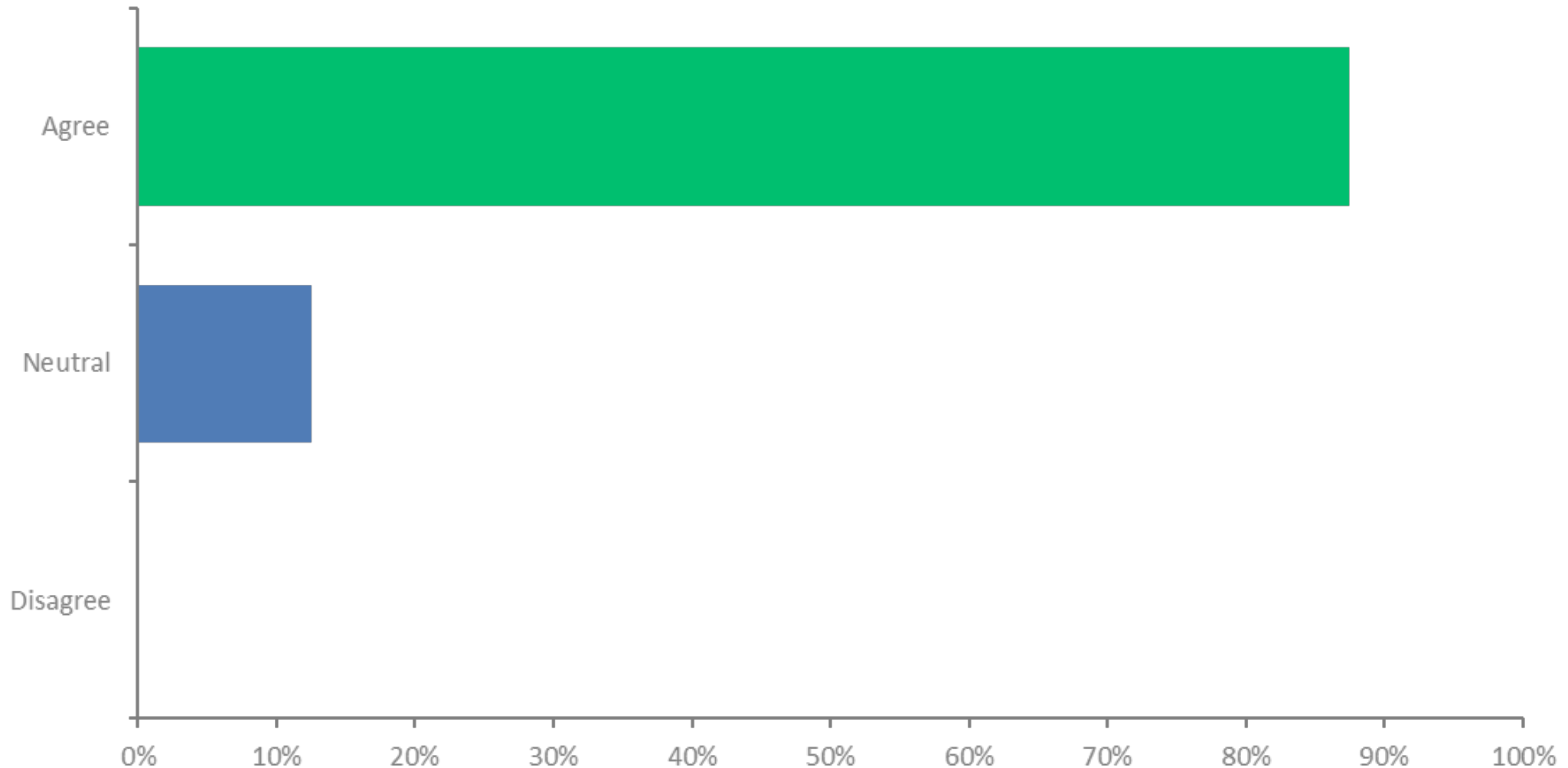
Overall Board Evaluation Results



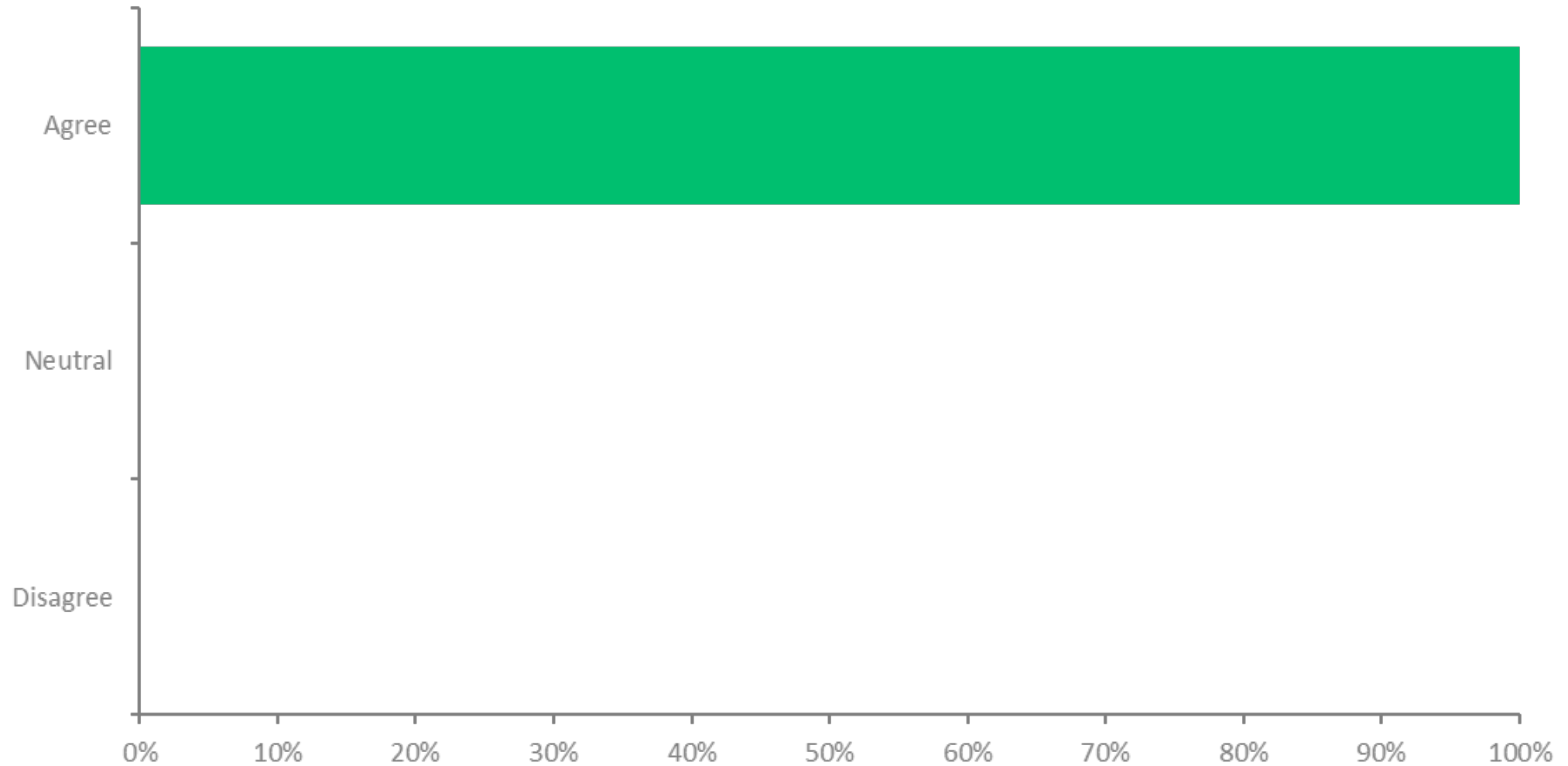
Q1: Board members refrain from actions that would suggest real or perceived conflicts of interest.



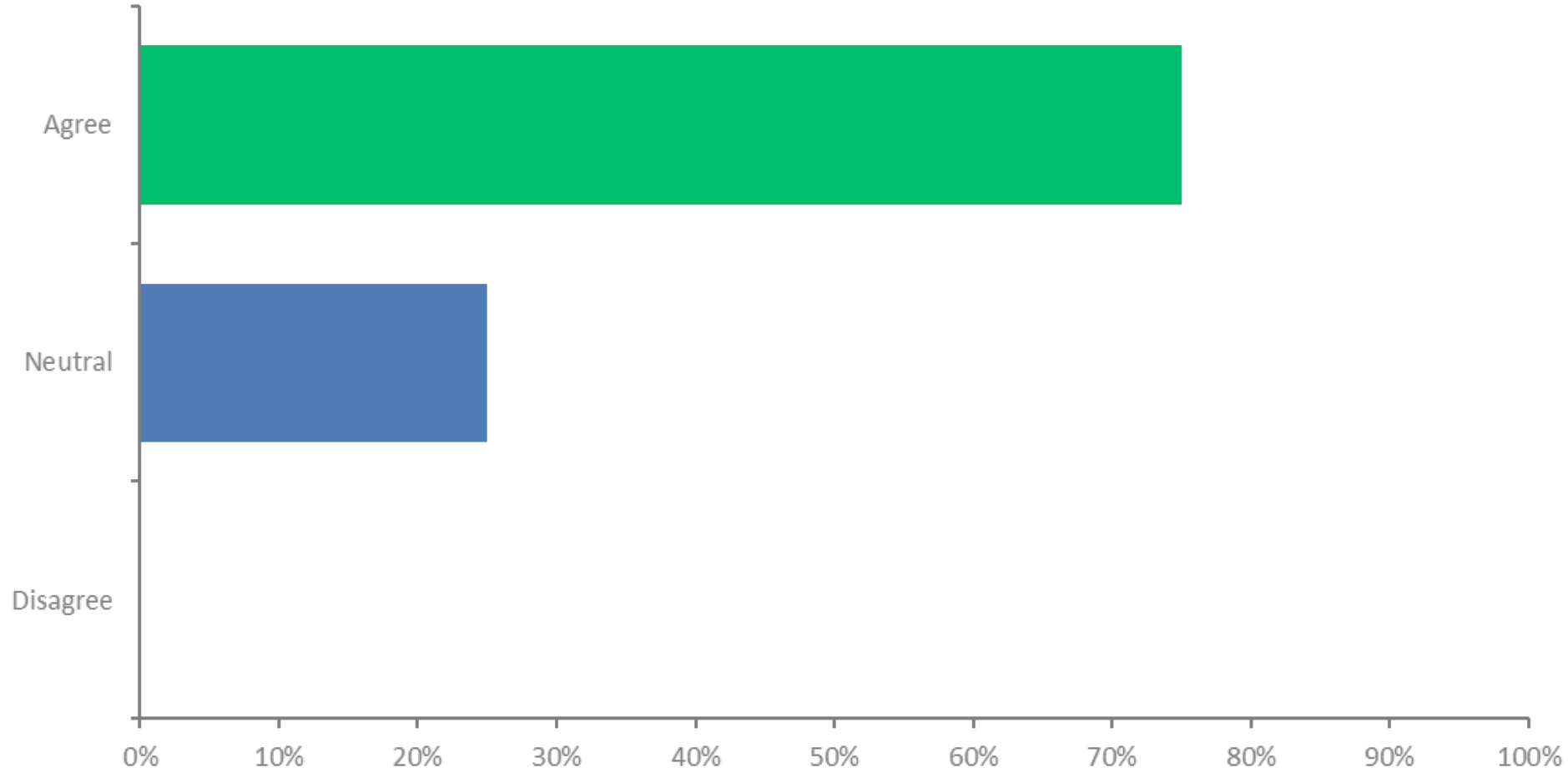
Q2: The Board does not "rubber stamp" the recommendations of senior management or its external advisors.



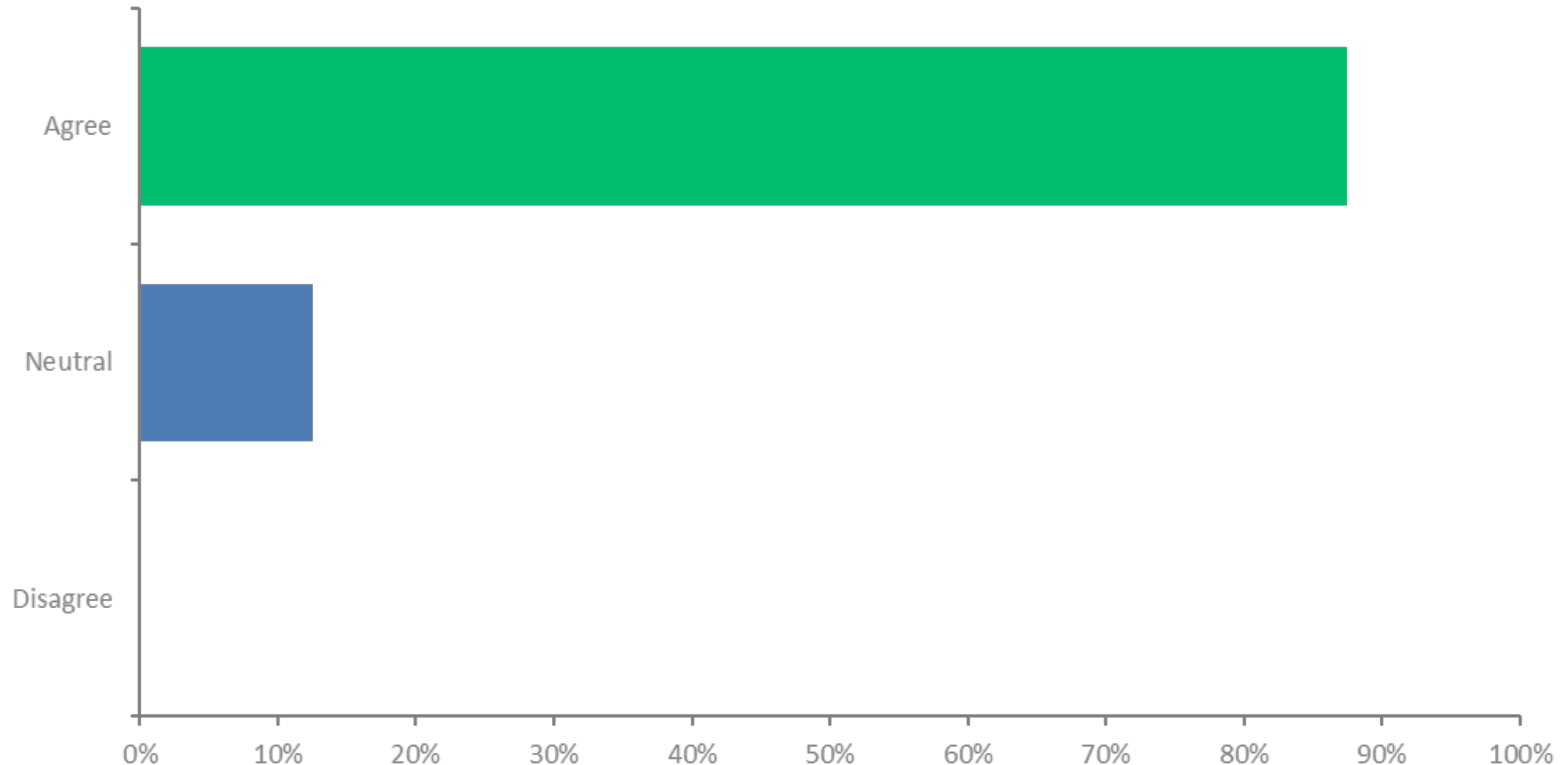
Q3: Sufficient interaction and deliberation exist between Board members as part of the decision-making process.



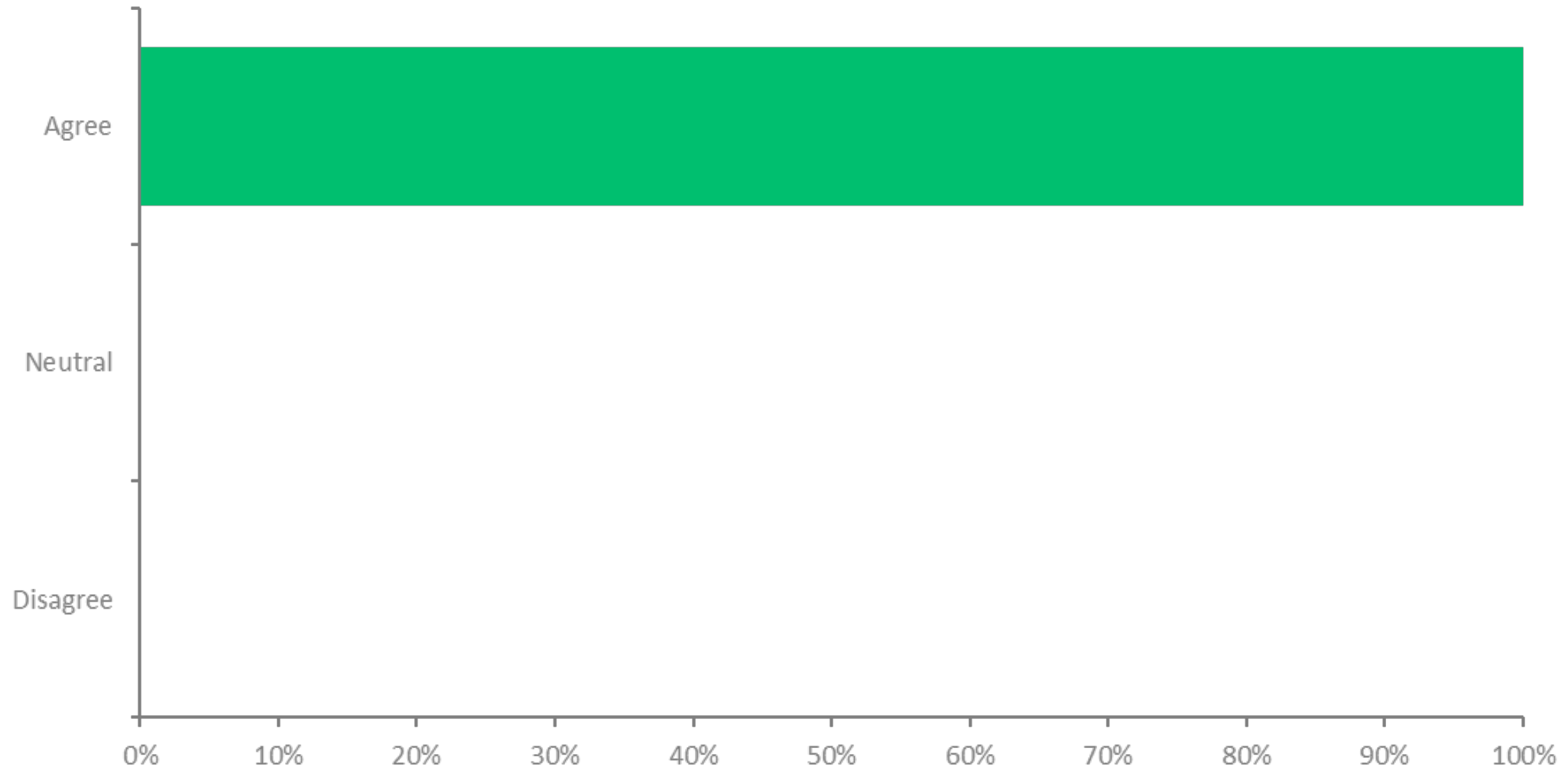
Q4: Board members keep decision-making at the policy level, delegate implementation of policy to Staff, and do not engage in micro-management.



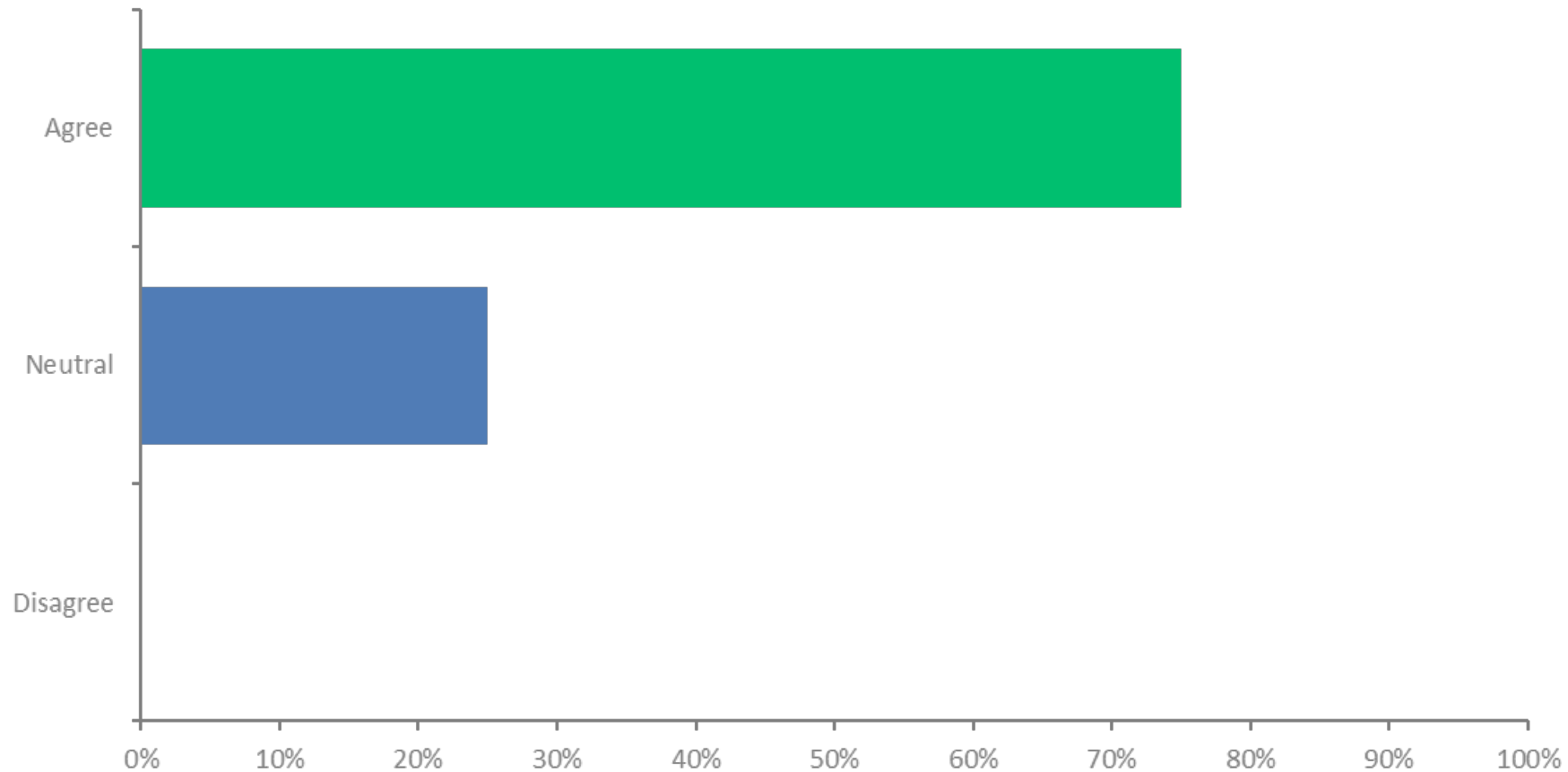
Q5: The Board engages in active oversight of the responsibilities it has delegated to Staff and service providers.



Q6: The Board operates in a manner that promotes candid sharing of thoughts and ideas.

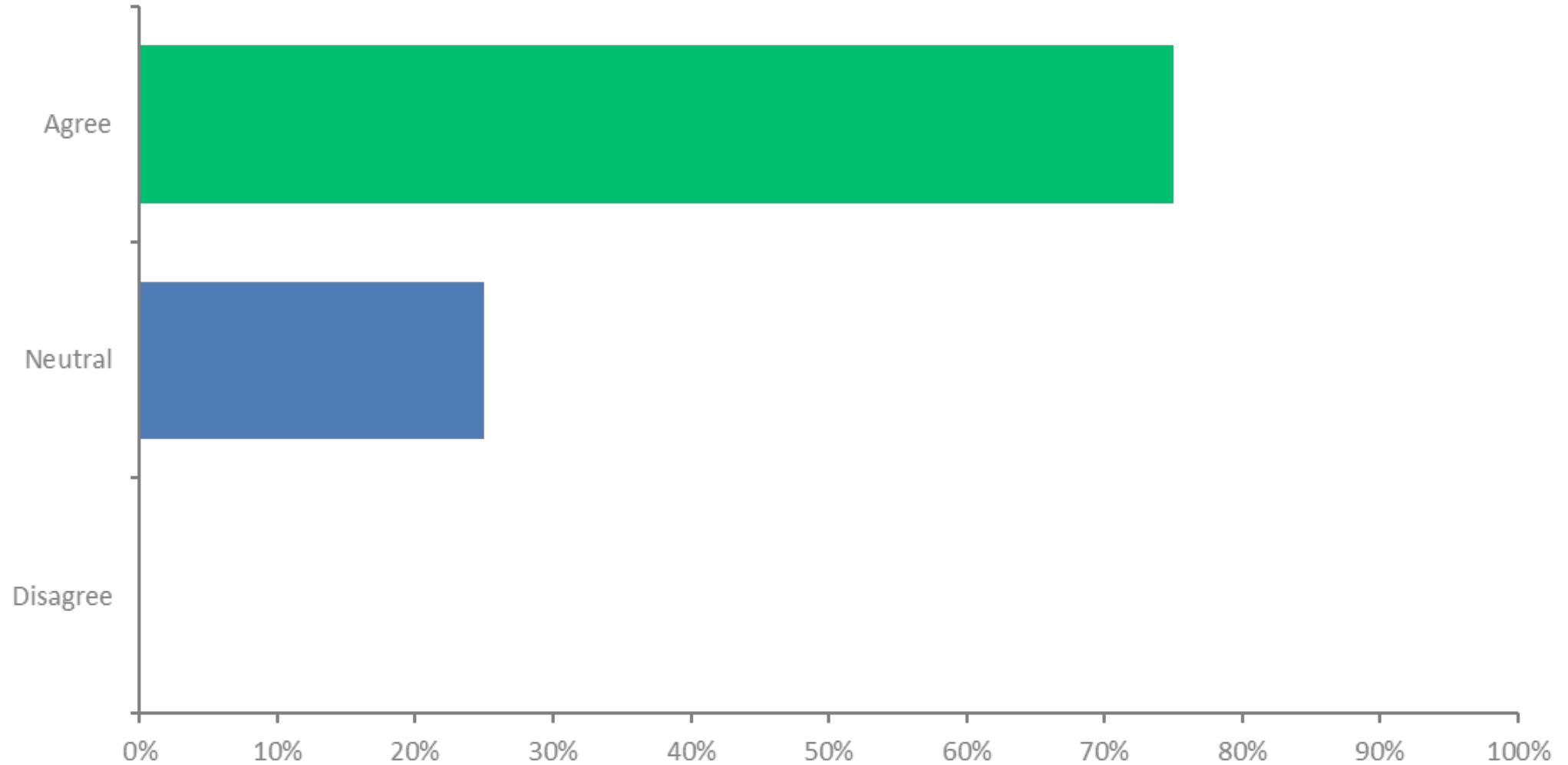


Q7: The length of meetings is reasonable with appropriate time to address the most critical issues.

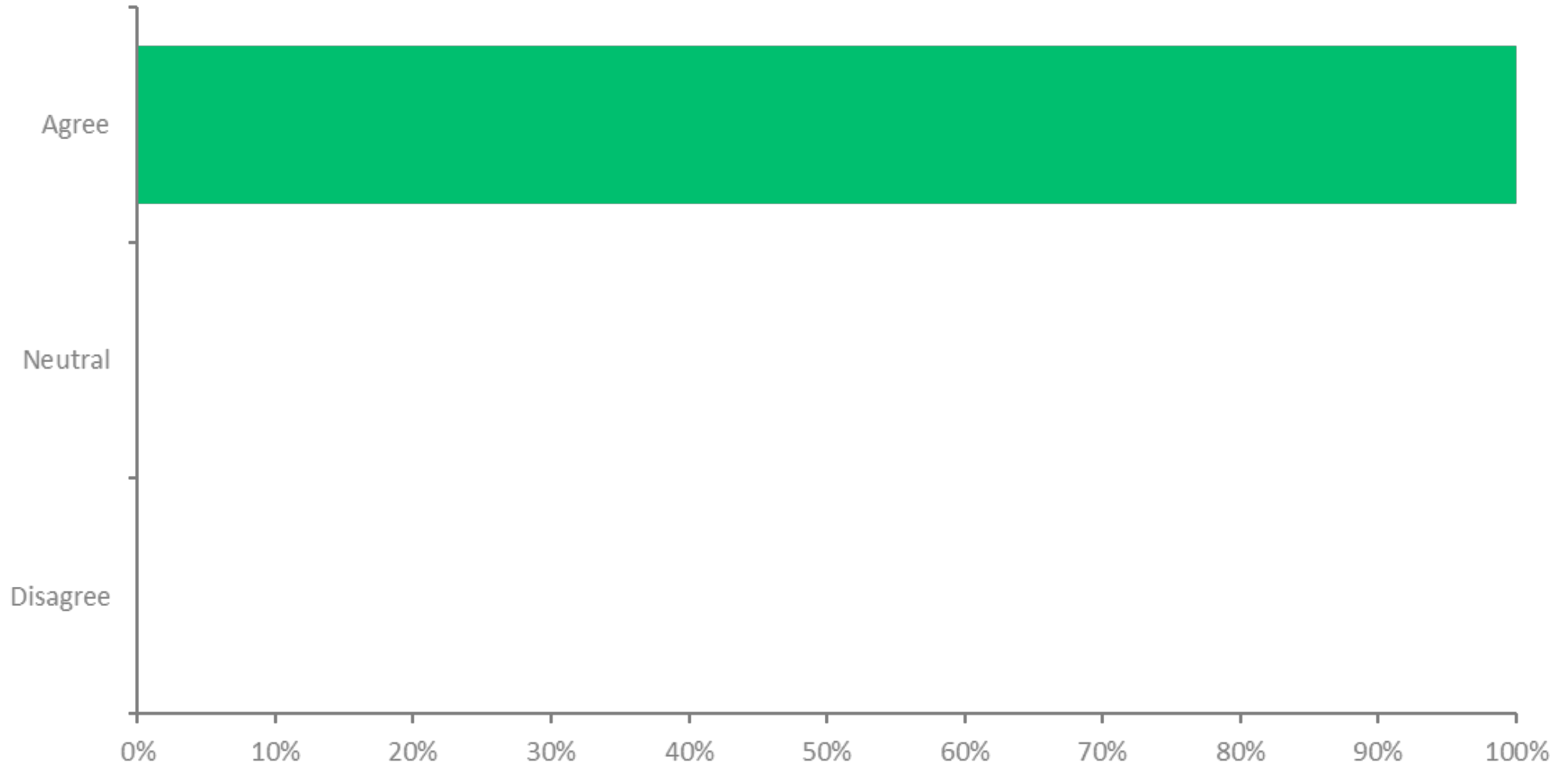


- We have opportunities to manage agendas that are already long, push some items to months with less substantial agendas*

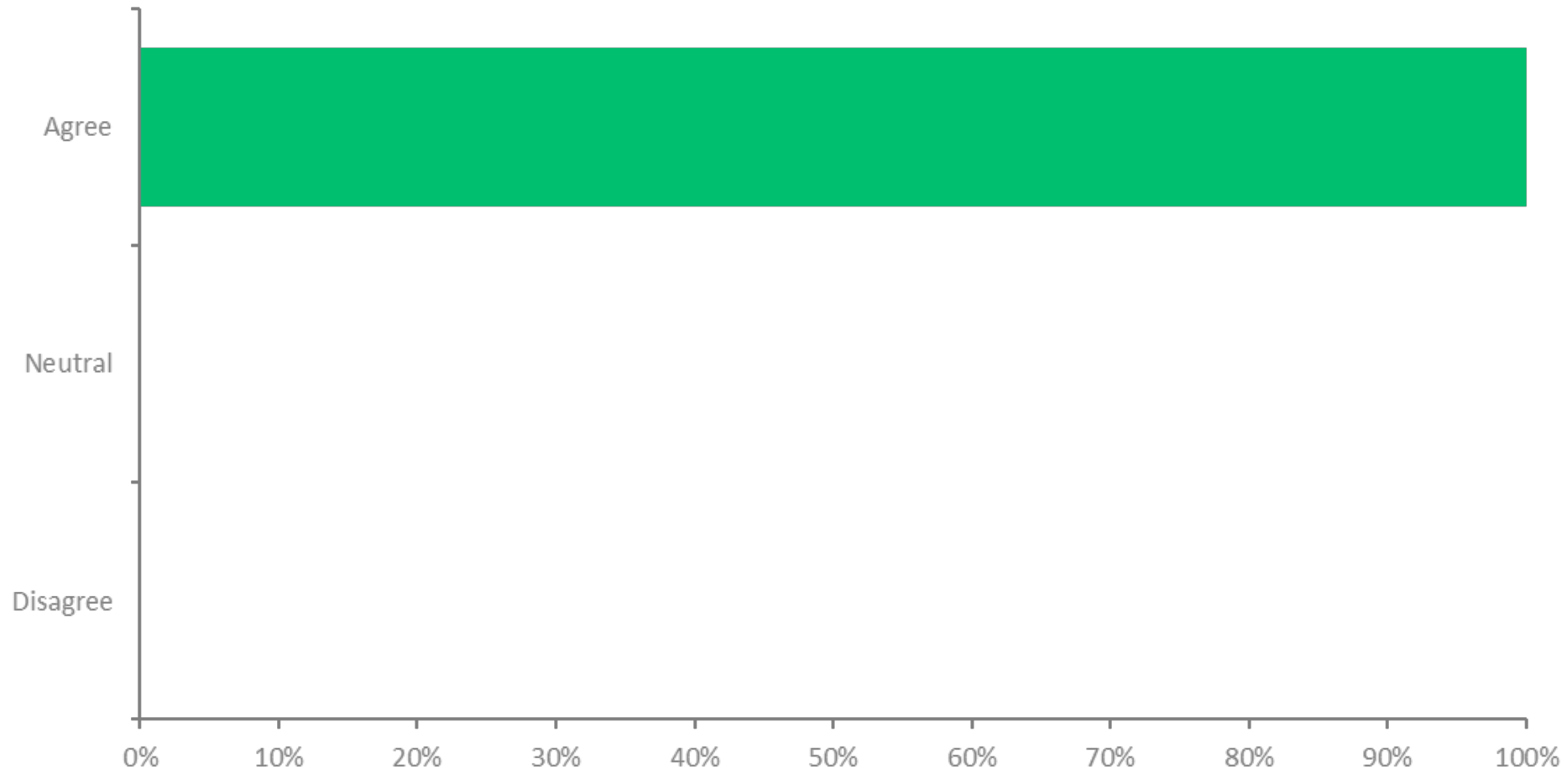
Q8: The Board operates with trust of each other, Staff, and the existing board processes.



Q9: The Board stays abreast of public pension fund issues and trends.



Q10: The Board's actions reflect a commitment to the KCERA mission and vision.

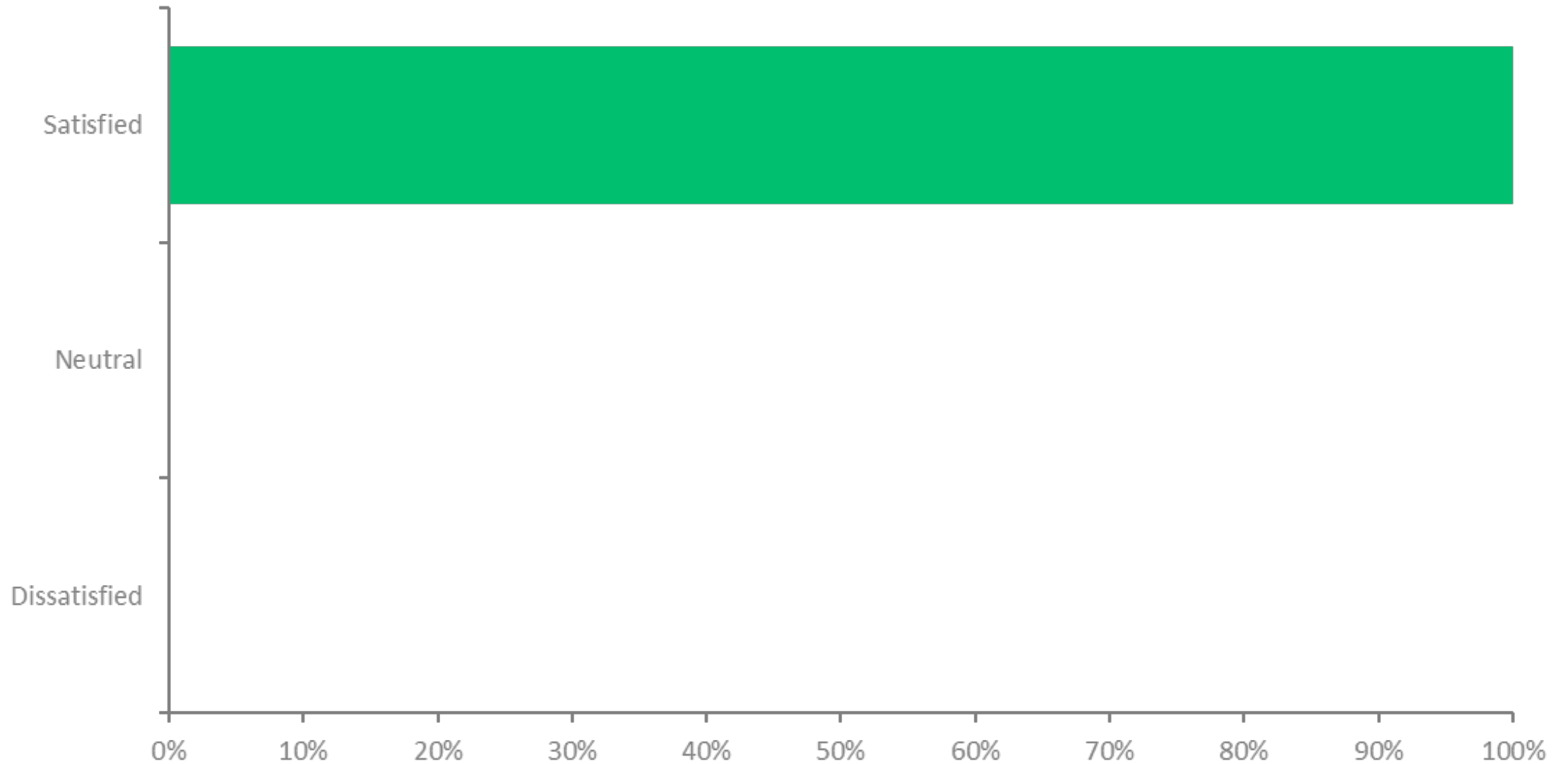


3

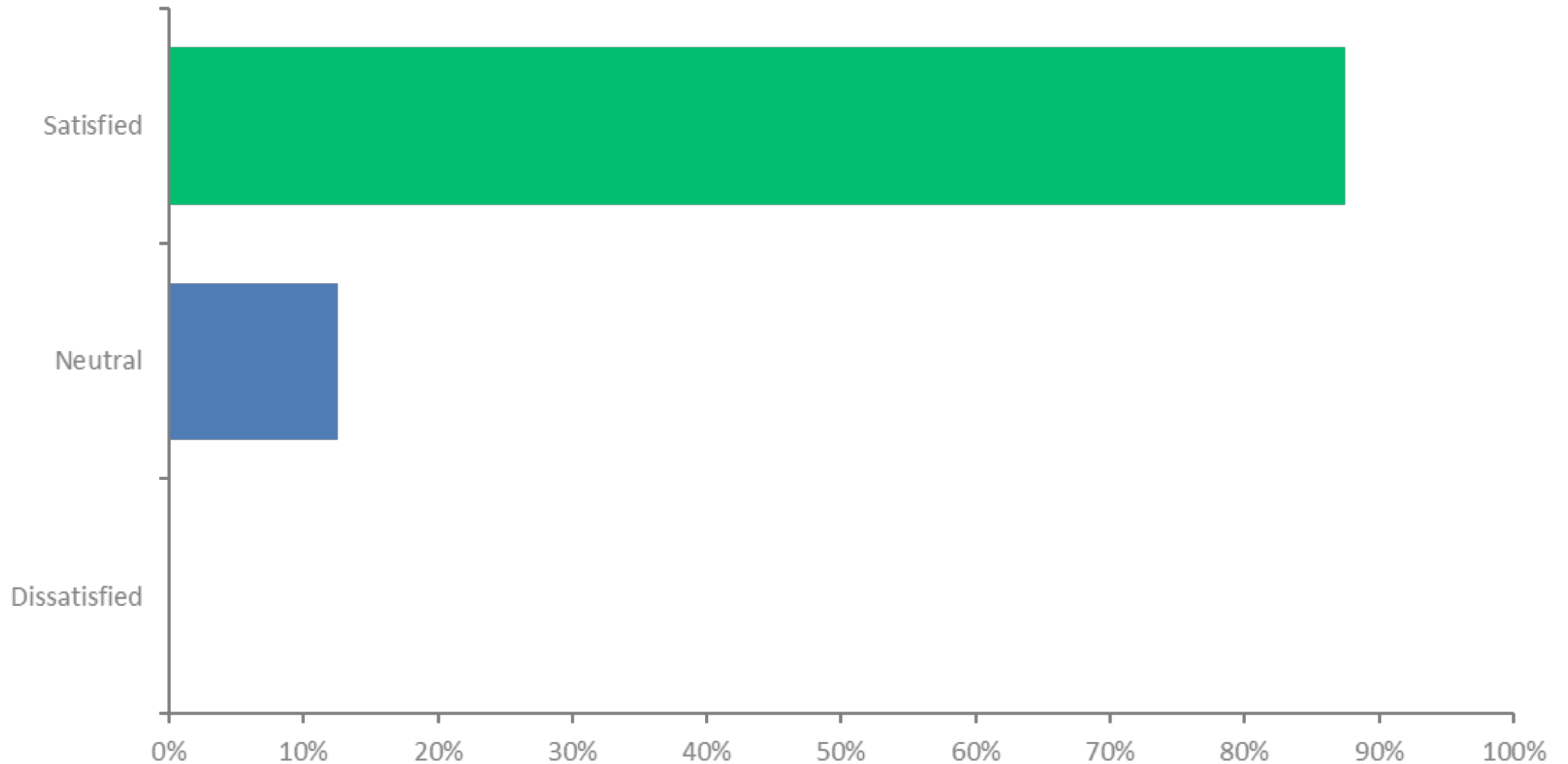
Satisfaction with Key KCERA Board Vendors Results



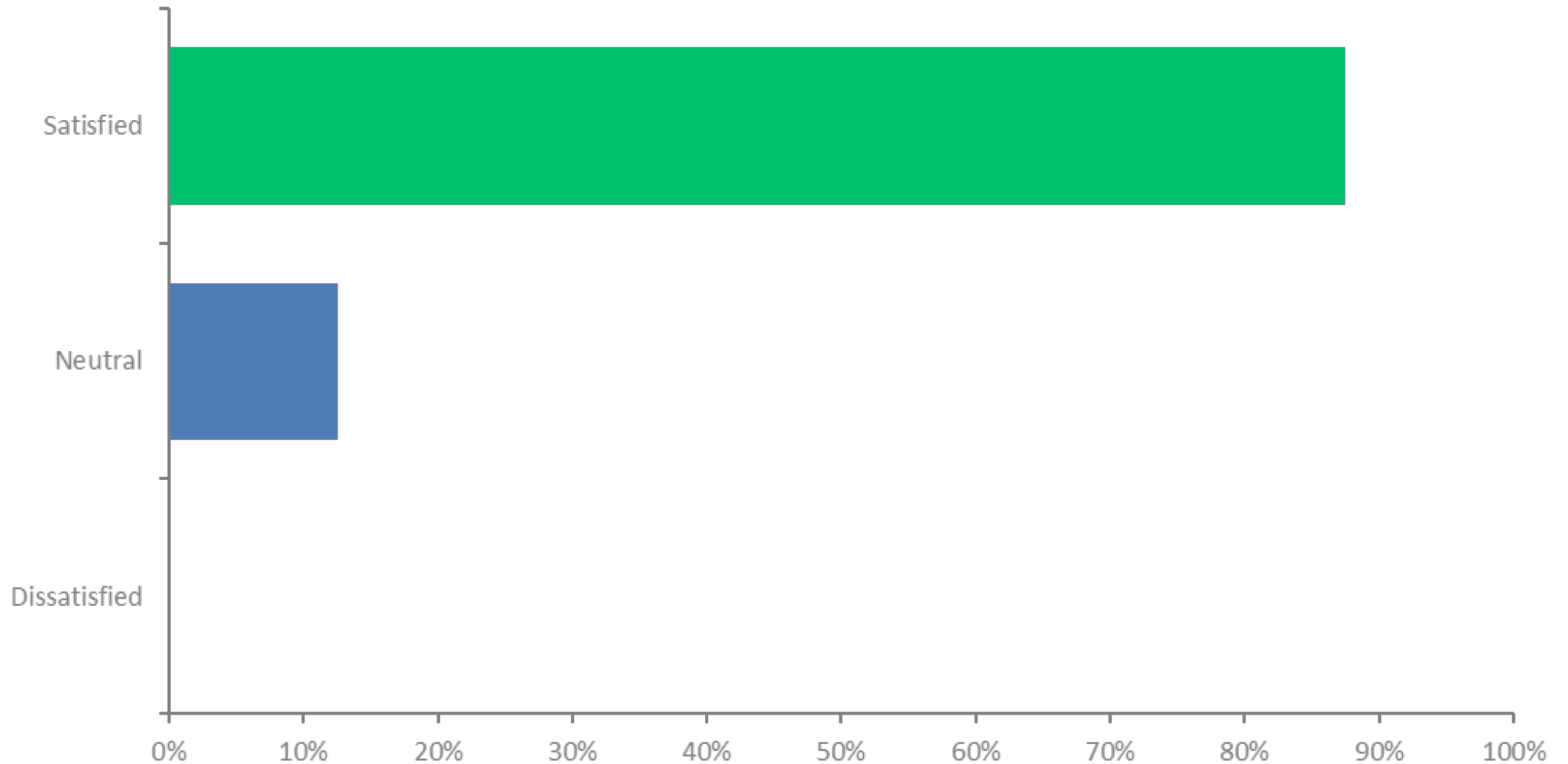
Q1: Actuary – The Segal Company, Inc.



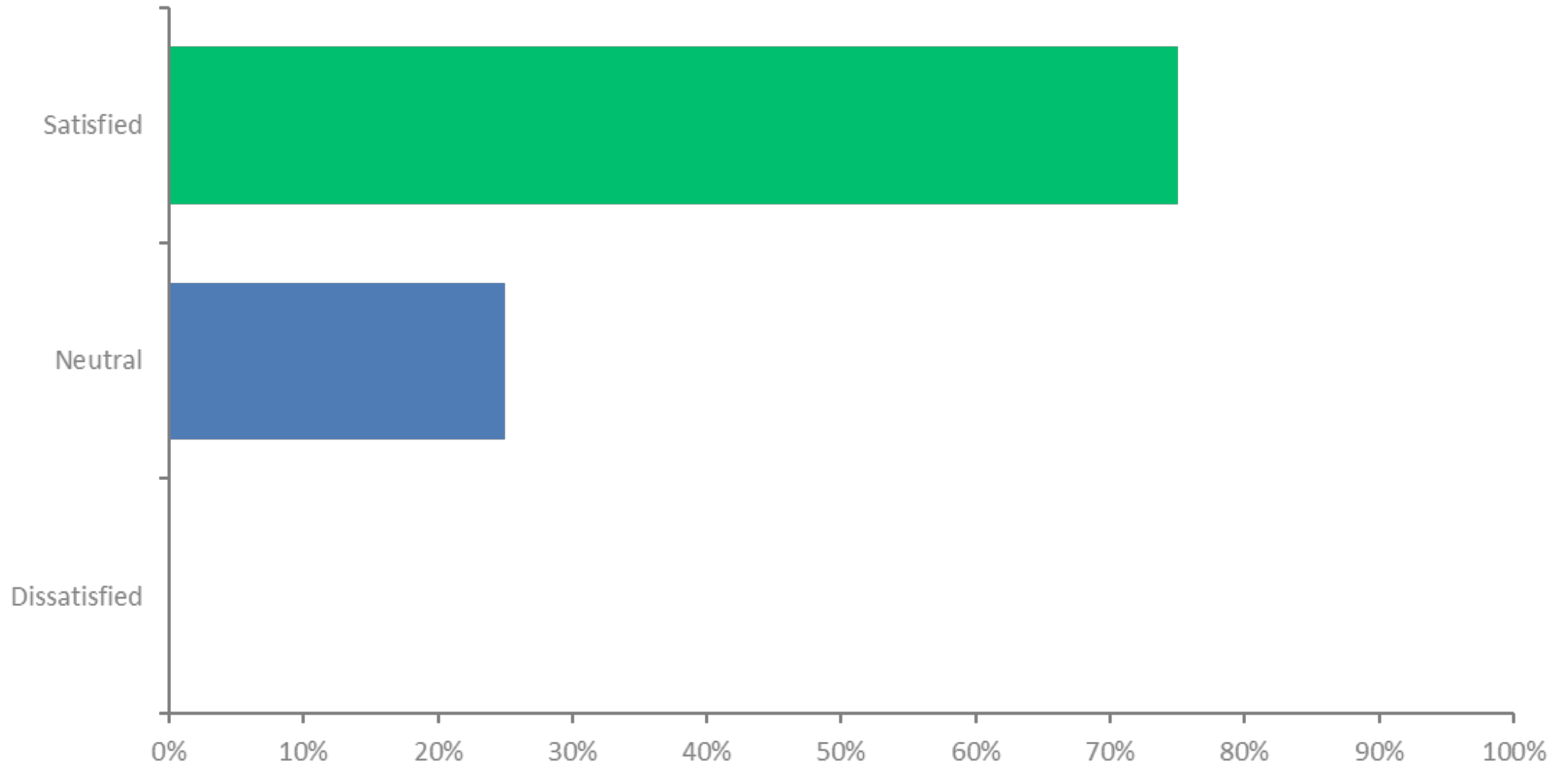
Q2: General Investment Consultant – Verus



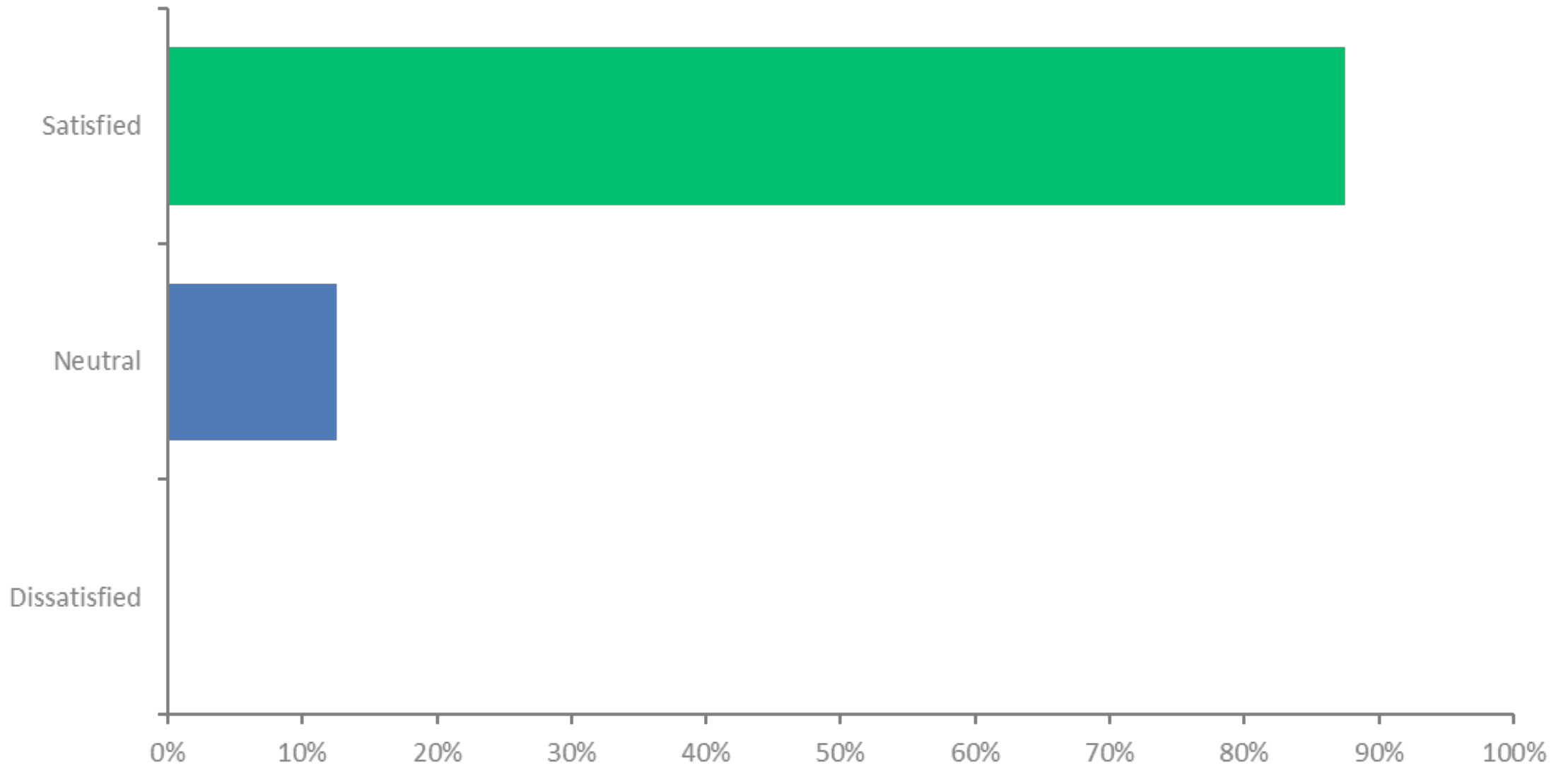
Q3: Hedge Fund Consultant – Albourne America LLC



Q4: Private Markets Consultant – Cambridge Associates



Q5: Legal Counsel – Nossaman, LLP

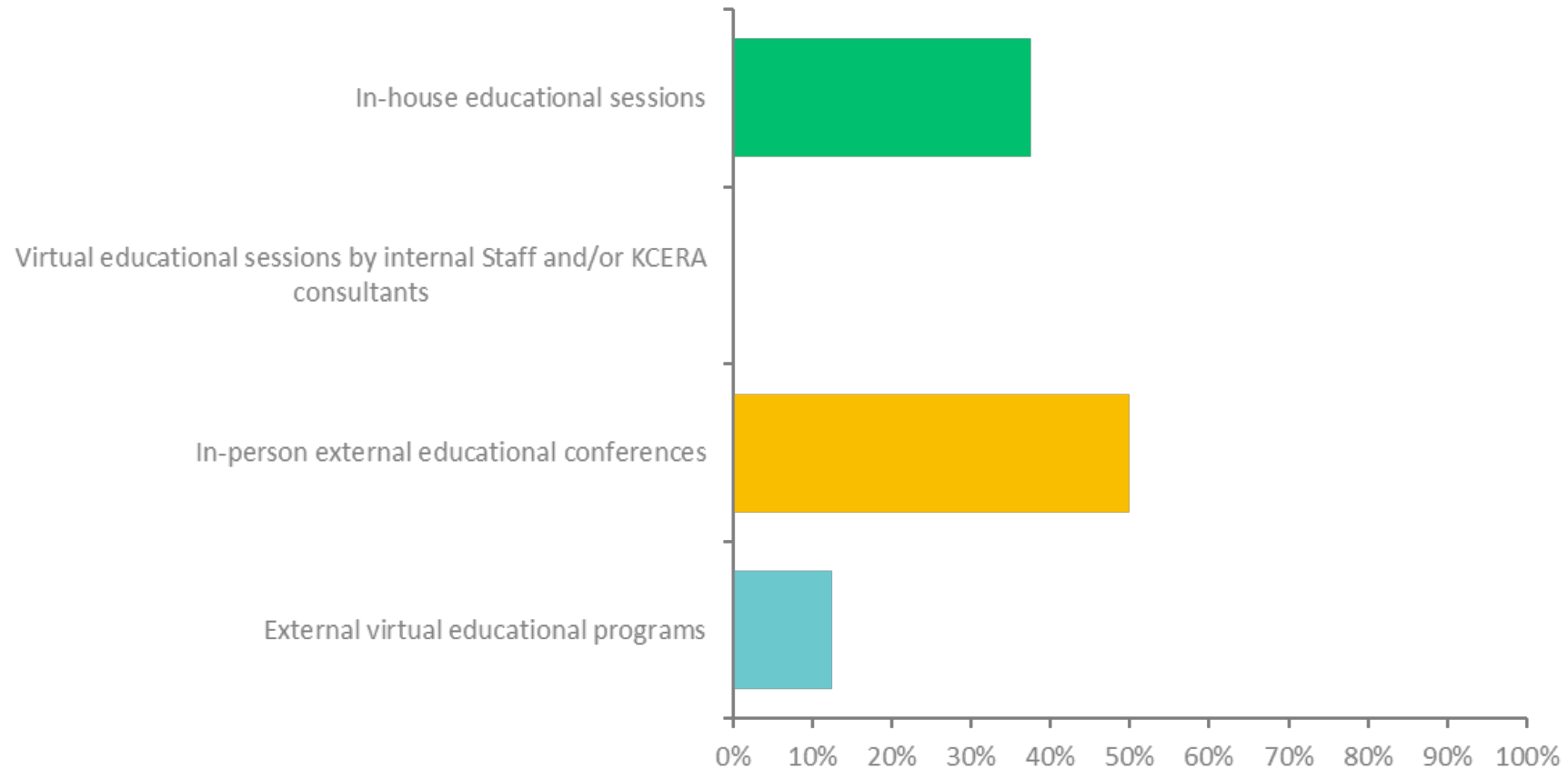


4

Board Education Results



Q1: Please indicate your preferred method of continuing board education.



- *SACRS Conferences and Berkeley education sessions!*

Q2: Please rank the order of the following continuing board educational topics from 1 – 10 (1 = most desired, 10 = least desired).



Q3: What other continuing board educational topics do you believe would be beneficial to you to perform your board duties and responsibilities?

- *CEO, Staff pay*
- *Education for the board regarding management and staff compensation, how and when to initiate, evaluate and implement.*

5

Open-Ended Questions Results



What do you believe are the Board's greatest strengths?

- *The collegiality among Board trustees. Breadth of experiences and knowledge bases that trustees bring to the Board. It's a good team.*
- *Cohesiveness, attentiveness, and the desire to thoroughly understand issues before making decisions*
- *The knowledge that the board members gave*
- *Open dialogue.*

What do you believe is needed to assist the Board in becoming even better?

- *Continuous training and learning opportunities.*
- *Having to ask the county for permission for salary adjustments*
- *Continued open dialogue.*

What are the top 3 priorities for the Board over the next year?

1. *Continue to strengthen the funding ratio.*

2. *Succession planning.*

3. *Implementation of enhanced cybersecurity strategies and internal compliance controls*

1. *Continuing to monitor investments and return on investments during turbulent markets,*

2. *continuing to support staff as they find/explore new investment opportunities,*

3. *continuing to support staff in providing excellent customer service to KCERA members.*

1. *Continued oversight.*

2. *Continued input.*

3. *Continued education.*

1. *I don't know, we don't ask each other because that would be a Brown act violation.*

Legal Disclosures and Disclaimers

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Kern County Employees' Retirement Association

Delegation of Development and Establishment of HR Staff Positions

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Fiduciary services provided by Aon Consulting, Inc.

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Background and Purpose

At its November 2025 meeting, the Board directed Staff to review creation of positions and timing of the budget process and present to the Administrative Committee.

Today's discussion will review the history and current process with respect to position development.



Decision and Rationale

In 2022, the Board, with Aon's assistance, sought to separate personnel actions from the budgetary process, assigning this work to the Administrative Committee.

Three options were presented; Option 1- Consider Position Changes Through Administrative Committee; Option 2- Delegate Position Development to CEO; Option 3- Recommend Board Create an Ad Hoc Committee.

Option 2 Pros:

- Aligns with the CEO Charter.
- Supports good governance — Board remains focused on policy.
- Consistent with the Board's fiduciary duty to monitor and oversee.

Option 2 Cons:

- Some Trustees may feel less involved in the process.

The Administrative Committee selected Option 2 and directed Staff and Aon to make recommended revisions to policy. The Administrative Committee and ultimately the Board adopted the revisions to the CEO Charter, Administrative Committee Charter, and the Finance Committee Charter, including the creation of the Human Resources (HR) Report.

Governance and Process of the Delegation

1

Delegation of Authority

- The CEO is delegated the responsibility to develop and establish staff positions and job specifications, as outlined in the CEO Charter.
- This delegation is designed to ensure that the Board remains focused on policy-level decisions, while operational HR matters are managed by the CEO.

Governance and Process of the Delegation

2

Annual Reporting & Oversight

The CEO must report annually to the Administrative Committee on all HR-related actions, including:

- Creation of new staff positions.
- Updates to job specifications.
- Changes to the organizational structure.
- Succession planning and risk mitigation strategies.

Governance and Process of the Delegation

3

Regular HR Needs Assessment

The CEO is tasked with regularly assessing KCERA's HR needs, which includes:

- Identifying gaps in staffing and skills.
- Proposing new positions or changes to existing roles.
- Developing appropriate HR programs and succession plans.
- Addressing staffing risks and opportunities.

Governance and Process of the Delegation

4

HR Report Content

The HR Report outlines specific staffing issues affecting KCERA's ability to fulfill its mission, such as:

- Need for additional staff or new roles.
- Modifications to the staffing structure.
- Identification of staffing risks and succession challenges.
- Current measures and future plans to address these issues.

Governance and Process of the Delegation

5

Board Access and Transparency

- All Board members have direct access to the HR Report, ensuring transparency and eliminating the need for separate distribution by the Administrative Committee.
- Reminders of the Board's 2022 decisions are recommended to be included in the HR Report for continuity.

Governance and Process of the Delegation

6

Timing of Process and the Budget

| Oversight Body | Month(s) | Report/Comments |
|--------------------------|-------------------|--|
| Administrative Committee | February or March | <ul style="list-style-type: none">• KCERA HR Report for Discussion and Review-Charter provides Administrative Committee reviews and discusses with CEO on at least an annual basis.• The HR Report does not need approval of the full Board as this has been delegated to the Administrative Committee, the Board has full access to the Report.• Any increase to the current or future budget resulting from personnel changes outlined in the HR Report are reserved for the Finance Committee or Board of Retirement. |

Governance and Process of the Delegation

6

Timing of Process and the Budget

| Oversight Body | Month(s) | Report/Comments |
|-------------------|----------|---|
| Finance Committee | May | <ul style="list-style-type: none">Proposed Fiscal Year Budget for Discussion and Appropriate ActionThe Finance Committee is charged with reviewing the Operating Budget and recommending to the Board for approvalThe Finance Committee Charter provides that the development and establishment of human resources staff positions are delegated to the CEO and reported to the Administrative Committee and Board through the HR Report. |

Governance and Process of the Delegation

6

Timing of Process and the Budget

| Oversight Body | Month(s) | Report/Comments |
|---------------------|-----------|--|
| Board of Retirement | June | <ul style="list-style-type: none"> • Presentation regarding KCERA Organizational Landscape and Budget • Proposed Fiscal Year Budget for Discussion and Appropriate Action • The Board of Retirement Charter provides that the Board shall approve the Operating Budget and any changes thereto. |
| Board of Retirement | As needed | <ul style="list-style-type: none"> • The Board of Retirement Charter provides that the Board shall regularly review with the CEO the staffing, compensation, and succession planning needs of KCERA • Reports include the monthly CEO Report |

Governance and Process



The CEO is empowered to develop and establish staff positions and job specifications, reporting annually to the Administrative Committee. Any increase to the current or future budget resulting from personnel changes outlined in the HR Report are reserved for the Finance Committee or Board



The current process has been effective. The CEO has successfully worked with the County on staffing issues.



The Board retains its oversight and monitoring role and receives frequency reporting throughout the year.

Consultant's Perspective

Aon, as the independent governance consultant, finds the current delegated process effective and consistent with good governance.

The current process ensures clear documentation of roles, responsibilities, reporting, accountability, and oversight.



Delegating tasks to qualified professionals is prudent and effective use of the Board's time and policy role.

There is frequent reporting to the Administrative Committee and the Board throughout the year, and the Administrative Committee and Board may request additional information at any time.

Conclusion

It is Aon's finding that this process demonstrates effective committee use and is recommended as a governance best practice.

Should the Administrative Committee wish to review changes to the current delegation process, Aon will work with staff to review alternatives.



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