

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

Tyler Whitezell, Chair  
Phil Franey, Vice-Chair  
Jeanine Adams  
David Couch  
Juan Gonzalez  
Joseph D. Hughes  
Jordan Kaufman  
Rick Kratt  
John Sanders  
Dustin Contreras, Alternate  
Chase Nunneley, Alternate  
Robb Seibly, Alternate

August 21, 2023

Members, Board of Retirement  
Employee Bargaining Units  
Requesting News Media  
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 Friday, August 25, 2023 at 1:00 p.m. 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 (*for best audio a landline is recommended*) and enter ID# 820 0764 7304

- (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/82007647304?pwd=aGVjczFXb2RhNzd1WTQ3Q3ZPRXB3QT09>
- Passcode: 634836

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](mailto: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](http://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](mailto: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)**

**AB 2449 REMOTE APPEARANCE(S)**

*Items 1 and/or 2 withdrawn from agenda if no trustees will have a need to appear via teleconference:*

The first two items on the agenda are reserved for trustees who have a need to appear via teleconference due to a "just cause" need or an "emergency circumstance." Trustees who have notified this Committee before agenda-posting will be called upon and will provide a general description of their need to attend via teleconference as allowed by law. Trustees who were not able to notify the Committee in advance of posting and have a need to attend via teleconference will state their notification or request when called upon to do so. All trustees appearing via teleconference will need to disclose any adult person(s) present in the room of their remote location and their relationship to such person(s). Trustees appearing remotely are reminded to keep their camera on throughout the meeting.

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).
  - 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).

2. EMERGENCY CIRCUMSTANCE(S):

a) The following Trustee(s) have requested the Committee approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.” (See Government Code § 54953).

- NONE

b) Call for Trustee(s) requesting the Committee approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.” (See Government Code § 54953).

TAKE ACTION ON REQUEST(S) FOR REMOTE APPEARANCE

3. [Discussion and appropriate action on proposed Compensation Policy presented by Governance Consultants Julie Becker and Benita Harper, Aon, Chief Executive Officer Dominic Brown, and Chief Legal Officer Jennifer Zahry – RECOMMEND THE BOARD OF RETIREMENT APPROVE PROPOSED POLICY; TAKE OTHER ACTION, AS APPROPRIATE](#)

**PUBLIC COMMENTS**

4. 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.

**REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS**

5. 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.
6. Adjournment

## **COMPENSATION POLICY**

### **PURPOSE**

- 1) The purpose of this policy is to establish a formal compensation directive that identifies personnel needs for KCERA, including methodology of job classification, staff size, and other personnel-related items that are integral to KCERA's successful operation.

### **STRATEGY**

- 2) Salaries are structured to be competitive as determined by the Chief Executive Officer (CEO) and reviewed by the Board of Retirement (Board), with individual base salaries dependent upon an employee's experience, education, knowledge, skills, and overall job performance. This policy seeks to lessen any lag in addressing salaries and provide regular and consistent review of the salary structure.
- 3) Policy objectives include:
  - a) Bolster the workforce and enhance retention
  - b) Attract new talent
  - c) Motivate employees and maintain internal equity
  - d) Lessen the likelihood of salary lag
  - e) Nimble react to market shifts
- 4) Policy objectives should be accomplished with adherence to all applicable laws and consistent with other relevant public retirement systems. This policy should be administered with the aim to effectively manage both the human and fiscal resources that support KCERA's mission and values.
- 5) Compensation studies will be utilized to determine KCERA's competitiveness with market practices. Labor markets fluctuate in response to the readiness of qualified workers for particular positions, as well as economic ups and downs. These changes diverge, depending upon the geographic regions, industry, and employer types. A compensation study should provide KCERA with the necessary data to compensate without undue guesswork, better anticipate market fluctuations, create peer awareness, and provide transparency to the process.
- 6) Compensation studies should:

- a) Collect and analyze salary and benefits data from employers similar to KCERA, meaning other public retirement systems, focusing on those with organizational and operational likeness.
  - b) Analyze comparable jobs within comparable employers.
  - c) Develop any necessary guidelines deriving from the study.
  - d) Provide a comprehensive analysis to compensate employees in a manner that promotes attracting and retaining talent necessary to successfully execute mission.
- 7) The CEO will make recommendations consistent with and in furtherance of the fiduciary duties of the Board in administering the retirement system, and in accordance with applicable law. The focus should be on internal equity, basing decisions on market data. Market data herein refers to a market-based compensation study that identifies wage differences for employee classes. Trends in the market should be considered, as significant salary changes do not usually occur year to year. The goal of the market study is to follow market trends and ensure salary adjustments accurately reflect the required salary to maintain a position relative to the market.
  - 8) The state-wide geographic vicinity of KCERA to other employers figures strongly in identifying the viable competitors in the same labor pool. It can be a strong identifier of those employers that directly compete with KCERA to recruit and retain personnel. Likewise, the economic fluctuations associated with a geographic area can be considered.
  - 9) Comparisons to employers operating in other segments of the marketplace, such as corporate pension plans, or endowments and foundations, may be useful, as those employers may compete for employees with the same skills as those at KCERA.
  - 10) Employer size should be viewed as an important factor in the compensation study. Choosing similarly situated employers, for example members served or assets under management, makes it more likely to find like positions within each organization to compare.
  - 11) To keep ahead of market fluctuations and stay competitive, compensation studies will be conducted no less than every five years, with three years as the optimal time period.
  - 12) Market studies will be used to note and interpret market trends and identify potential salary adjustments.
  - 13) KCERA staff are classified as either:

- a) Kern County Civil Service – The majority of staff are Kern County Civil Service employees, meaning their compensation is decided either through collective bargaining or Kern County guidelines and procedures. Compensation is then implemented through a salary resolution or Memorandum of Understanding adopted by the Board of Supervisors.
- b) Non Civil Service – KCERA has at-will positions that exist outside the County Civil Service structure. Their positions, job duties, and compensation are established by the KCERA Board and salary adjustments are implemented through Kern County Human Resources, County Administrative Office, and the Board of Supervisors.

The goal of this policy is to ensure KCERA is competitively positioned to attract and retain the human capital necessary to successfully carry out the mission of the organization, while maintaining accountability and transparency with stakeholders and ensuring cost-effective administration.

#### **POLICY REVIEW AND HISTORY**

14) This policy shall be reviewed at least every five years.

15) This policy was:

- a) Adopted by the Board on \_\_\_\_\_.