

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 3, 2023

Members, Board of Retirement
Employee Bargaining Units
Requesting News Media
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association
Board of Retirement

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Board of Retirement will be held on Wednesday, August 9, 2023 at 8:30 a.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 (*landline recommended for best audio*) and enter ID# 836 9713 7652:

- (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/83697137652?pwd=RGVzQkVsUIRuVzBWYi9Ea09JQ1hjZz09>
- Passcode: 910170

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)

SALUTE TO FLAG

MOMENT OF SILENCE

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 Board 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 Board 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 cameras on throughout the meeting.

1. JUST CAUSE CIRCUMSTANCE(S):

a) The following Trustee(s) have notified the Board 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 Board 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 Board 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 Board 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. [Resolution honoring Brenda Greenwood, KCERA Chief Technology Officer, upon her retirement with 14 years of dedicated service to the Kern County Employees’ Retirement Association – RECEIVE AND FILE](#)

CONSENT MATTERS

All items listed with an asterisk (*) are considered to be routine and non-controversial by staff and will be approved by one motion if no member of the Board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Board concerning the item before action is taken. Staff recommendations are shown in caps after each item.

- *4. Application for service-connected disability pension benefits for Bradly Brandon, Sheriff (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *5. Application for service-connected disability pension benefits for Enrique Bravo, Sheriff (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *6. Application for service-connected disability pension benefits for Scott Carvel, District Attorney (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *7. Application for service-connected disability pension benefits for Timothy Champlin, Probation (Safety) – ADOPT RECOMMENDATION OF SDAG TO DENY SERVICE-CONNECTED DISABILITY PENSION BUT GRANT A NON-SERVICE-CONNECTED DISABILITY PENSION

- *8. Application for service-connected disability pension benefits for Anthony Diffenbaugh, Fire (Safety) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION
- *9. [Summary of proceedings of the following meetings:](#)
- June 1, 2023 Investment Committee
 - June 2, 2023 Finance Committee
 - June 14, 2023 Board of Retirement
 - June 14, 2023 Special Joint Board of Retirement and KPI Board of Directors
 - June 21, 2023 Administrative Committee
 - June 28, 2023 Finance Committee

RECEIVE AND FILE

- *10. [Report from the KCERA office on members retired from service for the months of June and July 2023 – RATIFY](#)
- *11. [Report from the KCERA office on deceased retirees for the months of June and July 2023 – RECEIVE AND FILE](#)
- *12. [Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending July 31, 2023 – RECEIVE AND FILE](#)
- *13. [KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the months of May and June 2023 – RECEIVE AND FILE](#)
- *14. [KCERA Class Action Proceeds Report from April 1 through June 30, 2023 for the Northern Trust Company – RECEIVE AND FILE](#)
- *15. [Corrections in Benefit Payments Report for the period January through June 2023 – RECEIVE AND FILE](#)
- *16. [Corrections in Benefit Contributions Report for the period January through June 2023 – RECEIVE AND FILE](#)
- *17. [Board of Retirement Semi-annual Trustee Education Report – RECEIVE AND FILE](#)
- *18. [2023 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVE AND FILE; APPROVE](#)
- *19. [Agreement for Custodian Services with the Northern Trust Company, effective August 9, 2023 – RECEIVE AND FILE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW](#)

- *20. [Report on Special Pay Codes classified by the Chief Executive Officer – RECEIVE AND FILE](#)
- *21. [Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFY](#)
- *22. [KCERA draft Schedules of Employer Allocations and Pension Amounts by Employer and related notes including independent auditors' draft report as of and for the year ended June 30, 2022, and Segal's Governmental Accounting Standards \(GAS\) 68 Actuarial Valuation as of June 30, 2023* – RECEIVE AND FILE](#)

**Pursuant KCERA's Board Operations Policy #38, this matter is being presented to the Board without the involvement of the Finance Committee to prevent the imprudent use of Plan time and resources in light of the routine and non-controversial nature of item*
- *23. [Invitation from to Workiva to staff to attend the Amplify Conference, September 19-21, 2023 in Nashville, Tennessee – APPROVE THE ATTENDANCE OF CHIEF FINANCIAL OFFICER ANGELA KRUGER](#)

PUBLIC COMMENTS

- 24. 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.

INVESTMENT MATTERS

- 25. [Presentation and review of Fixed Income presented by Senior Investment Officer Geoff Nolan and the Investment Committee – RECEIVE AND FILE](#)
- 26. [Discussion and appropriate action on review of Asset Liability Study presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE CHANGES TO ASSET ALLOCATION AND LEVEL OF RISK](#)

27. [Discussion and appropriate action on private market fund recommendation](#) presented by Mark Mallory, Investment Director, Cambridge Associates¹, Senior Investment Officer Geoff Nolan, and the Investment Committee – APPROVE UP TO \$30MM COMMITMENT TO SILVER POINT SPECIALTY CREDIT FUND III; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
28. [Discussion and appropriate action on private market fund recommendation](#) presented by Keirsten Lawton, Managing Director, Cambridge Associates², Senior Investment Officer Geoff Nolan, and the Investment Committee – APPROVE UP TO \$30MM COMMITMENT TO ARES PATHFINDER FUND II; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
29. [Discussion and appropriate action on opportunistic fund recommendation](#) presented by Spencer Edge, Albourne America³, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE UP TO \$30MM INVESTMENT IN HUDSON BAY SPECIAL OPPORTUNITIES FUND; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

ADMINISTRATIVE MATTERS

30. [Follow-up discussion and appropriate action on Strategic Planning presented by](#) Chief Executive Officer Dominic Brown and Governance Consultants Julie Becker and Benita Falls Harper, Aon – PROVIDE DIRECTION TO STAFF; TAKE OTHER ACTION, AS APPROPRIATE
31. [Discussion and appropriate action on review of revisions to KCERA's Trustee](#) Education Policy presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and the Administrative Committee – APPROVE PROPOSED CHANGES
32. [Trustee education regarding Wellness Audit communications initiative presented](#) by Chief Operations Officer Matthew Henry, Chief Financial Officer Angela Kruger, and Chief Legal Officer Jennifer Zahry – RECEIVE EDUCATIONAL TRAINING (10 MINUTES TRUSTEE EDUCATION CREDIT)

STAFF REPORTS

33. [Report from Chief Executive Officer](#)

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.

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.

ROLL CALL

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

38. 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.

NEW BUSINESS

39. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – CONSIDER, DISCUSS, AND TAKE ACTION ON WHETHER TO AGENDIZE PROPOSED ITEMS, IF ANY, FOR A FUTURE MEETING
40. Adjournment

**No Material
to be Distributed**

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Investment Committee
June 1, 2023**

1:02 p.m.

Committee Members: Couch, Kaufman, Chair Kratt, Nunneley (Alternate), Whitezell

ROLL CALL

Present: Couch, Kratt, Nunneley

Absent: Kaufman, Whitezell

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.

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

3. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Managing Director, Cambridge Associates¹, and Senior Investment Officer Geoff Nolan – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$50MM COMMITMENT TO ARES SENIOR DIRECT LENDING III; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

TRUSTEE TYLER WHITEZELL ARRIVED AT 1:05 P.M.

Couch-Nunneley – 4 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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.

4. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Managing Director, Cambridge Associates¹, and Senior Investment Officer Geoff Nolan – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$50MM COMMITMENT TO CERBERUS LEVERED LOAN OPPORTUNITIES FUND V; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Whitezell-Couch – 4 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

5. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates², and Chief Investment Officer Daryn Miller, CFA – MARIA SURINA, CAMBRIDGE ASSOCIATES HEARD; TRUSTEE TYLER WHITEZELL HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$30MM COMMITMENT TO MERIT HILL SELF-STORAGE V; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Whitezell-Nunneley – 4 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

6. Discussion and appropriate action on recommendation for Portfolio Risk Analytics System Provider presented by Chief Investment Officer Daryn Miller, CFA, and Investment Analyst II Jack Bowman – TRUSTEE CHASE NUNNELEY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER HEARD; INVESTMENT ANALYST II JACK BOWMAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE VENN AS PORTFOLIO RISK ANALYTICS SYSTEM PROVIDER; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Nunneley-Couch – 4 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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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.

7. Verbal update from Chief Investment Officer Daryn Miller, CFA – CHAIR RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER HEARD

HEARD UPDATE

PUBLIC COMMENTS

8. 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 – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

9. 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 – NONE
10. ADJOURNED – 1:38 P.M.

Secretary, Board of Retirement

Chair, Investment Committee

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Finance Committee
June 2, 2023**

1:00 p.m.

Committee Members: Adams, Chair Contreras, Franey, Sanders, Whitezell
(Alternate)

ROLL CALL

Present: Adams, Contreras, Franey, Sanders

Absent: Whitezell

NOTE: The vote is displayed in bold below each item. For example, Adams-Franey denotes Trustee Jeanine Adams made the motion and Trustee Phil Franey seconded the motion.

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

3. Discussion and appropriate action on the Actuarial Experience Study for the period July 1, 2019 through June 30, 2022, presented by Actuaries Paul Angelo, FSA, and Molly Calcagno, ASA, Segal – **PAUL ANGELO AND MOLLY CALCAGNO, SEGAL, HEARD; CHAIR DUSTIN CONTRERAS HEARD; TRUSTEES JEANINE ADAMS, PHIL FRANNEY AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN, HEARD**

TRUSTEE TYLER WHITEZELL ARRIVED AT 1:11 P.M.

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

RECOMMENDED THE BOARD OF RETIREMENT ADOPT THE ECONOMIC AND NON-ECONOMIC ASSUMPTIONS; CONSIDER PHASE-IN REQUESTED BY PLAN SPONSOR; AND COMMUNICATE WITH COUNTY TO DEVELOP ANALYSIS WITH ACTUARY

Franey-Adams – 4 Ayes

4. Presentation regarding KCERA Organizational Landscape and Budget Governance presented by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICER DOMINIC BROWN, HEARD

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

HEARD PRESENTATION

5. Discussion and appropriate action on the proposed fiscal year 2023-2024 KCERA Operating Budget presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, and Chief Financial Officer Angela Kruger – TRUSTEE TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN, HEARD

RECOMMENDED APPROVAL TO BOARD OF RETIREMENT

Franey-Adams – 4 Ayes

PUBLIC COMMENTS

6. 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 – NONE

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 – NONE
8. ADJOURNED – 2:51 P.M.

Secretary, Board of Retirement

Chair, Finance Committee

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
June 14, 2023**

8:30 A.M.

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

ROLL CALL

Present: Contreras, Couch, Franey, Gonzalez, Kratt, Sanders, Seibly, Whitezell

Absent: Adams, Hughes, Kaufman, Nunneley

SALUTE TO FLAG – TRUSTEE JUAN GONZALEZ

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.

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 Mabelle Carrillo, Animal Services (General) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

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

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

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

- April 19, 2023 Administrative Committee
- April 25, 2023 Finance Committee
- May 3, 2023 Board of Retirement

RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *6. Report from the KCERA office on members retired from service for the month of May 2023 – RATIFIED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *7. Report from the KCERA office on deceased retirees for the month of May 2023 – RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *8. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending May 31, 2023 – RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *9. Securities Lending Earnings Summary Report for the periods April 30, 2023 from Deutsche Bank – RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *10. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of April 2023 – RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *11. Revised 2023 Board of Retirement Committee Assignments – RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *12. Invitation from California Association of Public Retirement Systems (CALAPRS) to trustees to attend the CALAPRS Principles of Pension Governance for Trustees, August 28-31, 2023 in Los Angeles, California – APPROVED THE ATTENDANCE OF TRUSTEE JEANINE ADAMS

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *13. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting June 20, 2023, in Sacramento, California – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *14. Report on Special Pay Codes classified by the Chief Executive Officer – RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *15. Second Amendment to CPAS Maintenance Services Agreement (CPAS), effective July 1, 2023 – RECEIVED AND FILED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *16. Third Amendment to CPAS Software Support Services Agreement (CPAS), effective July 1, 2023 – RECEIVED AND FILED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

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

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

- *18. Request to extend employment of Retired Kern County Employee Sofia Reyes, effective July 1, 2023 for a period expiring June 30, 2024 – APPROVED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

PUBLIC COMMENTS

19. 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

20. Presentation on the 1st Quarter Investment Performance Review period ending March 31, 2023 by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS, HEARD; VICE-CHAIR PHIL FRANNEY HEARD; TRUSTEES DAVID COUCH AND RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Franey-Kratt – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

21. Presentation on the 1st Quarter 2023 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA, HEARD

RECEIVED AND FILED

Kratt-Franey – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

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.

22. Presentation on the 2H 2022 Private Markets Performance Report presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Maria Surina, Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Geoff Nolan – ANDREA AEURBACH, KEIRSTEN LAWTON, KELLY JENSEN AND MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 9:22 A.M.

RECEIVED AND FILED

Kratt-Franey – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

23. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Managing Director, Cambridge Associates², and Senior Investment Officer Geoff Nolan – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

APPROVED UP TO \$50MM COMMITMENT TO ARES SENIOR DIRECT LENDING III; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Franey – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

24. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Managing Director, Cambridge Associates³, Senior Investment Officer Geoff Nolan, and the Investment Committee – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE RICK KRATT HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

APPROVED UP TO \$50MM COMMITMENT TO CERBERUS LEVERED LOAN OPPORTUNITIES FUND V; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Franey – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

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.

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.

25. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO MERIT HILL SELF-STORAGE V;
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL
ADVICE AND REVIEW

Franey-Couch – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

26. Discussion and appropriate action on co-investment recommendation presented by Andrea Auerbach, Investment Managing Director, Cambridge Associates², and Chief Investment Officer Daryn Miller, CFA* – ANDREA AUERBACH, CAMBRIDGE ASSOCIATES, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$10MM COMMITMENT TO WARREN EQUITY PARTNERS
CO-INVESTMENT; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN,
SUBJECT TO LEGAL ADVICE AND REVIEW

**Pursuant KCERA's Board Operations Policy #38, this matter was presented to the Board without the involvement of the Investment Committee to timely capture an investment opportunity and prevent diminished returns. Prior consideration of this matter by the Investment Committee would have been imprudent.*

Franey-Sanders – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

27. Discussion and appropriate action on recommendation for Portfolio Risk Analytics System Provider presented by Chief Investment Officer Daryn Miller, CFA, Investment Analyst II Jack Bowman, and the Investment Committee – VICE-CHAIR PHIL FRANNEY HEARD; TRUSTEES DUSTIN CONTRERAS, JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; INVESTMENT ANALYST II JACK BOWMAN HEARD

APPROVED VENN AS PORTFOLIO RISK ANALYTICS SYSTEM PROVIDER;
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL
ADVICE AND REVIEW

Franey-Kratt – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

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.

FINANCIAL MATTERS

28. Discussion and appropriate action on the Actuarial Experience Study for the period July 1, 2019 through June 30, 2022, presented by Actuaries Paul Angelo, FSA, and Molly Calcagno, ASA, Segal, and the Finance Committee – PAUL ANGELO AND MOLLY CALCAGNO, SEGAL, HEARD; TRUSTEES DUSTIN CONTRERAS, DAVID COUCH, PHIL FRANNEY, JUAN GONZALEZ AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

ADOPTED THE ECONOMIC AND NON-ECONOMIC ASSUMPTIONS; AUTHORIZED STAFF TO ALLOW COUNTY THE OPTION TO PHASE-IN ALL OR PART OF THE RATE CHANGES

Couch-Franey – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

29. Presentation regarding KCERA Organizational Landscape and Budget Governance presented by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICE DOMINIC BROWN HEARD

HEARD PRESENTATION

30. Discussion and appropriate action on the proposed fiscal year 2023-2024 KCERA Operating Budget presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, Chief Financial Officer Angela Kruger, and the Finance Committee – TRUSTEE DUSTIN CONTRERAS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED

Franey-Contreras – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

ADMINISTRATIVE MATTERS

31. Trustee education regarding Managed Medical Review Organization (MMRO) Disability Workflow and status update presented by Doug Minke, MMRO – VICE-CHAIR PHIL FRANNEY HEARD; TRUSTEES DUSTIN CONTRERAS, DAVID COUCH, JUAN GONZALEZ, RICK KRATT AND JOHN SANDERS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED EDUCATIONAL TRAINING (35 MINUTES TRUSTEE EDUCATION CREDIT); RECEIVED AND FILED UPDATE

Franey-Couch – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

32. Discussion and appropriate action on creation of a Compensation Policy and Compensation Study – JULIE BECKER, AON, HEARD; TRUSTEES JUAN GONZALEZ AND JOSEPH D. HUGHES HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

DIRECTED STAFF TO WORK WITH AON AND THE ADMINISTRATIVE COMMITTEE TO DEVELOP A COMPENSATION POLICY AND COMPENSATION STUDY

Gonzalez-Hughes – 8 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

STAFF REPORTS

33. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- REFERRAL UPDATE
- STAFFING UPDATE
- MEMBER OUTREACH
- SOLAR PROJECT UPDATE
- SERVICE PURCHASE UPDATE
- INTERNET SERVICE PROVIDERS
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

TRUSTEE JUAN GONZALEZ HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

34. Report from Chief Investment Officer

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

- REBALANCING – MAY ACTIVITY
- PORTFOLIO POSITIONING
- UPDATES ON OPPORTUNISTIC INVESTMENT
- KEY INITIATIVES

TRUSTEES DAVID COUCH AND RICK KRATT HEARD

35. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATES
- JUNE CALENDAR

TRUSTEES DUSTIN CONTRERAS AND RICK KRATT HEARD

COMMITTEE REPORTS

36. Report from Committee Chairs:

- a. Administrative Committee: GONZALEZ – MEETING SCHEDULED ON JUNE 21, 2023
- b. Finance Committee: CONTRERAS – NONE
- c. Investment Committee: KRATT – NONE
- d. KCERA Property, Inc.: KRATT – MEETING TO FOLLOW

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

EXECUTIVE SESSION

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

VICE-CHAIR PHIL FRANNEY LEFT AT 1:35 P.M.

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED AT 1:45 P.M.

ROLL CALL

Present: Contreras, Couch, Gonzalez, Hughes, Kratt, Sanders, Seibly, Whitezell

Absent: Adams, Franey, Kaufman, Nunneley

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 37 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

38. 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

39. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – NONE
40. ADJOURNED – 1:46 P.M.

Secretary, Board of Retirement

Chair, Board of Retirement

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

KCERA Board of Retirement,
KCERA Property, Inc. ("KPI") Shareholders,
and
KPI Board of Directors

June 14, 2023

1:47 P.M.

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

ROLL CALL

Present: Contreras, Couch, Gonzalez, Hughes, Kratt, Sanders, Seibly, Whitezell

Absent: Adams, Franey, Kaufman, Nunneley

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.

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

3. Discussion and appropriate action by the KCERA Board of Retirement, as governing board of KCERA and as sole shareholder of KPI, regarding the potential transfer of ownership of KCERA's headquarters from KPI to KCERA and dissolution of KPI presented by Fiduciary Counsel Ashley K. Dunning, and Courtney K. Krause, Nossaman LLP, Chief Executive Officer Dominic Brown, and Chief Legal Officer Jennifer Zahry – **ASHLEY K. DUNNING AND COURTNEY K. KRAUSE, NOSSAMAN, HEARD; MOLLY CALCAGNO, SEGAL, HEARD; CHAIR TYLER WHITEZELL HEARD; TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD**

APPROVED RESOLUTION; AUTHORIZED STAFF TO TAKE ALL STEPS NECESSARY TO TRANSFER PROPERTY TO KCERA; AND DIRECT THE KPI BOARD OF DIRECTORS TO TRANSFER THE KCERA PROPERTY AND DISSOLVE KPI

Kratt-Seibly – 8 Ayes

*Trustee Dustin Contreras voted in place of Trustee Jeanine Adams
Trustee Robb Seibly voted in place of Trustee Phil Franey*

TRUSTEE RICK KRATT ASSUMED ROLE OF CHAIR AS KPI PRESIDENT

4. Discussion and appropriate action by the KPI Board of Directors to authorize and consent to the transfer of its interest in the KCERA Property to KCERA and to dissolve KPI presented by Fiduciary Counsel Ashley K. Dunning, and Courtney K. Krause, Nossaman LLP – KPI PRESIDENT RICK KRATT HEARD; KPI DIRECTORS DUSTIN CONTRERAS AND ROBB SEIBLY HEARD

PUBLIC COMMENT: JOSEPH D. HUGHES AND JUAN GONZALEZ

APPROVED WRITTEN CONSENT; AUTHORIZED SIGNING OF DOCUMENTS REQUIRED TO TRANSFER THE KCERA PROPERTY FROM KPI TO KCERA AND TAKE OTHER ACTION NECESSARY TO CONSUMMATE THE TRANSFER TO KCERA AND DISSOLVE KPI

Contreras-Seibly – 3 Ayes

Only KPI Directors called on to vote for this item

KCERA BOARD CHAIR TYLER WHITEZELL RESUMED ROLE OF CHAIR

PUBLIC COMMENTS

5. 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

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

5. 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

6. ADJOURNED – 2:19 P.M.

Gonzalez-Couch – 7 Ayes

Trustee Dustin Contreras voted in place of Trustee Jeanine Adams

Trustee Robb Seibly voted in place of Trustee Phil Franey

Secretary, Board of Retirement

Chair, Board of Retirement

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Administrative Committee
June 21, 2023**

1:03 p.m.

Committee Members: Franey (Alternate), Chair Gonzalez, Hughes, Nunneley, Seibly

ROLL CALL

Present: Franey, Gonzalez, Hughes, Nunneley, Seibly

Absent: None

NOTE: The vote is displayed in bold below each item. For example, Nunneley-Seibly denotes Trustee Chase Nunneley made the motion and Trustee Robb Seibly seconded the motion.

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

3. Discussion and appropriate action on development of compensation policy and compensation study presented by Governance Consultants Julie Becker and Benita Harper, Aon, Chief Executive Officer Dominic Brown, and Chief Legal Officer Jennifer Zahry – BENITA HARPER AND JULIE BECKER, AON, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANNEY, JOSEPH D. HUGHES, CHASE NUNNELEY AND ROBB SEIBLY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

ADOPTED AON RECOMMENDATION; INCLUDE INDEPENDENT SALARY SURVEY EVERY 3-5 YEARS FOR CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER; AND RETURN TO ADMINISTRATIVE COMMITTEE FOR REVIEW

Hughes-Nunneley – 4 Ayes

4. Discussion and appropriate action on review of revisions to KCERA's Trustee Education Policy presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – CHAIR JUAN GONZALEZ HEARD; TRUSTEE ROBB SEIBLY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE PROPOSED CHANGES

Seibly-Nunneley – 4 Ayes

PUBLIC COMMENTS

5. 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 – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

6. 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 – NONE
7. ADJOURNED – 1:50 P.M.

Secretary, Board of Retirement

Chair, Administrative Committee

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Finance Committee
June 28, 2023**

1:00 p.m.

Committee Members: Adams, Chair Contreras, Franey, Sanders, Whitezell
(Alternate)

ROLL CALL

Present: Adams, Contreras, Franey, Sanders

Absent: Whitezell

NOTE: The vote is displayed in bold below each item. For example, Adams-Franey denotes Trustee Jeanine Adams made the motion and Trustee Phil Franey seconded the motion.

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

3. Presentation on the audit plan for the FY 2022-23 Financial Statement Audit, presented by Jason Ostroski, CPA, Principal, and Tim Rawal, CPA, Senior Manager, UHY LLP – JASON OSTROSKI AND TIM RAWAL, UHY LLP, HEARD; CHAIR DUSTIN CONTRERAS HEARD; TRUSTEES JEANINE ADAMS AND PHIL FRANAY HEARD

APPROVED

Franey-Adams – 4 Ayes

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 – NONE

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 – NONE
6. ADJOURNED – 1:23 P.M.

Secretary, Board of Retirement

Chair, Finance Committee



**Kern County Employees' Retirement Association
New Retirees- June 1, 2023 to June 30, 2023**

Employer Name: County Of Kern

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Adams	Sonya	05/17/2023	General Tier II	4120 - Behavioral Health & Reco
Ary	Clifton	10/22/2022	Safety Tier I	2210S - Sheriff
Beeman	Michael	05/20/2023	Safety Tier I	2415S - Fire
Belcher	Douglas	06/01/2023	General Tier II	8950 - Garage
Berry	Tonie	06/17/2023	General Tier II PEPRA	8954 - Public Works-Public Ways
Brockett	Jeffery	04/23/2022	Safety Tier I	2210S - Sheriff
Dees	Kevin	04/22/2023	Safety Tier I	2210S - Sheriff
DelTour	Lynda	06/03/2023	General Tier I	2210 - Sheriff
Derryberry II	Don	06/01/2023	General Tier I	2210 - Sheriff
Doucette	Julie	03/31/2023	General Tier I	2183 - Dept Of Child Support Svc
Dougherty	Joseph	01/19/2023	Safety Tier I	2210S - Sheriff
Fairbanks	Ralph	05/13/2023	General Tier II	5120 - Depart Of Human Services
Fields	Gail	05/06/2023	General Tier I	5120 - Depart Of Human Services
Fulmer	Evon	05/09/2023	General Tier I	5120 - Depart Of Human Services
Granados	Bulmaro	06/20/2023	General Tier I	2210S - Sheriff
Huizar	Teresa	06/03/2023	General Tier I	2180 - District Attorney
Jones	Sherry	05/06/2023	Safety Tier I	2340S - Probation-Safety
Leal	Ernesto	12/30/2021	General Tier I	8997 - Kern Medical Center



**Kern County Employees' Retirement Association
New Retirees- June 1, 2023 to June 30, 2023**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Morrison	James	08/13/2022	Safety Tier I	2210S - Sheriff
Obianenu-Oduni	Bridget	05/17/2023	General Tier I	4300B - Calif Children Svcs Adm
Ollague	Cesar	06/03/2023	Safety Tier I	2210S - Sheriff
Rizo	Hector	06/01/2023	Safety Tier I	2340S - Probation-Safety
Rogers	Ronald	04/22/2023	General Tier II	8954 - Public Works-Public Ways
Smith	Angelina	03/24/2021	General Tier I	8997 - Kern Medical Center
Smith	Marie	05/12/2023	General Tier II PEPRA	6210 - Library
Trevino	Juan	03/19/2022	Safety Tier I	2210S - Sheriff
Walker	Randall	04/19/2023	Safety Tier I	2340S - Probation-Safety
Wesson	Renee	06/17/2023	General Tier I	5120 - Depart Of Human Services
Wright	Kevin	03/26/2022	Safety Tier I	2210S - Sheriff

Employer Name: KC Superior Court

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Campros	Tomieanna	06/07/2023	General Tier I	9435E - Court Support-Civil
Dyson	Diana	05/27/2023	General Tier I	9410 - Superior Court
Knight	Alisa	06/03/2023	General Tier I	9410 - Superior Court
Ortega	Maria	06/17/2023	General Tier I	9410 - Superior Court

Employer Name: Kern County Hospital Authority

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Jones	Renee	05/20/2023	General Tier I	9460 - Kern County



**Kern County Employees' Retirement Association
New Retirees- June 1, 2023 to June 30, 2023**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
				Hospital Authority
Mahinan-Picar	Judith	05/20/2023	General Tier I	9460 - Kern County Hospital Authority
Mullen	Amanda	05/06/2023	General Tier I	9460 - Kern County Hospital Authority

Employer Name: North Of River Sanitation

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Griffin	LaRue	03/21/2023	General Tier I	0992 - WW TREAT PLANT LAB

Employer Name: San Joaquin Valley APCD

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Heerling	Jason	06/25/2023	General Tier I	0959 - San Joaquin Valley Air Pollution Control District



**Kern County Employees' Retirement Association
New Retirees- July 1, 2023 to July 31, 2023**

Employer Name: County Of Kern

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Aguilar	Romero	04/23/2023	General Tier I	4120 - Behavioral Health & Reco
Guest	Suzanne	06/20/2023	General Tier I	4120 - Behavioral Health & Reco
Heintz	Irma	06/30/2023	General Tier I	5610 - Aging And Adult Services
Lazcano	Herminia	06/17/2023	General Tier I	1130 - Assessor
Neufeld	Melinda	06/03/2023	General Tier I	1160 - Information Technology Sv
Nilon	Lourdes	01/24/2020	General Tier I	5923 - Employers' Train Resource
Salazar	Dolores	06/03/2023	General Tier I	5120 - Depart Of Human Services
Woods	Robin	12/31/2020	General Tier I	2190 - Public Defender

Employer Name: Kern County Superior Court

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Hartley-Anders	Kim	11/19/2022	General Tier I	9410 - Superior Court

Employer Name: Kern County Hospital Authority

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Ancheta	Cheri	06/17/2023	General Tier II	9460 - Kern County Hospital Authority



**Kern County Employees' Retirement Association
Decedents- June 1, 2023 to June 30, 2023**

Pre-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Marroquin	Jesus	General	County Of Kern

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Alexander	Acel	Safety	County Of Kern
Almaguer	Paula	General	KC Superior Court
Calder	Carolyn	General	County Of Kern
Flanders	Sylvia	General	County Of Kern
Gray	Tommy	General	County Of Kern
Harp	Michael	General	County Of Kern
Haworth	Wynona	General	County Of Kern
Hendricks	Jan	General	County Of Kern
Hicks	Peggy	General	County Of Kern
Hunt	John	General	Kern Mosquito & Vec Cntr
Hurst	Helen	General	County Of Kern
Lansford	Robert	General	County Of Kern
Leathers	Cabrini	Safety	County Of Kern
Thomas	Karen	General	County Of Kern
Vigil	Lupe	General	County Of Kern
Wilde	Valeta	General	County Of Kern
Williams	Oneeta	General	County Of Kern
Zobel	Robert	General	County Of Kern



**Kern County Employees' Retirement Association
Decedents- July 1, 2023 to July 31, 2023**

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Adams	Ruth	General	County Of Kern
Bragg	Ada	General	County Of Kern
Finch	Jack	General	County Of Kern
Forbes	Jack	General	County Of Kern
Mangrum	Antoinette	General	County Of Kern
Mcclure-Davis	Corina	General	County Of Kern
Tyner	Eddie	Safety	County Of Kern
Werts	Larry	General	County Of Kern

KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF JULY 31, 2023

NAME	PLAN SPONSOR/ DEPARTMENT	DATE FILED	DATE OF LAST CONTACT
Stephan, Daren	PUBLIC WORKS	7/7/2023	7/13/2023
Norris, David	SHERIFF	5/26/2023	6/19/2023
NAME	PLAN SPONSOR/ DEPARTMENT	DATE FILED	MMRO ASSIGNED
Meeks, Sandra	BEHAVIORAL HEALTH & RECOVERY SERVICES	5/1/2023	7/18/2023
Fulmer, Evon	DEPARTMENT OF HUMAN SERVICES	4/28/2023	7/18/2023
Muniz, Linda	BEHAVIORAL HEALTH & RECOVERY SERVICES	4/6/2023	6/26/2023
Guivas Smith, Loida	AGING AND ADULT SERVICES	3/8/2023	6/19/2023
Gonzalez-Lopez, Rebecca	DEPARTMENT OF HUMAN SERVICES	3/9/2023	6/19/2023
Romero, Anthony	FIRE	3/10/2023	6/19/2023
Allen, Paul	SHERIFF	2/22/2023	4/25/2023
Mierta, Richard	SHERIFF	2/10/2023	4/25/2023
Harbour, Leslie	SHERIFF	2/9/2023	4/25/2023
Ramirez, Edward	SHERIFF	2/7/2023	4/25/2023
Lock, Ranna	SHERIFF	2/1/2023	4/25/2023
Inman Ferguson, Jill	KERN COUNTY SUPERIOR COURT	1/24/2023	4/10/2023
Monahan, Laura	KERN COUNTY WATER AGENCY	1/3/2023	4/6/2023
Kimbrell, Tamara	SHERIFF	11/29/2022	3/23/2023
Dunlap, James	SHERIFF	11/1/2022	2/8/2023
Perez, Manuelita	PROBATION	10/27/2022	1/17/2023
Schmidt, Mark	FIRE	10/26/2022	3/23/2023
Yanez, Alfred	SHERIFF	10/3/2022	2/10/2022
Morrison, James	SHERIFF	9/14/2022	12/19/2022
Gregory, Dolores	SHERIFF	8/16/2022	12/19/2022
Smith, Clifton	FIRE	8/15/2022	12/19/2022
Cockrell, June	DEPARTMENT OF HUMAN SERVICES	8/11/2022	10/18/2022
Gaetzman, Travis	SHERIFF	8/10/2022	11/22/2022
Hartley-Anders, Kim	KERN COUNTY SUPERIOR COURT	8/9/2022	11/22/2022
Hudson, Richard	SHERIFF	8/8/2022	11/22/2022
Carrillo, Aaron	SHERIFF	7/15/2022	9/30/2022
Rice, Jerry	FIRE	7/7/2022	11/22/2022
Roden, Jim	SHERIFF	6/22/2022	9/30/2022
Rodriguez, Mark	FIRE	6/21/2022	9/1/2022
Fecke, Daniel	KERN COUNTY HOSPITAL AUTHORITY	6/15/2022	9/30/2022
Pena, Armando	PROBATION	5/27/2022	9/19/2022
Hill, Sheldon	SHERIFF	5/27/2022	8/19/2022
Gomez, Armando	INFORMATION TECHNOLOGY SERVICES	4/29/2022	10/14/2022

KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF JULY 31, 2023

NAME	PLAN SPONSOR/ DEPARTMENT	DATE FILED	MMRO ASSIGNED
Cano, Emma	BEHAVIORAL HEALTH AND RECOVERY SERVICES	3/17/2022	8/19/2022
Yohn, Jacob	SHERIFF	11/30/2021	7/21/2022
Fussel, Kathy	KERN COUNTY HOSPITAL AUTHORITY	11/3/2021	2/24/2022
Guandique, Sandra	RISK MANAGEMENT	10/15/2021	3/14/2022
Kauffman, Stephen	DISTRICT ATTORNEY	8/16/2021	4/25/2022
Brannan, Derek	SHERIFF	7/14/2021	11/22/2021
Leon, Theresa	DEPARTMENT OF HUMAN SERVICES	7/7/2021	10/18/2021
Patton, Eric	SHERIFF	6/30/2021	11/22/2021
Candelaria, Valerie	DEPARTMENT OF HUMAN SERVICES	6/23/2021	9/15/2021
Introini, Jessica	SHERIFF	6/18/2021	11/22/2021
Williams, Theron	GENERAL SERVICES	5/12/2021	9/15/2021
Garcia, Judy	KERN COUNTY HOSPITAL AUTHORITY	3/29/2021	10/18/2021
Smith, Thomas Jr.	SHERIFF	3/16/2021	11/8/2021
Brandon, Bradly	SHERIFF	3/4/2021	8/20/2021
Bravo, Enrique	SHERIFF	3/1/2021	8/20/2021
Sanders-Stubblefield, Misty	AGING AND ADULT SERVICES	2/25/2021	8/20/2021
McAdoo, John	SHERIFF	2/24/2021	8/20/2021
Bankston, Josh	SHERIFF	2/9/2021	8/19/2021
Cushman, Harris	SHERIFF	12/22/2020	8/19/2021
Burchfield, James	PUBLIC WORKS	11/17/2020	7/16/2021
Fleeman, Justin	SHERIFF	9/17/2020	2/8/2021
Diffenbaugh, Anthony	FIRE	6/11/2020	4/26/2021
Baker, Breanne	DEPARTMENT OF HUMAN SERVICES	4/2/2020	9/29/2020
Martinez de Moore, Brenda	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	12/10/2018	9/8/2020
Champlin, Timothy	PROBATION	4/25/2018	5/21/2020
Carvel, Scott	DISTRICT ATTORNEY	1/27/2017	11/5/2019

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF JULY 31, 2023**

COMPLETED IN 2023			
NAME	DEPARTMENT	FILED	DATE COMPLETED
Rodriquez, Ted	SHERIFF	6/22/2017	4/12/2023
Coletti, John	SHERIFF	01/30/18	3/8/2023
Hulsey, Jonathan	PROBATION	4/18/2018	4/22/2020
Terry, Leann	SHERIFF	10/17/2019	5/3/2023
Brown, Michael	SHERIFF	4/14/2020	4/12/2023
Tisinger, Douglas	KERN COUNTY WATER AGENCY	10/5/2020	4/12/2023
Carrillo, Mabelle	ANIMAL CONTROL	11/18/2020	4/21/2021
Gardner, Stephen	FIRE	7/19/2021	4/12/2023
Barnes, Mark	SHERIFF	12/3/2021	5/3/2023

**KCERA
DISABILITY RETIREMENT APPLICATION APPEALS PENDING
AS OF JULY 31, 2023**

ADMINISTRATIVE HEARING	DEPARTMENT	DATE FILED	SDAG RECOMMENDATION	APPEAL RECEIVED	HEARING OFFICER ASSIGNED	STATUS
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WRIT OF MANDATE	DEPARTMENT	DATE FILED	BOARD DECISION	PETITION FOR WRIT FILED	STATUS
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COURT OF APPEAL	DEPARTMENT	DATE FILED	BOARD DECISION	PETITION FOR WRIT FILED	JUDGMENT ON WRIT	NOTICE OF APPEAL RECEIVED	STATUS
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HEARINGS COMPLETED IN 2023			
NAME	DEPARTMENT	DATE FILED	DATE COMPLETED
Morgan, Gloria	SHERIFF	03/26/15	02/24/23
Ashley, Mark	SHERIFF	09/03/15	03/10/23

KCERA ASSET ALLOCATION'
5/31/2023

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)
AllianceBernstein	Small Cap Value	79,621	1.5%			
Geneva Capital	Small Cap Growth	49,286	0.9%			
Mellon Capital Management EB DV	Large Cap Passive	502,680	9.6%			
PIMCO StockPlus	Large Cap Enhanced	109,133	2.1%			
Total Domestic Equity		\$740,720	14.1%	19.0%	(4.9%)	(\$256,107)
American Century	International Small	68,798	1.3%			
Cevian Capital II LP	International Large	36,658	0.7%			
Mellon Capital Management-EB DV	International Large Passive	502,165	9.6%			
Total International Developed Equity		\$607,621	11.6%	13.0%	(1.4%)	(\$74,418)
AB Emerging Markets Strategic Core	Emerging Markets	50,734	1.0%			
DFA Emerging Markets Value Portfolio	Emerging Markets	78,029	1.5%			
Mellon Emerging Markets	Emerging Markets	81,231	1.5%			
Total Emerging Market Equity		\$209,994	4.0%	5.0%	(1.0%)	(\$52,329)
TOTAL EQUITY		\$1,558,335	29.7%	37.0%	(7.3%)	(\$382,854)
Mellon Capital Management Ag Bond	Core	161,609	3.1%			
PIMCO CP	Core Plus	164,741	3.1%			
Western Asset Management - CP	Core Plus	121,748	2.3%			
Total Core		\$448,098	8.5%	14.0%	(5.5%)	(\$286,406)
TCW Securitized Opportunities LP	Securitized Opportunities	95,243	1.8%			
Western Asset Management - HY	High Yield	163,318	3.1%			
Total Credit		\$258,561	4.9%	6.0%	(1.1%)	(\$56,226)
PIMCO EM Beta	Emerging Markets	142,518	2.7%			
Stone Harbor Global Funds	Emerging Markets	64,867	1.2%			
Total Emerging Market Debt		\$207,385	4.0%	4.0%	(0.0%)	(\$2,473)
TOTAL FIXED INCOME		\$914,044	17.4%	24.0%	(6.6%)	(\$345,105)
Gresham Commodity Builder Fund	Active	45,895	0.9%			
Wellington Trust Company (WTC)	Active	173,323	3.3%			
TOTAL COMMODITIES		\$219,218	4.2%	4.0%	0.2%	\$9,360
Aristeia International Ltd	Hedge Fund - Direct	70,387	1.3%			
Brevan Howard Fund Limited	Hedge Fund - Direct	55,335	1.1%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	59,883	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	45,062	0.9%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	82,484	1.6%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	46,297	0.9%			
Magnetar Structured Credit Fund	Hedge Fund - Direct	7,427	0.1%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	69,248	1.3%			
Pharo Macro Fund LTD	Hedge Fund - Direct	61,571	1.2%			
Sculptor Enhanced LP (Formerly OZ Domestic)	Hedge Fund - Direct	45,599	0.9%			
TOTAL HEDGE FUND		\$643,293	10.4%	10.0%	0.4%	\$16,647
ASB Capital Management	Core	174,344	3.3%			
JPMCB Strategic Property Fund	Core	140,364	2.7%			
TOTAL CORE REAL ESTATE		\$314,708	6.0%	5.0%	1.0%	\$52,385
Davidson Kempner	Hedge Fund - Direct	55,195	1.1%			
Garda Fixed Income	Hedge Fund - Direct	59,089	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	43,335	0.8%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	60,845	1.2%			
TOTAL CE ALPHA POOL		\$218,464	4.2%	5.0%	(0.8%)	(\$43,859)
Harvest Midstream	Midstream	151,659	2.9%			
PIMCO Midstream	Midstream	145,618	2.8%			
TOTAL MIDSTREAM ENERGY		\$297,277	5.7%	5.0%	0.7%	\$34,954
Aristeia Select Opportunities II LP	Opportunistic	49,762	0.9%			
DB Investor's Fund IV	Opportunistic	22,059	0.4%			
River Birch International Ltd	Opportunistic	6,013	0.1%			
Sixth Street IAO Partners (D)	Opportunistic	90,201	1.7%			
TOTAL OPPORTUNISTIC		\$168,035	3.2%	0.0%	3.2%	\$168,035
Abbott Capital Funds	Private Equity Fund of Funds	17,231	0.3%			
Brighton Park Capital Fund I	Private Equity	35,935	0.7%			
Brighton Park Capital Fund II	Private Equity	2,653	0.1%			
Level Equity Growth Partners	Private Equity	8,795	0.2%			
LGT Crown Global	Private Equity	26,128	0.5%			
Linden Capital Partners	Private Equity	9,533	0.2%			
Pantheon Funds	Private Equity Fund of Funds	8,465	0.2%			
Peak Rock	Private Equity	11,697	0.2%			
OrbiMed Private Investments IX	Private Equity	428	0.0%			
Rubicon Technology Partners IV	Private Equity	2,935	0.1%			
Vista Foundation Fund IV	Private Equity	18,058	0.3%			
Warren Equity Partners Fund III and Fund IV	Private Equity	37,081	0.7%			
TOTAL PRIVATE EQUITY		\$178,939	3.4%	5.0%	(1.6%)	(\$83,384)
Blue Torch Credit Opportunities II	Private Credit	17,858	0.3%			
Blue Torch Credit Opportunities Fund III	Private Credit	7,848	0.1%			
Brookfield Real Estate Finance Fund V	Private Credit	17,233	0.3%			
Colony Distressed Credit Fund	Private Credit	18,527	0.4%			
Fortress Credit Opportunities Fund V	Private Credit	15,508	0.3%			
Fortress Lending Fund II (A)	Private Credit	28,888	0.6%			
Fortress Lending Fund III (A)	Private Credit	23,829	0.5%			
H.I.G Bayside Loan Opportunity Fund	Private Credit	44,306	0.8%			
Magnetar Constellation Fund V	Private Credit	28,931	0.6%			
OrbiMed Royalty & Credit Opportunities IV	Private Credit	5,984	0.1%			
Sixth Street IAO Partners (B)	Private Credit	39,398	0.8%			
TOTAL PRIVATE CREDIT		\$248,310	4.7%	5.0%	(0.3%)	(\$14,013)
Covenant Apartment Fund X	Private Real Estate	31,128	0.6%			
Covenant Apartment Fund XI	Private Real Estate	9,823	0.2%			
Invesco Real Estate Funds III & IV	Private Real Estate	946	0.0%			
KCERA Property	Private Real Estate	4,629	0.1%			
KSL Capital Partners VI, LP and ITS Parallel Funds	Private Real Estate	2,016	0.0%			
LBA Logistics Value Fund IX	Private Real Estate	10,288	0.2%			
Landmark Real Estate Partners VIII	Private Real Estate	32,851	0.6%			
Long Wharf Real Estate Partners VI	Private Real Estate	33,684	0.6%			
Singerman Real Estate Opportunity Fund IV	Private Real Estate	8,813	0.2%			
TOTAL PRIVATE REAL ESTATE		\$134,178	2.6%	5.0%	(2.4%)	(\$128,145)
Northern Trust STIF	Short Term	125,293	2.4%			
BlackRock Short Duration	Short Term	179,278	3.4%			
Parametric	Overlay	92,927	1.8%			
Treasurers Pooled Cash	Short Term	52,614	1.0%			
Wells Fargo Bank	Short Term	1,246	0.0%			
TOTAL CASH AND OVERLAY		\$451,358	8.6%	-5.0%	13.6%	\$713,681
Transition Accounts	Liquidation	297	0.0%			
Other		\$297	0.0%	0.0%	0.0%	\$297
As Allocated to Managers **		\$5,246,456	100.0%	100.0%	(0.0%)	(\$0)

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement April 2022.

**Physical securities market value only. Does not include notional market values of the overlay or capital efficiency program

KCERA
CASH FLOW POSITION
May, 2023
TREASURERS POOLED CASH

Beginning Cash Balance:		\$	13,012,276
Employer Contributions	35,620,090		
Employee Contributions	5,105,136		
Service Purchases	261,158		
Miscellaneous	108,562		
Total Receipts:			41,094,945
Operating Expenses	(799,365)		
Investment Expenses	(694,132)		
Transfers-out			
Total Disbursements:			<u>(1,493,497)</u>
Ending Cash Balance:			<u><u>52,613,724</u></u>

NORTHERN TRUST

Beginning Cash Balance:		\$	198,412,197
Private Markets - Distributions	5,570,133		
Commingled Funds - Distributions	1,986,399		
Hedge Funds - Distributions	920,492		
Dividend and Interest Income	1,214,689		
Tax Recovery	2,387		
Class Action Proceeds	28		
Interest	861,315		
Securities Lending Earnings (NET)	144		
Total Receipts:			10,555,587
Capital Calls Orbimed	(1,483,980)		
Capital Calls LBA Logistics	(3,076,923)		
Capital Calls Linden	(1,875,568)		
Capital Calls Warren Equity	(2,820,069)		
Capital Calls Landmark	(2,241,028)		
Capital Calls Brighton Park	(1,256,602)		
Capital Calls Peak Rock	(210,749)		
Contribution Wellington	(35,000,000)		
Other Expenses	(16,986)		
Transfers-out	(37,000,000)		
Total Disbursements:			<u>(84,981,905)</u>
Ending Cash Balance:		\$	<u><u>123,985,879</u></u>

**KCERA
CASH FLOW POSITION
May, 2023**

WELLS FARGO BANK

Beginning Cash Balance		\$ 333,147
Transfer In Northern Trust	37,000,000	
Transfer In TPC - County	-	
ACH Returns / Deletes	9,810	
Total Receipts:		37,009,810
ACH Benefit Payments	(31,379,736)	
Total Checks Paid	(254,822)	
Taxes Withholding Deposits	(4,462,323)	
Bank Services	(568)	
Total Disbursements:		(36,097,449)
WFB ending Balance		<u>\$ 1,245,508</u>

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED MAY, 2023**

Description	July	August	September	October	November	December	January	February	March	April	May	Total
Investment Base Fees:												
Domestic Equity:												
AllianceBernstein				136,722.65			150,695.87			150,378.71		437,797.23
Henderson Geneva Capital				88,266.00				89,299.00			94,055.00	271,620.00
Mellon Capital				52,344.44			60,651.70			63,266.65		176,262.79
International Equity:												
BlackRock							67,463.92	72,897.90				140,361.82
Fixed Income:												
Mellon Capital (Ag Bond)				10,917.00			11,042.85			10,999.88		32,959.73
Pacific Investment Management Company		280,932.77			279,097.65			483,950.46			300,064.68	1,344,045.56
Western Asset Management		210,204.72			197,600.56		162,994.65				166,297.09	737,097.02
Commodities:												
Wellington Trust Company								324,021.78	431,339.47			755,361.25
Real Estate:												
ASB Capital Management		374,856.86			383,045.97			364,535.70				1,122,438.53
Midstream Energy:												
Harvest Midstream				366,080.72			335,618.05			284,573.98		986,272.75
Overlay												
Parametric		67,965.00			77,590.00			62,394.00			71,148.00	279,097.00
Subtotal	0.00	933,959.35	0.00	654,330.81	937,334.18	0.00	788,467.04	1,397,098.84	431,339.47	509,219.22	631,564.77	6,283,313.68
Investment Professional Fees:												
Consulting:												
Abel Noser			7,500.00			7,500.00	7,500.00				7,875.00	30,375.00
Albourne America LLC		33,333.33	33,333.33	33,333.33		46,283.33	33,333.33	33,333.33	33,333.33	33,333.33		279,616.64
Cambridge Associates				187,500.00		187,500.00				187,500.00		562,500.00
Verus		34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	341,666.70
Consulting - Other Expenses							9,360.00					9,360.00
Custodial:												
The Northern Trust Co.			120,000.00					120,000.00	120,000.00			360,000.00
Legal:												
Foley & Lardner LLP												0.00
Hanson Bridgett LLP												0.00
Nossaman LLP	25,980.00						22,500.00	12,778.50			20,000.00	81,258.50
Due Diligence / Investment-Related Travel:									198.85		525.42	
Subtotal	25,980.00	67,500.00	195,000.00	255,000.00	34,166.67	275,450.00	106,860.00	200,278.50	375,198.85	67,500.00	62,567.09	1,665,501.11
Total Investment Fees	25,980.00	1,001,459.35	195,000.00	909,330.81	971,500.85	275,450.00	895,327.04	1,597,377.34	806,538.32	576,719.22	694,131.86	7,948,814.79

KCERA
Operating Expense Budget Status Report
For the Month Ended May 31, 2023

Expense Type	Budget FY 2022/23	Expenses	Over (Under)
Staffing			
Salaries	3,724,357.00	\$2,919,052.06	(805,304.94)
Benefits	2,410,676.00	1,679,128.52	(731,547.48)
Staffing Total	6,135,033.00	4,598,180.58	(1,536,852.42)
Staff Development			
Education & Professional Development	90,000.00	\$83,757.37	(6,242.63)
Staff Appreciation	3,000.00	2,455.63	(544.37)
Staff Development Total	93,000.00	86,213.00	(6,787.00)
Professional Fees			
Actuarial fees	140,000.00	30,623.00	(109,377.00)
Audit fees	50,500.00	42,000.00	(8,500.00)
Consultant fees	115,000.00	\$46,909.00	(68,091.00)
Legal fees	80,000.00	66,235.04	(13,764.96)
Professional Fees Total	385,500.00	185,767.04	(199,732.96)
Office Expenses			
Building expenses	115,000.00	98,089.76	(16,910.24)
Communications	52,770.00	24,422.11	(28,347.89)
Equipment lease	9,600.00	8,349.83	(1,250.17)
Equipment maintenance	7,178.00	2,000.00	(5,178.00)
Memberships	20,000.00	8,220.00	(11,780.00)
Office supplies & misc. admin.	68,300.00	\$30,489.87	(37,810.13)
Payroll & accounts payable fees	27,800.00	\$18,117.20	(9,682.80)
Other Services - Kern County	40,000.00	\$2,476.97	(37,523.03)
Postage	20,000.00	\$17,816.25	(2,183.75)
Subscriptions	13,733.00	11,495.00	(2,238.00)
Utilities	30,000.00	42,791.14	12,791.14
Office Expense Total	404,381.00	264,268.13	(140,112.87)
Insurance	160,595.00	162,795.00	2,200.00
Member Services			
Disability - legal fees	10,000.00	-	(10,000.00)
Disability - professional services	20,000.00	-	(20,000.00)
Disability - administration MMRO	140,000.00	47,375.00	(92,625.00)
Member communications	20,000.00	\$12,215.42	(7,784.58)
Member Services Total	190,000.00	59,590.42	(130,409.58)
Systems			
Audit – security & vulnerability scan	15,000.00	13,750.00	(1,250.00)
Business continuity expenses	23,850.00	16,934.33	(6,915.67)
Hardware	48,453.00	25,849.82	(22,603.18)
Licensing & support	148,413.00	138,113.27	(10,299.73)
Software	164,229.00	132,572.13	(31,656.87)
Website design & hosting	85,695.00	12,603.97	(73,091.03)
Systems Total	485,640.00	339,823.52	(145,816.48)
Board of Retirement			
Board compensation	12,000.00	6,500.00	(5,500.00)
Board conferences & training	50,000.00	36,554.25	(13,445.75)
Board elections	50,000.00	-	(50,000.00)
Board meetings	5,000.00	2,980.93	(2,019.07)
Board of Retirement Total	117,000.00	46,035.18	(70,964.82)
Depreciation / Amortization	666,471.00	595,701.48	(70,769.52)
Total Operating Expenses	8,637,620.00	6,338,374.35	(2,299,245.65)

KCERA ASSET ALLOCATION'
6/30/2023

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)
AllianceBernstein	Small Cap Value	86,479	1.6%			
Geneva Capital	Small Cap Growth	52,890	1.0%			
Mellon Capital Management EB DV	Large Cap Passive	535,891	10.0%			
PIMCO StockPlus	Large Cap Enhanced	116,373	2.2%			
Total Domestic Equity		\$791,633	14.8%	19.0%	(4.2%)	(\$27,820)
American Century	International Small	70,989	1.3%			
Cevian Capital II LP	International Large	38,875	0.7%			
Mellon Capital Management-EB DV	International Large Passive	526,403	9.8%			
Total International Developed Equity		\$636,267	11.9%	13.0%	(1.1%)	(\$61,254)
AB Emerging Markets Strategic Core	Emerging Markets	53,148	1.0%			
DFA Emerging Markets Value Portfolio	Emerging Markets	81,560	1.5%			
Mellon Emerging Markets	Emerging Markets	84,300	1.6%			
Total Emerging Market Equity		\$219,008	4.1%	5.0%	(0.9%)	(\$49,269)
TOTAL EQUITY		\$1,646,908	30.7%	37.0%	(6.3%)	(\$338,343)
Mellon Capital Management Ag Bond	Core	161,045	3.0%			
PIMCO CP	Core Plus	164,313	3.1%			
Western Asset Management - CP	Core Plus	122,009	2.3%			
Total Core		\$447,367	8.3%	14.0%	(5.7%)	(\$303,809)
TCW Securitized Opportunities LP	Securitized Opportunities	95,423	1.8%			
Western Asset Management - HY	High Yield	165,451	3.1%			
Total Credit		\$260,874	4.9%	6.0%	(1.1%)	(\$61,059)
PIMCO EM Beta	Emerging Markets	147,719	2.8%			
Stone Harbor Global Funds	Emerging Markets	65,594	1.2%			
Total Emerging Market Debt		\$213,313	4.0%	4.0%	(0.0%)	(\$1,309)
TOTAL FIXED INCOME		\$921,554	17.2%	24.0%	(6.8%)	(\$366,176)
Gresham Commodity Builder Fund	Active	46,243	0.9%			
Wellington Trust Company (WTC)	Active	179,947	3.4%			
TOTAL COMMODITIES		\$228,190	4.3%	4.0%	0.3%	\$13,568
Aristeia International Ltd	Hedge Fund - Direct	70,948	1.3%			
Brevan Howard Fund Limited	Hedge Fund - Direct	54,458	1.0%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	60,141	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	44,507	0.8%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	82,788	1.5%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	46,378	0.9%			
Magnetar Structured Credit Fund	Hedge Fund - Direct	7,447	0.1%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	71,394	1.3%			
Pharo Macro Fund LTD	Hedge Fund - Direct	61,840	1.2%			
Sculptor Enhanced LP (Formerly OZ Domestic)	Hedge Fund - Direct	45,599	0.8%			
TOTAL HEDGE FUND		\$645,500	10.2%	10.0%	0.2%	\$8,946
ASB Capital Management	Core	174,344	3.2%			
JPMCB Strategic Property Fund	Core	140,006	2.6%			
TOTAL CORE REAL ESTATE		\$314,350	5.9%	5.0%	0.9%	\$46,073
Davidson Kempner	Hedge Fund - Direct	54,899	1.0%			
Garda Fixed Income	Hedge Fund - Direct	59,274	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	43,335	0.8%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	60,845	1.1%			
TOTAL CE ALPHA POOL		\$218,353	4.1%	5.0%	(0.9%)	(\$49,924)
Harvest Midstream	Midstream	156,862	2.9%			
PIMCO Midstream	Midstream	151,768	2.8%			
TOTAL MIDSTREAM ENERGY		\$308,630	5.8%	5.0%	0.8%	\$40,353
Aristeia Select Opportunities II LP	Opportunistic	49,688	0.9%			
DB Investor's Fund IV	Opportunistic	23,394	0.4%			
River Birch International Ltd	Opportunistic	6,013	0.1%			
Sixth Street IAO Partners (D)	Opportunistic	90,734	1.7%			
TOTAL OPPORTUNISTIC		\$169,829	3.2%	0.0%	3.2%	\$169,829
Abbott Capital Funds	Private Equity Fund of Funds	17,490	0.3%			
Brighton Park Capital Fund I	Private Equity	35,935	0.7%			
Brighton Park Capital Fund II	Private Equity	2,653	0.0%			
Level Equity Growth Partners	Private Equity	12,026	0.2%			
LGT Crown Global	Private Equity	25,904	0.5%			
Linden Capital Partners	Private Equity	11,539	0.2%			
Pantheon Funds	Private Equity Fund of Funds	8,225	0.2%			
Peak Rock	Private Equity	11,697	0.2%			
OrbiMed Private Investments IX	Private Equity	320	0.0%			
Rubicon Technology Partners IV	Private Equity	2,935	0.1%			
Vista Foundation Fund IV	Private Equity	18,058	0.3%			
Warren Equity Partners Fund III and Fund IV	Private Equity	37,081	0.7%			
TOTAL PRIVATE EQUITY		\$183,863	3.4%	5.0%	(1.6%)	(\$84,414)
Blue Torch Credit Opportunities II	Private Credit	16,313	0.3%			
Blue Torch Credit Opportunities Fund III	Private Credit	7,848	0.1%			
Brookfield Real Estate Finance Fund V	Private Credit	16,662	0.3%			
Colony Distressed Credit Fund	Private Credit	18,527	0.3%			
Fortress Credit Opportunities Fund V	Private Credit	15,508	0.3%			
Fortress Lending Fund II (A)	Private Credit	28,474	0.5%			
Fortress Lending Fund III (A)	Private Credit	23,829	0.4%			
H.I.G Bayside Loan Opportunity Fund	Private Credit	43,313	0.8%			
Magnetar Constellation Fund V	Private Credit	28,813	0.5%			
OrbiMed Royalty & Credit Opportunities IV	Private Credit	5,984	0.1%			
Sixth Street IAO Partners (B)	Private Credit	40,367	0.8%			
TOTAL PRIVATE CREDIT		\$245,638	4.6%	5.0%	(0.4%)	(\$22,639)
Covenant Apartment Fund X	Private Real Estate	31,128	0.6%			
Covenant Apartment Fund XI	Private Real Estate	9,823	0.2%			
Invesco Real Estate Funds III & IV	Private Real Estate	946	0.0%			
KCERA Property	Private Real Estate	4,629	0.1%			
KSL Capital Partners VI, LP and ITS Parallel Funds	Private Real Estate	1,953	0.0%			
LBA Logistics Value Fund IX	Private Real Estate	10,288	0.2%			
Landmark Real Estate Partners VIII	Private Real Estate	32,016	0.6%			
Long Wharf Real Estate Partners VI	Private Real Estate	34,525	0.6%			
Singerman Real Estate Opportunity Fund IV	Private Real Estate	8,813	0.2%			
TOTAL PRIVATE REAL ESTATE		\$134,121	2.5%	5.0%	(2.5%)	(\$134,156)
Northern Trust STIF	Short Term	157,384	2.9%			
BlackRock Short Duration	Short Term	180,389	3.4%			
Parametric	Overlay	92,293	1.7%			
Treasurers Pooled Cash	Short Term	15,830	0.3%			
Wells Fargo Bank	Short Term	2,394	0.0%			
TOTAL CASH AND OVERLAY		\$448,290	8.4%	-5.0%	13.4%	\$716,567
Transition Accounts	Liquidation	318	0.0%			
Other		\$318	0.0%	0.0%	0.0%	\$318
As Allocated to Managers **		\$5,365,543	100.0%	100.0%	(0.0%)	(\$0)

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement April 2022.

**Physical securities market value only. Does not include notional market values of the overlay or capital efficiency program

**KCERA
CASH FLOW POSITION
JUNE, 2023
TREASURERS POOLED CASH**

Beginning Cash Balance:		\$	52,613,724
Employer Contributions	28,404,247		
Employee Contributions	4,163,952		
Service Purchases	93,983		
Miscellaneous	2,326		
Total Receipts:			32,664,508
Operating Expenses	(544,808)		
Investment Expenses	(903,883)		
Transfers-out	(68,000,000)		
Total Disbursements:			<u>(69,448,691)</u>
Ending Cash Balance:			<u><u>15,829,541</u></u>

NORTHERN TRUST

Beginning Cash Balance:		\$	123,985,879
Private Markets - Distributions	4,146,686		
Commingled Funds - Distributions	3,610		
Hedge Funds - Distributions	103		
Transfer from County TPC account	35,000,000		
Dividend and Interest Income	4,738,079		
Interest	843,191		
Total Receipts:			44,731,669
Capital Calls Linden	(2,262,173)		
Capital Calls Sixth Street	(1,500,817)		
Capital Calls Long Wharf	(1,209,118)		
Capital Calls Level Equity	(3,431,869)		
Other Expenses	(16,145)		
Transfers-out	(4,000,000)		
Total Disbursements:			<u>(12,420,122)</u>
Ending Cash Balance:		\$	<u><u>156,297,426</u></u>

**KCERA
CASH FLOW POSITION
JUNE, 2023**

WELLS FARGO BANK

Beginning Cash Balance		\$ 1,245,508
Transfer In Northern Trust	4,000,000	
Transfer In TPC - County	33,000,000	
ACH Returns / Deletes	40,337	
Total Receipts:		37,040,337
ACH Benefit Payments	(30,917,314)	
Total Checks Paid	(584,686)	
Taxes Withholding Deposits	(4,388,800)	
Bank Services	(830)	
Total Disbursements:		(35,891,629)
WFB ending Balance		<u>\$ 2,394,215</u>

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED JUNE, 2023**

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Investment Base Fees:													
Domestic Equity:													
AllianceBernstein				136,722.65			150,695.87			150,378.71			437,797.23
Henderson Geneva Capital				88,266.00				89,299.00			94,055.00		271,620.00
Mellon Capital				52,344.44			60,651.70			63,266.65			176,262.79
International Equity:													
BlackRock							67,463.92	72,897.90					140,361.82
Fixed Income:													
Mellon Capital (Ag Bond)				10,917.00			11,042.85			10,999.88			32,959.73
Pacific Investment Management Company		280,932.77			279,097.65			483,950.46			300,064.68		1,344,045.56
Western Asset Management		210,204.72			197,600.56		162,994.65				166,297.09		737,097.02
Commodities:													
Wellington Trust Company								324,021.78	431,339.47			151,509.99	906,871.24
Real Estate:													
ASB Capital Management		374,856.86			383,045.97			364,535.70				342,338.92	1,464,777.45
Midstream Energy:													
Harvest Midstream				366,080.72			335,618.05			284,573.98			986,272.75
Overlay													
Parametric		67,965.00			77,590.00			62,394.00			71,148.00		279,097.00
Subtotal	0.00	933,959.35	0.00	654,330.81	937,334.18	0.00	788,467.04	1,397,098.84	431,339.47	509,219.22	631,564.77	493,848.91	6,777,162.59
Investment Professional Fees:													
Consulting:													
Abel Noser			7,500.00			7,500.00	7,500.00				7,875.00	7,875.00	38,250.00
Albome America LLC		33,333.33	33,333.33	33,333.33		46,283.33	33,333.33	33,333.33	33,333.33	33,333.33		66,666.66	346,283.30
Cambridge Associates				187,500.00		187,500.00			187,500.00			187,500.00	750,000.00
Verus		34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	341,666.70
Consulting - Other Expenses							9,360.00						9,360.00
Custodial:													
The Northern Trust Co.			120,000.00					120,000.00	120,000.00			140,708.33	500,708.33
Legal:													
Foley & Lardner LLP													0.00
Hanson Bridgett LLP													0.00
Nossaman LLP	25,980.00						22,500.00	12,778.50			20,000.00		81,258.50
Due Diligence / Investment-Related Travel:									198.85		525.42	7,284.20	
Subtotal	25,980.00	67,500.00	195,000.00	255,000.00	34,166.67	275,450.00	106,860.00	200,278.50	375,198.85	67,500.00	62,567.09	410,034.19	2,075,535.30
Total Investment Fees	25,980.00	1,001,459.35	195,000.00	909,330.81	971,500.85	275,450.00	895,327.04	1,597,377.34	806,538.32	576,719.22	694,131.86	903,883.10	8,852,697.89

KCERA
Operating Expense Budget Status Report
For the Month Ended June 30, 2023

Expense Type	Budget FY 2022/23	Expenses	Over (Under)
Staffing			
Salaries	3,724,357.00	\$3,190,326.73	(534,030.27)
Benefits	2,410,676.00	1,828,674.60	(582,001.40)
Staffing Total	6,135,033.00	5,019,001.33	(1,116,031.67)
Staff Development			
Education & Professional Development	90,000.00	\$88,126.21	(1,873.79)
Staff Appreciation	3,000.00	2,581.88	(418.12)
Staff Development Total	93,000.00	90,708.09	(2,291.91)
Professional Fees			
Actuarial fees	140,000.00	30,623.00	(109,377.00)
Audit fees	50,500.00	42,000.00	(8,500.00)
Consultant fees	115,000.00	\$46,909.00	(68,091.00)
Legal fees	80,000.00	70,903.62	(9,096.38)
Professional Fees Total	385,500.00	190,435.62	(195,064.38)
Office Expenses			
Building expenses	115,000.00	106,934.78	(8,065.22)
Communications	52,770.00	26,634.53	(26,135.47)
Equipment lease	9,600.00	9,711.89	111.89
Equipment maintenance	7,178.00	2,000.00	(5,178.00)
Memberships	20,000.00	13,720.00	(6,280.00)
Office supplies & misc. admin.	68,300.00	\$35,291.37	(33,008.63)
Payroll & accounts payable fees	27,800.00	\$24,967.27	(2,832.73)
Other Services - Kern County	40,000.00	\$2,476.97	(37,523.03)
Postage	20,000.00	\$19,688.44	(311.56)
Subscriptions	13,733.00	13,483.82	(249.18)
Utilities	30,000.00	50,320.49	20,320.49
Office Expense Total	404,381.00	305,229.56	(99,151.44)
Insurance	160,595.00	162,795.00	2,200.00
Member Services			
Disability - legal fees	10,000.00	-	(10,000.00)
Disability - professional services	20,000.00	-	(20,000.00)
Disability - administration MMRO	140,000.00	117,475.00	(22,525.00)
Member communications	20,000.00	\$12,728.08	(7,271.92)
Member Services Total	190,000.00	130,203.08	(59,796.92)
Systems			
Audit – security & vulnerability scan	15,000.00	13,750.00	(1,250.00)
Business continuity expenses	23,850.00	16,934.33	(6,915.67)
Hardware	48,453.00	31,803.41	(16,649.59)
Licensing & support	148,413.00	141,700.92	(6,712.08)
Software	164,229.00	\$153,634.60	(10,594.40)
Website design & hosting	85,695.00	13,703.97	(71,991.03)
Systems Total	485,640.00	371,527.23	(114,112.77)
Board of Retirement			
Board compensation	12,000.00	7,100.00	(4,900.00)
Board conferences & training	50,000.00	37,458.39	(12,541.61)
Board elections	50,000.00	-	(50,000.00)
Board meetings	5,000.00	4,014.94	(985.06)
Board of Retirement Total	117,000.00	48,573.33	(68,426.67)
Depreciation / Amortization	666,471.00	650,431.05	(16,039.95)
Total Operating Expenses	8,637,620.00	6,968,904.29	(1,668,715.71)

◆ Class Action Activity Detail by Event Name

Class Action Name	Event Status	Event Status As Of	Class Start Class End	Filing Deadline	Objection/ Exclusion Deadline	Claims Admin Name	Web Address		
CARDINAL HEALTH, INC. (2019)	FILED	11 Jul 23	27 Feb 15 31 Jul 18	24 Jul 23	21 Aug 23 21 Aug 23	Gilardi & Co.	cardinalhealthsecuritiessettlement.com		
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed	
			2671873	ZZKNCTY-T. ROWE PRICE -SL	11 Jul 23 FILED				
			2671874	ZZKNCTY-PANAGORA -SL	11 Jul 23 FILED				
GLENCORE*PLC - UK*ESG*AUM-WOODS FOXWMS	NOTIFIED	06 Jul 23	31 Dec 10 30 Jun 20	28 Jul 23		Fox Williams/Woodsford Litigation Funder	www.woodsfordlitigationfunding.com/		
	INFORMATIONAL ONLY								
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed	
			KNC05	KNCTY-JP MORGAN FLEMING ASSET	06 Jul 23 INFORMATIONAL ONLY				
NIELSEN HOLDINGS PLC * (S.D.N.Y.)	DISBURSING	06 Jul 23	10 Feb 16 23 Oct 18	15 Jul 22	29 Jun 22 29 Jun 22	Epiq Global Inc	www.nielsen securitiessettlement.com		
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed	
			KNC13	KNCTY-SGA	06 Jul 23 PAID	KNC13 KNCTY-SGA	5,360.50 USD	1 CASH	06 Jul 23

◆ Class Action Activity Detail by Event Name

Class Action Name	Event Status	Event Status As Of	Class Start Class End	Filing Deadline	Objection/ Exclusion Deadline	Claims Admin Name	Web Address	
SYNCHRONOSS TECHNOLOGIES, INC. (2017)	DISBURSING	05 Jul 23	27 Oct 14 11 Sep 17	06 Jan 22	17 Nov 21 17 Nov 21	Epiq Global, Inc.	www.synchronosssettlement.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			13 Jul 22 NO LOSS					
VALEANT PHARMACEUTICALS INTL INC. (2015)	DISBURSING	20 Jul 23	03 Jan 13 02 Sep 16	06 May 20	06 May 20 06 May 20	Gilardi	www.ValeantSecuritiesSettlement.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			28 Nov 22 NO LOSS					
			20 Jul 23 PAID	KNC08	KNCTY-WESTERN ASSET MGMT CO HY	15,154.79 USD	1 CASH	20 Jul 23

Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

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Class Action Proceeds by Account


Account Paid	Account Paid Name	Class Action Name	Gross Amount Paid	Net Amount Paid	Service Charge	Processing Charge	Currency	Date Distributed
2608468	KNCTY-CASH ACCOUNT	CONSTANT CONTACT INC (D. MASS.)	26.36	26.36	0.00	0.00	USD	02 May 23
2608468	KNCTY-CASH ACCOUNT	THE BANK OF NEW YORK MELLON	1.75	1.75	0.00	0.00	USD	12 May 23
2608468	KNCTY-CASH ACCOUNT	VALUECLICK, INC.	123.38	123.38	0.00	0.00	USD	19 Apr 23
Sub Total	2608468	and Currency USD	151.49	151.49	0.00	0.00		
KNC05	KNCTY-JP MORGAN FLEMING	THE BANK OF NEW YORK MELLON	18.22	18.22	0.00	0.00	USD	12 May 23
Sub Total	KNC05	and Currency USD	18.22	18.22	0.00	0.00		
KNC08	KNCTY-WESTERN ASSET MGMT	NAVIENT CORPORATION (2016)	644.63	644.63	0.00	0.00	USD	08 Jun 23
Sub Total	KNC08	and Currency USD	644.63	644.63	0.00	0.00		

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Date: August 09, 2023

To: Trustees, Board of Retirement

From: Dominic D. Brown, Executive Director 

Subject: Report on Errors in Benefit Payments

As required in the Correction of Errors in Benefit Payments Principles, Policy and Procedures, every reasonable effort is made to collect the amount of payments in excess of what members are entitled to receive. KCERA will abandon claims for collection of overpaid benefits only if it concludes that settlement is not possible and pursuing the claim is not appropriate under the circumstances. When KCERA has underpaid benefits, the member shall be entitled to both the correction of the underpayment prospectively and a retroactive lump-sum payment plus interest.

An underpayment in the amount of \$9,129.47 (including interest) was made to five members during the past six months. Accordingly, it is recommended the Board receive and file this report.

MEMBERS UNDERPAID						
#	NAME	EXPLANATION	DATE CORRECTED	PRINCIPAL UNDERPAID	INTEREST	PAID
1	Melissa Gum	This member was entitled to a retro payment regarding the Alameda decision; this retro was to be paid out early 2022. This member's retro was not paid out until January 2023.	1/31/2023	\$ 2,091.11	\$ 154.35	\$ 2,245.46
2	Thomus Stalnaker	This member receives a supplemental benefit due to an NSCD to make up for the decrease in pay from changing jobs. Their old job's base salary increased July 2022 but the supplemental payment was not adjusted until May 2023.	5/31/2023	\$ 2,505.94	\$ -	\$ 2,505.94
3	James Morrison	On October 12, 2022 the BOR approved pay codes PJ and PK as pensionable for Legacy members and therefore this member's benefit payment increased after taking those additional pay codes into account causing a retro payment to be paid.	6/30/2023	\$ 1,154.13	\$ -	\$ 1,154.13
4	Jeffery Brockett	On October 12, 2022 the BOR approved pay codes PJ and PK as pensionable for Legacy members and therefore this member's benefit payment increased after taking those additional pay codes into account causing a retro payment to be paid.	6/30/2023	\$ 1,232.34	\$ -	\$ 1,232.34
5	Juan Trevino	On October 12, 2022 the BOR approved pay codes PJ and PK as pensionable for Legacy members and therefore this member's benefit payment increased after taking those additional pay codes into account causing a retro payment to be paid.	6/30/2023	\$ 1,991.60	\$ -	\$ 1,991.60
TOTALS				\$ 8,975.12	\$ 154.35	\$ 9,129.47



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: August 9, 2023

To: Trustees, Board of Retirement

From: Dominic D. Brown, Chief Executive Officer 

Subject: **Report on Errors in Member Contributions**

As required in the Correction of Errors in Member Contribution Principles, Policy and Procedures, every reasonable and prompt effort is made to recover the amount of any underpayment of contributions and to remit the amount of any overpayment of contributions. KCERA will abandon claims for collection of underpaid contributions only if it concludes that settlement is not possible and pursuing the claim is not appropriate under the circumstances. When a member has overpaid contributions, the member shall be entitled to both the correction of the overpayment and, if applicable, appropriate interest.

Below you will find a list of members who have had an overpayment of contributions resolved during the past six months. In addition, you will find a list of members who had an underpayment of contributions to KCERA, in which the repayment was resolved during the past six months. Accordingly, it is recommended the Board receive and file this report.

Attachment A

<u>Member</u>	<u>Amount</u>	<u>Corrective Action</u>	<u>Reason for Correction</u>
xxxxx4335	\$2,122.03	Refund	Percent time adjustment
xxxxx3196	\$2,721.86	Refund	Percent time adjustment
xxxxx0812	\$5,347.22	Collected	Erroneous 5 year stop

JEANINE ADAMS (Education Cycle: December 2021-November 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Trustee Orientation	1/14/22	Bakersfield, CA	X	2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Disability Training	3/3/22	Bakersfield, CA	X	1.5
CALAPRS: General Assembly	3/5-8/22	San Diego, CA		8
CALAPRS: Ethics Training	3/6/22	San Diego, CA		2
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
CALAPRS: Special Trustees Roundtable	4/29/22	Virtual		4.5
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		8.5
SACRS: Sexual Harrasment Prevention Training	5/10/22	Rancho Mirage, CA		2
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Trustee Orientation: Session 2	6/16/22	Bakersfield, CA	X	1
SACRS: UC Berkeley Program	7/17-20/22	Berkeley, CA		27
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.88
ValueEdge Public Pension Funds Forum	9/6-8/22	Laguna Beach, CA		11
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Cybersecurity	10/12/22	Bakersfield, CA	X	1
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
CALAPRS: Trustee Roundtable	10/28/22	Virtual		4
AB 2449	11/2/22	Bakersfield, CA	X	0.46
SACRS Fall Conference	11/8-11/22	Long Beach, CA		7
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
AB 2449	2/8/23	Bakersfield, CA	X	0.53
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
CALAPRS: Trustee Roundtable	5/5/23	Virtual		4
SACRS Spring Conference	5/9/23-5/12/23	San Diego, CA		10.5
Total Hours of Education				104.5

DUSTIN CONTRERAS (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Trustee Orientation	1/14/22	Bakersfield, CA	X	2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Disability Training	3/3/22	Bakersfield, CA	X	1.5
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Trustee Orientation: Session 2	6/16/22	Bakersfield, CA	X	1
Sexual Harrassment Prevention Training	6/20/22	Virtual		2
SACRS UC Berkeley Program	7/17-20/22	Berkeley, CA		27
CALARPS Principles of Pension Governance	8/29-9/1/22	Tiburon, CA		20.75
CALAPRS: Ethics training	9/1/22	Tiburon, CA		2
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Cybersecurity	10/12/22	Bakersfield, CA	X	1
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
AB 2449	11/2/22	Bakersfield, CA	X	0.46
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
AB 2449	2/8/23	Bakersfield, CA	X	0.53
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
CALAPRS Advanced Principles for Trustees	3/29 - 31/23	Los Angeles, CA		14
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				79.87

DAVID COUCH (Education Cycle: January 2022-December 2023)

Conference Name	Date	Location	KCERA Training	Hours of Education
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		3
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.88
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Cybersecurity	10/12/22	Bakersfield, CA	X	1
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
AB 2449	11/2/22	Bakersfield, CA	X	0.46
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
AB 2449	2/8/23	Bakersfield, CA	x	0.53
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
SACRS Spring Conference	5/9/23-5/12/23	San Diego, CA		7
Ethics Training	4/27/23	Bakersfield, CA		2
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				24.08

PHIL FRANEY (Education Cycle: January 2023-December 2024)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
AB 2449	2/8/23	Bakersfield, CA	x	0.53
AB 2449 continued Education	2/28/23	Bakersfield, CA	x	0.37
CALAPRS: General Assembly	3/5-7/2023	Monterey, CA		7
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
SACRS Spring Conference	5/9/23-5/12/23	San Diego, CA		9.5
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				22.02

JUAN GONZALEZ (Education Cycle: July 2021-June 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Presentation on Venture Capital	12/8/21	Bakersfield, CA	X	0.35
Presentation on Capital Efficiency	12/14/21	Bakersfield, CA	X	0.5
Sexual Harrassment Prevention Training	2/2/22	Virtual		2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.88
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Cybersecurity	10/12/22	Bakersfield, CA	X	1
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
SACRS: Ethics Training	11/8/22	Long Beach, CA		2
SACRS Fall Conference	11/8-11/22	Long Beach, CA		11
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
AB 2449	2/8/23	Bakersfield, CA	X	0.53
AB 2449 continued Education	2/28/23	Bakersfield, CA	X	0.37
CALAPRS General Assembly	3/5-7/23	Monterey, CA		9.3
CALAPRS: Ethics Training	3/5/23	Monterey, CA		2
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
SACRS Spring Conference	5/9/23-5/12/23	San Diego, CA		12.5
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				51.64

JOSEPH D. HUGHES (Education Cycle: June 2021-July 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Death Benefits	8/11/21	Bakersfield, CA	X	0.38
Presentation on Venture Capital	12/8/21	Bakersfield, CA	X	0.35
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.88
AB 2449	11/2/22	Bakersfield, CA	X	0.46
Cybersecurity	11/17/22	Bakersfield, CA	X	1
Ethics Training	12/7/22	Bakersfield, CA		2
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
AB 2449	2/8/23	Bakersfield, CA	X	0.53
Sexual Harassment Prevention Training	2/14/23	Virtual		2
AB 2449 continued Education	2/28/23	Bakersfield, CA	X	0.37
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.75
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
CALAPRS: Trustee Roundtable	5/5/23	Virtual		4
SACRS Spring Conference	5/9/23-5/12/23	San Diego, CA		6.5
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				26.19

JORDAN KAUFMAN (Education Cycle: January 2023-December 2024)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
AB 2449	2/8/23	Bakersfield, CA	x	0.53
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
Sexual Harassment Prevention Training	5/9/23	San Diego, CA		2
SACRS Spring Conference	5/9/23- 5/12/23	San Diego, CA		9
Total Hours of Education				13.52

RICK KRATT (Education Cycle: January 2023-December 2024)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
AB 2449	2/8/23	Bakersfield, CA	x	0.53
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				5.15

CHASE NUNNELEY (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		10.5
Sexual Harassment Prevention Training	7/11/22	Virtual		2
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.88
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
Cybersecurity	10/12/22	Bakersfield, CA	X	1
AB 2449	11/2/22	Bakersfield, CA	X	0.46
Ethics Training	2/2/23	Virtual		2
AB 2449	2/8/23	Bakersfield, CA	x	0.53
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
Total Hours of Education				22.84

John Sanders (Education Cycle: May 2023-April 2025)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Trustee Orientation	5/2/23	Bakersfield, CA	X	2
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				3.15

ROBB SEIBLY (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Sexual Harassment Prevention Training	5/4/22	Virtual		2
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.88
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
AB 2449	11/2/22	Bakersfield, CA	X	0.46
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
Ethics Training	1/28/23	Bakersfield, CA		2
AB 2449	2/8/23	Bakersfield, CA	x	0.53
AB 2449 continued Education	2/28/23	Bakersfield, CA	X	0.37
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
CALAPRS: Trustee Roundtable	5/5/23	Virtual		4
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				19.45

TYLER WHITEZELL (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Sexual Harassment Prevention Training	6/17/22	Virtual		2
KCERA Benefit History	8/31/22	Bakersfield, CA	X	0.8
KCERA Declining Employer Payroll and Employer Termination Policies	10/12/22	Bakersfield, CA	X	0.42
KCERA Securities Litigation Policy	10/12/22	Bakersfield, CA	X	0.2
Attorney Client Relationship	10/12/22	Bakersfield, CA	X	0.63
AB 2449	11/2/22	Bakersfield, CA	X	0.46
Cybersecurity	11/17/22	Bakersfield, CA	X	1
Due Process and KCERA's Administrative Appeals Processes	12/14/22	Bakersfield, CA	X	0.28
AB 2449	2/8/23	Bakersfield, CA	x	0.53
Fiduciary duties with emphasis on investment considerations, including evaluation of ESG factors	3/8/23	Bakersfield, CA	X	1
Proxy voting	3/8/23	Bakersfield, CA	X	0.25
Chief Legal Officer Report regarding case review	3/8/23	Bakersfield, CA	X	0.23
CALAPRS Advanced Principles for Trustees	3/29 - 31/23	Los Angeles, CA		14
Special District Status considerations	4/12/23	Bakersfield, CA	X	0.76
Triennial Actuarial Experience Study	4/12/23	Bakersfield, CA	X	0.98
History on KPI (Part 1)	4/12/23	Bakersfield, CA	X	0.25
KCERA Disability Retirement Process	5/3/23	Bakersfield, CA	X	0.23
KCERA Internal Revenue Code limits on Plan Sponsor Contributions under 26 USCA §401(a) (17)	5/3/23	Bakersfield, CA	X	0.18
Service purchases and community property	5/3/23	Bakersfield, CA	X	0.16
Managed Medical Review Organization Disability Workflow status update	6/14/23	Bakersfield, CA	X	0.58
Total Hours of Education				28

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

September 1, 2023

Dear Member:

The Kern County Employees' Retirement Association (KCERA) and the Board of Retirement are pleased to provide you with your annual Retirement Benefit Statement. We want to take this opportunity to reacquaint you with some of the valuable benefits of your KCERA membership:

- KCERA benefits are calculated using a formula based on your age at retirement, total years of retirement service credit, final average compensation, and benefit tier.
- KCERA retirement benefits are payable for your lifetime.
- Membership provides retirement, disability, and death benefits.

You may visit KCERA at www.kcera.org to access all of our forms as well as additional information on member benefits, the Member Portal, calculating estimated retirement benefits, and information about the Board of Retirement. KCERA staff is also available to provide benefit information, respond to inquiries, and assist with submitting your application for retirement.

Other services that are available to members of KCERA:

- A KCERA-specific power of attorney form and related FAQs.
- Members may register for an online Member Portal account through the website.

Please take time to review your benefit statement carefully. It is essential that KCERA have current address information for each member: active employees must provide address updates to their respective employers, and deferred members may use the portal, or they can obtain the appropriate change form from our website and submit it to our office. If you have been divorced during your membership with KCERA, it is vital you provide a complete copy of your judgment to our legal team by mail, in person, or email at legal@kcera.org. If you have questions about your statement, contact KCERA at (661) 381-7700 or by email at memberservices@kcera.org.

Sincerely,



Dominic D. Brown
Chief Executive Officer



RETIREMENT BENEFIT STATEMENT

As of September 1, 2023

Jane Doe
11125 River Run
Bakersfield, CA 93311

71820

PERSONAL INFORMATION

Year of birth:	1979	Vested:	Yes
Status:	Employed	Eligible to retire:	No
Work schedule:	Full Time 80 Hour		
Entry age for contributions:	27		
Membership date:	May 27, 2006		
Benefit tier:	General Tier I		
Department:			

Years of earned service	Years of purchased service	Total years of credited service	Reciprocity:	Beneficiary(ies):*
16.2519	0.1867	16.4386	No	John Doe

*It is very important that KCERA has your most up-to-date beneficiary information. If you need to designate a new beneficiary due to marriage, divorce, or death, please complete and return the [Beneficiary Designation Form](#) located at www.kcera.org.

ESTIMATED FUTURE RETIREMENT BENEFITS

Retirement Date	Retirement Age	Years of Service	Percent of Salary	Retirement Allowance
11/24/29	50	23.6829	.33	\$1,834.74
11/24/39	60	33.6870	.66	\$3,914.66
11/24/44	65	38.6699	.68	\$3,990.28

The benefits shown above are payable under the Unmodified Option. Under this option, your spouse or registered domestic partner may be eligible to receive 60% of your benefit after your death. At retirement, you may select from benefit payment options other than the Unmodified Option.

EMPLOYEE CONTRIBUTIONS

On September 1, 2023, your biweekly retirement contribution was \$148.48. Between September 2, 2022 and September 1, 2023, you made contributions and purchases of \$3,471.15 into KCERA and earned 1.0000 years of benefit service.

Employee contribution balances as of September 1, 2023:

	<u>Tax Deferred</u>
Contributions:	\$40,268.60
Contribution Interest:	\$21,247.31
Total Contributions and Interest:	\$61,515.91

Social Security Benefit: In addition to your KCERA benefits, you may be entitled to receive Social Security benefits during retirement *if* your pay is integrated with Social Security. You can obtain an estimate of your monthly Social Security benefit by calling the Social Security Administration's toll-free number at (800) 772-1213 or visiting www.ssa.gov/estimator.



Understanding Your Member Benefit Statement

Know Your Retirement

Your retirement benefits are an essential component of your financial security. Your KCERA Member benefit Statement provides the information you can use in your financial planning, such as the current value of your contributions and a projection of future benefits you may be entitled to receive. Your KCERA benefit will be based on your age, final average compensation, years of service, and benefit tier. It will not be based on your contributions to KCERA.

Personal Information

This section shows the personal information KCERA has on file for you. The information used to prepare this statement is the same information used to determine your benefits when you retire or terminate employment. Your total years of credited service do not include any service purchases currently in progress.

- If you are appointed to a permanent position of at least 50% of the regular standard hours required, you will enter KCERA on the first day of the pay period following your date of hire. This is your “KCERA entry date” and will be used as a starting point for accruing retirement service credit, which increases with each biweekly that you are paid. Your hire date and entry date will always be two different dates.
- Vesting means you have a legal right to receive a lifetime benefit from KCERA once you meet the other eligibility requirements.
- In KCERA, you are classified as a safety member or a general member. Safety members are employed in active law enforcement, active fire suppression, probation, detention, or criminal investigation. All other eligible employees are considered general members.
- Active and deferred members have the right to purchase eligible service credit before retiring or terminating employment. Purchasing service credit can increase your retirement benefit and, in some cases, allow you to retire earlier. KCERA offers two types of service purchases: Prior County/District Service and Prior Public Service (including Prior Military Service). See the *Purchase of Service FAQ* at kcera.org for more information.
- Reciprocity reflects any systems that you have established a reciprocal arrangement with. Visit kcera.org for more information.

Employee Contributions

This section is a detailed breakdown of the contributions in your KCERA account. The amounts shown include: the beginning balance as of the day before the statement period begin date; any refundable (pre-tax/post-tax) contributions made during the statement period; the interest accrued on your contributions during the statement period; and a grand total of the contributions in your account as of the statement period.

If you terminate employment and choose to take a refund, you would forfeit all rights to any retirement, disability, or other member benefits through KCERA. Active and reciprocal members are not eligible to withdraw their funds.

Estimated Retirement Benefits

The benefit amounts shown are estimates of your future KCERA income. Additional estimates with different dates and projected earnings can be completed in your member portal at kcera.org. Prior to your retirement, KCERA will conduct a full review of your earning and service information received from your employer. This may result in adjustments not reflected in the estimated benefits.

This estimate is based upon your continuing service through the retirement date; it would apply if you continue to work at the same number of hours as you do currently. Any changes in salary are not assumed in the calculation.

General members can retire prior to age 50 with 30 years of retirement service credit. Safety members can retire prior to age 50 with 20 years of retirement service credit. In addition, any member who has attained the age of 70 may retire regardless of their years of retirement service credit.

These estimates are based on the information available to KCERA at the time this statement was generated. Your actual benefit will be based on your age at retirement, your final average monthly salary, your years of accrued service credit, your benefit tier, and possibly other factors that may differ from the factors used to calculate these estimates. Your benefit may also be subject to cost-of-living adjustments (COLAs), legislative and judicial legal actions, your reciprocal rights, if any, from other pension systems, and community property (divorce) reduction, if applicable. If you have questions regarding the information within this statement or plan to retire within the next six months, please contact Member Services at the email below.

Please Read Carefully

Please review this Member Benefit Statement carefully. All monetary amounts and accrued service credit appearing on this statement reflect the information on file for you through the statement period. It is very important that you keep the KCERA office advised of any changes in your information (i.e., address, beneficiary, marital status). Please contact our office should there be any discrepancy in the information within this statement. We encourage you to visit kcera.org to access other retirement information and related forms, including the member handbook, retirement planning tools, and change of information forms. You can also access your KCERA account information via the Member Portal.

You may also contact us by email:

memberservices@kcera.org for general membership questions.

legal@kcera.org for legal correspondence related to domestic relations orders, powers of attorney, etc.



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: August 9, 2023

To: Trustees, Board of Retirement

From: Dominic D. Brown, Chief Executive Officer

Subject: **Custodial Services**

KCERA contracted with Northern Trust to serve as custodian for this past contract period. As per KCERA policy and good practice staff initiated a modified request for proposal in selection of a custodian. The modified objective is the same as a full Request for Proposal (RFP), to find a provider that can fulfill the requirements to serve as custodian for KCERA's investments. A modified RFP includes KCERA staff utilizing RFPs completed by sister county retirement agencies. Staff reviewed two different RFPs completed by other county retirement agencies and both agencies selected Northern Trust as their custodian of record.

Staff took those results and began the process of negotiating new contract rates and terms with Northern Trust. The attached contract has been reviewed and staff is making the recommendation to your board for approval.

Therefore, it is recommended that your Board approve staff's recommendation.

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MASTER CUSTODY AGREEMENT**

THIS AGREEMENT, effective as of the ___ day of _____, 2023, is made between **BOARD OF RETIREMENT** (the "Board"), of **KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**, and **THE NORTHERN TRUST COMPANY**, an Illinois corporation, of Chicago, Illinois ("Northern").

The Board enters into this agreement pursuant to its powers and duties set forth in California Government Code § 31596(b).

The Board hereby appoints Northern as its agent for the **KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION** ("Fund") to establish and maintain a custody account in the name of the Fund (the "Account") and to hold in such account those assets of the Fund as are transferred to it from time to time.

The Board shall direct Northern to establish under the Account one or more separate accounts ("Separate Account") for cash, securities and other property of the Fund received by Northern from time to time. Each Separate Account shall be managed by either the Board or an investment manager appointed by the Board. By written direction, the Board will designate assets of the Account to be allocated to each Separate Account and direct Northern to transfer assets of the Account to or from each Separate Account. With respect to cash deposited in Northern's banking department, the Separate Accounts are maintained as a matter of convenience and, therefore, Northern may aggregate the Separate Accounts for purposes of its depository requirements.

Northern shall appoint as its agent one or more foreign custodians to hold the assets of any Separate Account established by the Board for investment in non-U.S. assets.

The parties agree that Northern shall have, with respect to the Account, the powers and duties as hereinafter provided:

1. The Board represents that the Fund is a tax-exempt organization described in Section 401(a) of the Internal Revenue Code ("Code") and that all gains and income associated with the assets of the Account are exempt from federal income tax under Section 501(a) of the Code; the Board agrees to promptly inform Northern of any change in the tax exempt status of the Fund; Northern shall have no obligation to provide tax information or tax-related reports, except as set forth in this Agreement or otherwise agreed upon by Northern in writing.

2. Northern shall hold and safeguard the cash, securities, and other property in the Account and shall collect the income and principal thereof when due.

3. Northern may hold securities or other property of each Separate Account through an agent or in the name of its nominee or in a corporate depository or federal book entry account system or other form as it deems best. Northern, or its designee, shall forward any proxies relating to securities or other property held in the Account to the appropriate investment manager, or, in accounts where no investment manager has been appointed as the proxy voting agent, to the Board or the Board's designee, and the Board or the Board's designee, shall process such proxies as directed by the Board or the Board's designee.

4. With respect to a Separate Account managed by the Board, all security transactions shall be placed through brokers of its choice. Each investment manager appointed by the Board is authorized to execute security trades directly with respect to its respective Separate Account. Northern is hereby directed to receive and pay for securities purchased, in accordance with industry practice, and to deliver, in accordance with industry practice, securities sold, by the Board or by an investment manager. The Board has the right under applicable law to receive, at no additional cost, separate notifications of certain securities transactions; however, unless the Board directs otherwise in writing, the Board agrees not to receive such separate notifications of securities transactions and that all securities transactions will be reported on the Board's periodic statements of account. Under no circumstance shall Northern pay any money to an investment manager except pursuant to written instructions by the Board. Northern shall issue its operating instructions to the Board and to an investment manager as it deems appropriate.

5. Northern is authorized, but shall not be obligated, to credit the Account provisionally on payable date with interest, dividends, distributions, redemptions, margin, collateral or other amounts due. Otherwise, such amounts will be credited to the Account on the date such amounts are actually received by Northern and reconciled to the Account. In cases where Northern has credited the Account with such amounts prior to actual collection and reconciliation, the Board agrees that Northern may reverse such credit as of payable date if and to the extent that it does not receive such amounts in the ordinary course of business. The Board acknowledges that Northern shall be entitled to recover on demand such provisional credit plus its fee, applicable from time to time, in connection with such provisional credit.

6. Northern is authorized, but shall not be obligated, to advance its own funds to complete transactions in cases where adequate funds may not otherwise be available to the Account. The Board acknowledges that Northern shall be entitled to repayment of any amounts advanced plus its fee, as applicable from time to time, in connection with advancing such funds.

7. The Board recognizes that any decision to effect a provisional credit or an advancement of Northern's own funds to the Account pursuant to this agreement will be an accommodation granted entirely at Northern's option and in light of the particular circumstances, which circumstances may involve conditions in different countries, markets and classes of assets at different times. All amounts thus due to Northern under this agreement with respect to a provisional credit or advancement of Northern's funds to the Account shall be paid by Northern from the Account. If funds in the Account are insufficient to make any such payment, the Board shall promptly deliver to Northern the amount of such

deficiency in immediately available funds when and as specified by Northern's written or oral notification. The Board further agrees that, if such payment is not promptly made, Northern may apply or set off against the amount of such deficiency any amounts credited by or due from Northern to the Board, and any securities or other property of the Board in the possession of Northern. In connection with the foregoing sentence, in the event the relevant cash, securities or other property is denominated in a currency other than US Dollars, any conversion will be valued at the spot rate at the time of the exchange. To secure any and all amounts due to Northern under this agreement [with respect to such a provisional credit or advancement of Northern funds], the Board grants to Northern a continuing security interest in and lien on the Account and all Account assets.

8. Northern may execute and deliver as agent of the Board, and pursuant to the Board's directions or the directions of an investment manager, any assignments, stock or bond powers or other documents or instruments and, in particular (a) may sell, assign, transfer, or make other disposition of any security or other property in the Account in accordance with industry practice; (b) may obtain any payment due; and (c) may make payment in accordance with industry practice for any securities purchased or otherwise acquired. Northern may execute any and all documents by signing as agent of the Board or as its attorney-in-fact pursuant to this authorization.

9. In the event the Board or any investment manager engages in transactions involving financial futures, options on futures, options (including but not limited to put and call options), swaps, short sales, or any other transactions that involve the pledging of or transfer of assets to or from a Separate Account as margin, collateral, or otherwise, Northern shall:

(a) transfer assets from such Separate Account to a futures commission merchant, safekeeping bank, broker or other third party as directed by the Board or the investment manager;

(b) pay or demand variation margin to or from a futures commission merchant, safekeeping bank, broker or other third party based on daily marking to market calculations, as directed by the Board or the investment manager;

(c) pledge assets as collateral as directed by the Board or the investment manager;

(d) subject to Northern's consent, enter into such additional procedural, safekeeping, custody, or other agreements with, futures commission merchants, safekeeping banks, brokers or other third parties as directed by the Board or the investment manager; the Board or the investment manager shall approve the form and content of any such additional agreements, and the provisions of such agreements shall control in the event of a conflict with this agreement; and

(e) establish such collateral accounts (which may be sub-accounts of a Separate Account), and transfer assets to or from and invest assets held in such collateral accounts, as directed by the Board or the investment manager.

Except as otherwise agreed in writing, Northern shall have no investment or custodial responsibility for any cash, securities or other assets transferred to or held by a futures commission merchant, safekeeping bank, broker or other third party in connection with any such transaction.

10. In the event that the Board or any investment manager engages in listed options transactions issued by the Options Clearing Corporation with respect to any Separate Account, the Board hereby acknowledges and accepts that the execution of additional documentation shall be required to authorize Northern to act as escrow bank in connection with deposits held in escrow for such options transactions.

11. In the event that the Board or any investment manager engages in short sale transactions with respect to any Separate Account, except as otherwise agreed in writing, Northern's responsibilities shall be limited to putting the short positions on record, and accepting or transferring assets to or from the Separate Account, as the Board or the investment manager directs. Northern shall have no responsibility to calculate realized gains or losses with respect to such transactions.

12. In connection with Northern's custody service, intra-day United States dollar cash receipts, holdings and disbursements of the Account will be held by Northern on its balance sheet in Chicago. Intra-day cash receipts, holdings and disbursements of the Account denominated in currencies other than United States dollars will be held by Northern on the balance sheet of its London Branch. All cash held on the balance sheet of Northern's Chicago office or any of its foreign branches will be held by Northern as depository bank. Such cash may be commingled with Northern's own cash and the cash of its other clients. Northern's liability to the Account in respect of cash of the Account maintained on the balance sheet of Northern's Chicago office or foreign branch shall be that of debtor.

At the end of each business day, the Board may direct (by standing instruction or otherwise) that United States dollars that remain in the Account be invested in an off-balance sheet investment vehicle described in Paragraph 13 below or invested in interest-bearing deposit obligations of one of Northern's foreign branches, provided that the availability of any such on-balance sheet investment option will be in Northern's discretion. Northern reserves the right to amend the interest rate applicable to United States dollar deposits in respect of which it pays interest.

United States dollar cash that is not invested in an off-balance sheet, short-term investment vehicle or in an interest-bearing deposit obligation of Northern's foreign branch described above will remain uninvested on the balance sheet of Northern's Chicago office.

Further, with respect to non-United States dollars that remain in the Account at the end of each business day, the Board hereby directs that such non-United States dollars shall be invested by Northern in an interest-bearing deposit account at Northern's London Branch unless Northern receives other written instructions from the Board. The Board acknowledges that: i) the availability of such on-balance sheet investment option will be available for eligible currencies only and will be in Northern's discretion and ii) Northern

reserves the right to amend the interest rate applicable to any currency in respect of which Northern pays interest.

In connection with the foregoing and to the extent that Northern, on behalf of the Board, maintains cash deposits, intra-day or otherwise, of a global Separate Account at Northern's London Branch, the Board acknowledges and agrees that deposit accounts maintained at foreign branches of United States banks (including, if applicable, accounts in which customer funds for the purchase of securities are held on and after contractual settlement date), are not payable at any office of Northern Trust in the United States; are not insured by the U.S. Federal Deposit Insurance Corporation; may not be guaranteed by any local or foreign governmental authority; are unsecured general creditor liabilities; and in the event of Northern's insolvency may be subordinated in priority of payment to deposits payable in the United States. Therefore, beneficial owners of such foreign branch deposits may be unsecured creditors of The Northern Trust Company Deposit account balances that are owned by United States residents are expected to be maintained in an aggregate amount of at least \$100,000 or the equivalent in other currencies.

The Board further acknowledges and agrees that cash deposits maintained by Northern on behalf of the Board at any of Northern's foreign branches are payable only in the currency in which an applicable deposit is denominated, are payable only on the demand of Northern on behalf of the Board at the branch where the deposit is maintained, and are not payable at any of Northern's offices in the United States. Northern does not promise or guarantee in any manner any such payment in the United States. The Board further acknowledges and agrees that foreign branch deposits are subject to cross-border risk. Northern will have no obligation to make payment of foreign branch deposits if and to the extent that Northern is prevented from doing so by reason of applicable law or regulation or any Sovereign Risk event affecting the foreign branch or the currency in which the applicable deposit is denominated. "Sovereign Risk" for this purpose means nationalization, expropriation, devaluation, revaluation, confiscation, seizure, cancellation, destruction or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, taxes, levies or other charges affecting the property rights of persons who are not residents of the affected jurisdiction; or acts of war, terrorism, insurrection or revolution; or any other act or event beyond Northern's control.

13. As described above, the Board may direct (by standing instruction or otherwise), that United States dollars in the Account at the end of each business day be invested in an eligible off-balance sheet, short-term investment vehicle offered by Northern. Eligible off-balance sheet vehicles may include, without limitation, collective trust funds maintained by Northern or an affiliate and money market mutual funds of which Northern or an affiliate may be a sponsor, investment advisor, manager or custodian, and from which Northern or an affiliate may receive separate compensation. Such investments shall be subject to certain restrictions, cutoff times for investment, and the completion of such additional documentation as Northern may reasonably require.

14. If a corporation whose common stock shares are held in the Account declares a dividend in such stock, and payment of such dividend results in a fractional share, Northern shall sell such fraction and the proceeds thereof shall be deposited in the Account.

15. Northern's duties shall be limited to those expressly set forth in this agreement. In the event a direction would impose duties or require powers that are not provided for herein, such direction shall not be effective without Northern's consent. Northern shall have no obligation to make any investment review, to consider the propriety of holding or selling any property in the Account or to provide any advice.

(a) Northern shall perform its duties and responsibilities hereunder in a manner consistent with that of a professional custodian acting with the care, skill, prudence, and diligence under the circumstances then prevailing which financial institutions, acting in a like capacity and familiar with such matters would use. Northern shall incur no liability to the Board or the Account for any act taken or omitted by Northern or any of its agents pursuant to this agreement, except to the extent such liability is the direct result of (i) Northern's negligence, fraud or willful misconduct in the performance of its duties and responsibilities set forth in this agreement, or (ii) the negligence, fraud or willful misconduct of any of Northern's agents in the performance of its custodial responsibilities.

(b) Northern shall be responsible for prudently selecting such a foreign custodian within a particular jurisdiction and for monitoring such selection to determine if it continues to be a prudent selection within such jurisdiction. In performing custodial duties, any such foreign custodian shall act in accordance with the standard of care applicable to a professional custodian for hire in the jurisdiction where such duties are performed. Northern shall be responsible for any loss to the Account which is incurred as a direct result of the negligence of a foreign custodian to perform custodial duties in accordance with the foregoing standard or Northern's negligence in making a prudent selection within a particular jurisdiction or in monitoring such selection to determine if it continues to be a prudent selection within such jurisdiction. Subject to the above, Northern shall have no responsibility for the solvency or financial condition of any agent engaged in connection with the provision of services to the Account, and shall incur no liability to the Board or the Account for any loss arising therefrom.

(c) Northern shall indemnify and hold harmless the Board, its officers, agents and employees from all losses, claims, suits, actions, damages liabilities, costs (including reasonable litigation and counsel costs) and expenses (collectively referred to as "Claims"), to the extent such Claims directly result from (i) the negligence, fraud or willful misconduct of Northern in the performance of its duties and responsibilities set forth in this agreement, or (ii) the negligence, fraud or willful misconduct of any of Northern's agents in the performance of its custodial responsibilities.

(d) This Paragraph 15 shall survive the termination of this agreement.

16. Northern shall furnish the Board with periodic statements of account showing all receipts and disbursements and the property in each Separate Account and the market value thereof. Such statements of account comprise the accounting book of record for the assets of each Separate Account for which Northern acts as custodian. The investment book of record for the assets of each Separate Account is maintained by the Investment Manager of such Separate Account. In connection with the transfer of assets from a third party to

Northern, the Board may direct Northern to include in such accounts details of assets held by such third party on its system in anticipation of receipt of such assets. In such event, (i) Northern shall have no custodial responsibility for such assets until they are actually received by Northern and (ii) Northern may conclusively rely on information received from the Board or such third party with regard to such assets. Northern shall incur no liability to the Board or the Account for any loss which may arise from the mispricing of Account assets by any broker, pricing service or other person upon whose valuation Northern relies in good faith. A statement of account shall be approved by the Board by written notice delivered to Northern or by failure to object to the statement of account within six (6) months of the date upon which the statement of account was delivered to the Board. To the extent permitted by law, the approval of a statement of account shall constitute a full and complete discharge to Northern as to all matters set forth in that statement of account. In no event shall Northern be precluded from having its statement of account settled by a judicial proceeding.

17. This agreement may be terminated at any time upon sixty (60) days written notice from the Board to Northern or Northern to the Board and upon the expiration of such sixty (60) day period, Northern shall promptly deliver all cash, securities and other property then in the Account to the Board or in accordance with the Board's order.

18. The Board may authorize Northern to lend securities of the Account held by Northern pursuant to a separate written agreement between Northern, in its capacity as lending agent, and the Board. The terms of any such agreement shall exclusively govern the lending of securities of the Account and shall set forth, among other things, the agreed upon reasonable compensation to be paid by the Board to Northern in its capacity as lending agent. Notwithstanding anything in this agreement to the contrary, the right to vote securities out on loan on record date passes to the borrower, or a transferee of the borrower, as a consequence of the transfer of title to the securities to the borrower.

19. Northern shall receive such reasonable compensation for its services as agreed upon from time to time between it and the Board as set forth in Attachment B. Northern shall pay from the relevant Separate Account any and all expenses associated with investment transactions initiated by the Board or an investment manager for such Separate Account, including without limitation commissions placement or surrender fees and market-associated costs. In addition, Northern shall be reimbursed for all other expenses which Northern may reasonably incur in extraordinary, non-recurring circumstances (including, but not limited to, accounting and legal fees, such as legal fees incurred as a result of defending an action brought about because Northern followed the directions of the Board, an investment manager or other authorized person) which may arise as a result of providing such custodial services in accordance with this agreement; provided further that Northern shall provide written notice to the Board, if such notice is permissible and practicable under the circumstances, before any such expense is incurred. Those items of expense and compensation shall be paid from the Account unless otherwise agreed in writing. This paragraph 19 shall survive the termination of this agreement.

20. Northern shall make distributions from the Account to such persons, in such amounts, at such times and in such manner as the Board shall from time to time direct in writing and the Board warrants that any such directions shall be in compliance with

applicable law, including any plan. Northern shall not be liable for any distribution made in good faith without actual notice or knowledge of the changed condition or status of the recipient. If any distribution made by Northern is returned unclaimed, Northern shall notify the Board and shall dispose of the distribution as the Board directs. Pursuant to making distributions, Northern may deposit cash in any depository including its own banking department, without any liability for the payment of interest thereon, notwithstanding Northern's receipt of "float" from such uninvested cash.

21. The provisions of the law of California shall govern the validity, interpretation and enforcement of this agreement. The Board and Northern agree that the venue for any action relating to the Agreement shall be in the County of Kern. The invalidity of any part of this agreement shall not affect the remaining parts hereof. This agreement may be modified at any time by a writing signed by the parties hereto.

22. The Board shall certify to Northern in writing the names of the members of the Board as constituted from time to time and Northern shall not be charged with knowledge of a change in the membership of the Board until so notified in writing by the Board. Any action required or permitted to be taken by the Board hereunder shall be by written direction or instruction of (i) a majority of the members of the Board, (ii) the secretary or chairman of the Board, or (iii) such other designee as shall be designated in writing by the Board to act for the Board. Northern may take or omit to take any action in accordance with a written direction or instruction that Northern believes in good faith is from the Board or other authorized person as provided above.

Notices to the Board may be sent to:

Board of Retirement of KCERA
11125 River Run Boulevard
Bakersfield, CA 93311
Attention: Chief Executive Officer

Notices to Northern may be sent to:

The Northern Trust Company
50 S. LaSalle Street
Chicago, IL 60603
Attn: Diana Kodanov, Relationship Manager

23. (a) Notwithstanding any other provision of this agreement, directions or instructions and other communications provided under this agreement may be given to Northern by letter, telex, SWIFT or other electronic or electro-mechanical means deemed acceptable by Northern, including the use of Northern's Northern Trust Passport® applications, subject to such additional terms and conditions as Northern may require. In addition, certain directions or instructions given to Northern under this agreement may be subject to such authentication process as Northern may from time to time require. The Board agrees that any individuals designated as "authenticators" pursuant to such authentication process shall be authorized to authenticate directions or instructions given to Northern hereunder and that Northern may delay the processing of directions or instructions that are

subject to such authentication process until it has received an authentication in accordance with such process.

(b) Northern may conclusively rely on, and Northern shall incur no liability to the Board or the Account for acting on, any direction or instruction on which Northern is authorized to rely pursuant to this agreement, or for not acting on such direction or instruction where the direction or instruction is not authenticated as provided above, or for any non-delivery, or delay in the delivery, of a direction or instruction, or error in the transmission of, interception, or alteration of such direction or instruction, to Northern.

(c) In its sole discretion, Northern may, but shall not be required to, accept instructions, directions or other communications given to Northern by telephone. Any instructions, directions or other communications given to Northern by telephone shall promptly thereafter be confirmed in writing, but Northern will incur no liability for the Board's failure, or the failure of an investment manager, to send such written confirmation or for the failure of any such written confirmation to conform to the telephonic instruction received by Northern.

24. With respect to Separate Accounts that hold non-U.S. assets, the Board authorizes Northern to pay or withhold any income or other taxes required to be withheld on investments or transactions of such Separate Accounts. Subject to (i) the provision by the Board of the appropriate documentation, upon which Northern may rely without further inquiry, and (ii) Northern's de minimis provisions relating to the recoverability of tax notified to the Board from time to time, Northern shall use reasonable commercial efforts to file for and to reclaim all recoverable tax to which the Board may be properly entitled in connection with the Account provided that any third-party expenses associated with obtaining such reclaims will be charged to the Account. With the exception of tax reclaim filings performed by Northern, , the Board shall be responsible for all tax filings, tax returns and/or reports which may be required to be delivered by the Board to any relevant authority, whether governmental or otherwise, and for the payment of all unpaid taxes, levies or duties arising out of or in connection with the Account, including, but not limited to, trades undertaken or settled pursuant to this agreement.

25. The Board or any investment manager may, in its discretion, engage Northern (or its affiliate) to execute foreign exchange transactions for the Account. The Board accepts that Northern may act as principal in such foreign exchange transactions or as agent for the counterparty as well as for the Fund. When Northern acts as agent, Northern may levy charges for such service as disclosed to the Board in writing from time to time. When Northern acts as principal, Northern will provide such service at rates established in its discretion having regard to rates available in the foreign exchange market on the global trading day, and may retain any profit derived from such service. The Board acknowledges that applicable provisions of the U.S. Commodity Exchange Act (including the rules and regulations related thereto, as amended) require that applicable swap trading documentation be executed by the Board and Northern before Northern may enter into foreign exchange forward transactions as principal with the Account or Separate Account. Northern is authorized to enter into master netting agreements with respect to any such foreign exchange transactions upon terms Northern (or its affiliate) deems appropriate and the Board grants to

Northern a continuing security interest in and lien on all Account assets to secure any obligations owing to Northern in connection with such foreign exchange transactions. If Northern determines that the assets of the Account are insufficient to provide adequate coverage in connection with any outstanding foreign exchange transactions executed on behalf of the Account, the Board will, upon Northern's request, deliver to the Account immediately available funds or other assets acceptable to Northern in such amounts as Northern deems necessary to provide such coverage.

26. The Board acknowledges that pursuant to Section 204(d) of the Investment Advisers Act of 1940, certain custody records of Northern and its affiliates are subject, at any time, or from time to time, to such reasonable periodic, special or other examinations by representatives of the Securities and Exchange Commission ("SEC") as the SEC deems necessary or appropriate in the public interest or for the protection of investors.

27. Northern shall incur no liability to the Board or the Account (i) for any indirect, incidental, consequential, special, exemplary or punitive damages, whether or not Northern knew of the likelihood of such damages, or (ii) for any delay in performance, or non-performance, of any obligation hereunder to the extent that the same is due to forces beyond Northern's reasonable control, including but not limited to delays, errors or interruptions caused by the Board or third parties, any industrial, juridical, governmental, civil or military action, acts of terrorism, insurrection or revolution, nuclear fusion, fission or radiation, failure or fluctuation in electrical power, heat, light, air conditioning or telecommunications equipment, or acts of God.

28. Throughout the duration of this agreement, Northern shall carry the types of insurance and bond coverages determined to be appropriate by Northern in its capacity as a professional custodian and Northern shall provide the Board with a certificate or certificates evidencing such insurance or bond coverages upon request.

28. In the event a signed Transition Services Agreement is attached hereto as Attachment A, the Board may engage Northern's affiliate, Northern Trust Investments, Inc. ("NTI"), as the Board's agent, to provide transition or liquidation services in connection with the removal of an investment manager, the termination of a plan, or for any other reason, pursuant to such separate written agreement between the Board and NTI. The Board may engage Northern Trust Securities, Inc., or any other of Northern's affiliates, as a commission recapture provider.

29. If a Separate Account is maintained as a global custody account, it may, subject to such eligibility requirements or restrictions as Northern may impose, participate in Northern's contractual settlement date processing service ("CSDP") unless the Board directs Northern otherwise. Upon request of the Board, Northern shall provide the Board with information regarding the markets, if any, for which CSDP is provided. Pursuant to CSDP, Northern shall be authorized, but not obligated, to automatically credit or debit such Separate Account provisionally on contractual settlement date with cash, securities or other assets in connection with any sale, exchange or purchase of securities or other assets. Otherwise, such cash, securities or other assets shall be credited to the Separate Account on the day such cash, securities or other assets are actually received by Northern and reconciled to the

Separate Account. In cases where Northern credits or debits the Separate Account with cash, securities or other assets prior to actual receipt and reconciliation, Northern may reverse such credit or debit as of contractual settlement date if and to the extent that any securities or other assets delivered by Northern are returned by the recipient, or if the related transaction fails to settle (or fails, due to market change or other reasons, to settle on terms which provide Northern full reimbursement of any provisional credit Northern has granted) within a period of time judged reasonable by Northern under the circumstances. The Board agrees that it will not make any claim or pursue any legal action against Northern for loss or other detriment allegedly arising or resulting from Northern's good faith determination to effect, not effect or reverse any provisional credit or debit to the Separate Account.

The Board acknowledges and agrees that funds debited from the Separate Account on contractual settlement date including, without limitation, funds provided for the purchase of any securities under circumstances where settlement is delayed or otherwise does not take place in a timely manner for any reason, shall be held pending actual settlement of the related purchase transaction in a non-interest bearing deposit at Northern's London Branch, notwithstanding Northern's receipt of "float" from such uninvested funds; that such funds shall be available for use in Northern's general operations; and that Northern's maintenance and use of such funds in such circumstances are, without limitation, in consideration of its providing CSDP.

30. In case any provision of this agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this agreement, but shall be fully severable, and the agreement shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. This agreement represents the entire understanding of the parties and supersedes and replaces any prior agreements with respect to the subject matter hereof. This agreement may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .jpg or similar attachment to electronic mail, shall be treated in all manner and respects as an original executed counterpart.

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IN WITNESS WHEREOF, the Board and Northern have each executed this agreement by their respective duly authorized officers, effective as of the day and year first above written.

BOARD OF RETIREMENT

Signature: _____

Name (printed): _____

Title: _____

The undersigned, _____ [Name (printed)], does hereby certify that she/he is the Secretary of the Board of Retirement (“Board”) of the Kern County Employees’ Retirement Association, qualified in all respects to act in such capacity, and further certifies that the person whose signature appears above is duly authorized to act on behalf of the Board with full power and authority to execute this Master Custody Agreement on behalf of the Board and to take such other actions and execute such other documents as may be necessary to effectuate this Master Custody Agreement.

Secretary

THE NORTHERN TRUST COMPANY

Signature: _____

Name (printed): _____

Title: _____

ATTACHMENT A

Northern Trust Investments, Inc.
 50 South LaSalle Street
 Chicago, Illinois 60603
 Attn: Transition Management B-12

TRANSITION SERVICES AGREEMENT

<CLIENT> (“Client”), hereby engages Northern Trust Investments, Inc. (“NTI”), from time to time, to provide the transition management services described generally in this letter (the “transition assignment”) for a trust or custody account (“Fund”) Client maintains with the <CUSTODIAN> as custodian (“Custodian”). Each such assignment (the “transition assignment”) is to be described specifically in Exhibit A hereto, and for which each relevant exhibit will be provided. Client represents to NTI that Client is a fiduciary of the Fund, that Client is authorized to retain NTI to perform the services provided for hereunder, and that the performance of such services in accordance with this Agreement will not conflict with any law or provision applicable to the Fund. The Custodian is authorized to act on trading instructions given by NTI hereunder, including the delivery of cash or securities to settle any transactions. NTI acknowledges that NTI is a fiduciary for the Fund to the extent that it exercises any discretion in the performance of its responsibilities under this agreement. If the Fund consists of assets of a benefit plan governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), NTI acknowledges that it is a “fiduciary” as defined in Section 3(21) of ERISA to the extent that NTI exercises any such discretion.

TRANSITION ASSIGNMENT

Client has decided to restructure the investments of the Fund by terminating or reducing the asset allocations of certain of the Fund’s investment managers (“Outgoing Managers”) as further detailed on the attached Exhibit A. The effective date of the termination or asset allocation reduction of each Outgoing Manager will be set forth in Exhibit A (“Termination Date”).

In connection with this restructuring assignment Client is also appointing or increasing the asset allocations of certain other Fund investment managers (“Successor Managers”) as further detailed on the attached Exhibit A. The funding date will be as soon as practicable after settlement date.

The transition assignment will be carried out in one or more accounts (“Transition Account”) maintained on the books of the Custodian. NTI is authorized to direct the Custodian to transfer the assets set forth on each Certified Asset List to a Transition Account. By the funding date identified in Exhibit A, NTI is authorized to direct the Custodian to transfer the assets from the Transition Account to the Successor Managers Accounts. Client will provide the Custodian with the necessary direction to accept NTI’s instructions. If a Successor Manager Account consists of a mutual fund or commingled fund, Client will provide the fund company and custodian with the necessary direction to effect the fund trade. After initial funding, Client will direct the Custodian regarding the disposition of any residual cash and/or securities in the Transition Accounts.

OBTAINING OUTGOING AND SUCCESSOR MANAGERS’ ASSET LISTS

Client will cause each Outgoing Manager to furnish NTI a certified, trade-dated list of the assets in its account that will be included in this transition assignment as of the close of business on Termination Date (“Certified Asset List”). Client will instruct each Successor Manager to provide NTI with a desired purchase list of securities for Client’s account(s) to be managed by each such Successor Manager (the “Successor Manager Accounts”), based upon the new or increased allocation of assets to the Successor Manager’s Account (“Buy Lists”). NTI’s responsibilities under this Agreement will not begin until NTI has received a Certified Asset List from the Custodian, which the Custodian shall verify with each Outgoing Manager, and a Buy List from each Successor Manager in form and substance satisfactory to NTI. Prior to furnishing the Certified Asset List, the Custodian

will be responsible for obtaining (i) confirmation from each Outgoing Manager who has been terminated that it has ceased purchasing, selling or otherwise trading assets in its account effective as of the close of business on Termination Date, and (ii) confirmation from each Outgoing Manager whose asset allocation has been reduced that it has not and will not sell or otherwise trade any of the assets set forth on its Certified Asset List. In connection with the performance of services hereunder, neither NTI nor any of NTI's affiliates will incur any liability for any act taken or omitted by NTI or them in good faith reliance upon the foregoing information NTI receives from each Outgoing and Successor Manager.

FUNDING TARGET MANAGERS

Upon receipt of all Certified Asset Lists and Buy Lists, NTI will identify any security positions on the Certified Asset Lists that match requested securities on the Buy Lists ("Matched Assets"). Any Matched Assets will not be liquidated, but will be set aside for subsequent in-kind transfer to the applicable Successor Manager Accounts. NTI will direct the Custodian to transfer any Matched Assets (together with any securities purchased pursuant to the following sentence) from the Transition Accounts to the applicable Successor Manager Accounts in accordance with their respective Buy Lists as soon as practicable. If NTI is unable to satisfy the Buy List requests of Successor Managers through Matched Asset transfers, Client authorizes and directs NTI to utilize liquidation proceeds in the Transition Accounts to purchase Buy List securities. With respect to any security for which NTI is unable to satisfy the Buy List requests of Successor Managers by the above date through Matched Asset transfers or purchases, unless Client directs otherwise, NTI will direct the Custodian to pro rate the transfer of such security to the accounts of affected Successor Managers based on their requested position in the security relative to the available position in that security.

PROXY VOTING

Subject to timely written direction from Client to the contrary, NTI is authorized to vote, either in person or by general or limited proxy, or refrain from voting, any corporate securities held in the Transition Accounts for any purpose.

TRADING THROUGH AFFILIATED BROKER-DEALER

Except as provided in Exhibit A of this agreement, any securities transactions not executed via internal cross-trades per the above authorization will be traded externally. Unless Client specifies in Exhibit A that external trades for a transition assignment are to be executed through unaffiliated brokers of NTI's choice, Client hereby appoints NTI's affiliates Northern Trust Securities, Inc. ("NTSI") and Northern Trust Securities LLP ("NTS") to execute all external trades. With regard to trading shares of Northern Trust Corporation common stock (Ticker: NTRS), please see Exhibit B. It is understood and agreed that they may allocate the external trades for the assignment between themselves in such manner as they deem appropriate for the execution of the assignment subject to the standards set forth below. NTSI and NTS shall execute trades either through external crossing networks (in the case of equity securities) or through open market trades. The commission charges on external crosses of equity securities will not exceed the amount per share indicated in Exhibit A. Any securities not traded on an external crossing network will be traded by NTSI and NTS, as the case may be, at (i) a commission rate per share described in Exhibit A in the case of equity securities and (ii) as agent in the case of fixed income securities. Notwithstanding the foregoing, Client may instruct NTI to seek to obtain short settlement with respect to designated equity securities, in which event such equity securities shall be traded by NTSI and NTS, as the case may be, at an additional maximum commission rate of 1.5 basis points per calendar day. NTI may rely conclusively upon Client's oral instructions regarding short settlement. Client will provide a written duplicate of such oral instructions within one business day for NTI's records. Each of NTSI and NTS will be responsible for trading in a prudent and orderly manner, consistent with principles of best price and execution, subject to any liquidity and time constraints applicable to the assignment. Client agrees that the commission charges described in Exhibit A are fair and reasonable in light of the execution and related services NTI, NTSI, NTS and NTI's other affiliates will provide under this Agreement. Client also agrees and understands that notwithstanding the foregoing appointment of NTSI and NTS, Client will remain NTI's client and will not be regarded as a client of NTSI and NTS. In addition, it is understood and agreed, that in the course of performing the above-described services, NTSI and NTS may be compensated from the commission charges noted above by unaffiliated broker dealers that execute trades and/or perform a clearing function, by means of commission sharing or other compensation arrangement.

Client reserves the right to revoke the appointment of NTSI and NTS for brokerage at any time, without penalty to the Fund. Such revocation will be effective upon actual receipt of notice of termination delivered orally to Transition Management and confirmed in writing by facsimile transmission to 312-444-3112. If Client exercises its revocation right, NTSI and NTS will retain commissions earned with regard to any transactions executed prior to the effective time of revocation. This Agreement and the services provided by NTI and NTI's affiliates hereunder will terminate at the effective time of revocation unless Client mutually agrees to continue the transition assignment under a revised fee schedule. If Client mutually agrees to continue the transition assignment, all remaining brokerage transactions required to complete the assignment will be placed through unaffiliated broker dealers of NTI's choice, utilizing a variety of commission structures, including external crossing networks and open market trades, as NTI sees fit.

The preceding sentence shall also apply with respect to all securities transactions not executed via internal cross-trades in the event that Client has specified in Exhibit A that external trades for a transition assignment are to be executed by unaffiliated brokers of NTI's choice (and in such event references to NTSI in the optional exhibits will be deleted accordingly).

Each transition assignment will end on the date specified in Exhibit A unless NTI and Client agree in writing to extend it. Client will instruct NTI regarding the disposition of any illiquid securities that have not been sold from the Transition Accounts by that date. Client will direct the Custodian regarding the disposition of cash in the Transition Accounts.

FX

With respect to all foreign exchange trades which are conducted in connection with each transition assignment, Client hereby appoints NTI's affiliate NTSI to execute such trades as agent in a broker-dealer capacity with unaffiliated third-party foreign exchange counterparties selected by NTSI. NTI shall send all foreign exchange instructions to NTSI for execution as provided herein. NTSI shall be compensated at a commission rate set forth in Exhibit A, such rate to be applied against the aggregate value of the foreign exchange trades executed in connection with the transition assignment. Client agrees that such charges are fair and reasonable in light of the services to be provided with respect to foreign exchange trades.

LIMITATIONS

Client agrees that NTI, NTSI, NTS, or any of their respective officers, employees, directors or affiliates ("Northern Trust entities") will not be responsible or liable for any act taken or omitted in any capacity in carrying out this assignment, except to the extent due to such person's bad faith, negligence or willful misconduct in carrying out their specified duties hereunder. No Northern Trust entity will be responsible or liable for losses arising from the insolvency or financial condition of any broker, dealer, bank or other agent engaged in connection with the assignment. Under no circumstances will any Northern Trust entity be responsible or liable for any incidental or consequential damages, losses or expenses. Client agrees to indemnify and save harmless each Northern Trust entity from all liabilities, losses, costs, claims, expenses or demands arising out of or in connection with this assignment, except to the extent due to such person's bad faith, negligence or willful misconduct in carrying out their specified duties hereunder. NTI agrees to indemnify and save the Client harmless from all liabilities, losses, costs, claims, expenses or demands arising out of or in connection with this assignment, except to the extent due to the Client's bad faith, negligence or willful misconduct in carrying out its specified duties hereunder. No Northern Trust entity shall be liable for any loss due to forces beyond its reasonable control, including (but not limited to) delays, errors or interruptions in service caused by strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear fusion, fission or radiation, court order, failure or fluctuation in electrical power, heat, light, air conditioning, computers or telecommunications equipment, or an act of God.

This agreement will be governed and construed in all respects in accordance with the internal laws of the State of Illinois except to the extent preempted by ERISA in the event that the Fund consists of assets of an ERISA governed benefit plan.

<CLIENT>

By: _____

Its: _____

Date: _____

ACCEPTED:

Northern Trust Investments, Inc.

By: _____

Its: _____

Date: _____

EXHIBIT A**SCHEDULE OF OUTGOING MANAGERS AND SUCCESSOR MANAGERS
AND DESCRIPTION OF ASSIGNMENT**

<INPUT transition scope from Timeline file>

Termination Date: <TBD>

Optional Services Selected: <TBD>

Cash Equitization:

<INCLUDE IF EQUITIZATION NEEDED>

NTI will equitize existing cash (to be verified by the Custodian) and all transition proceeds through the purchase of long futures contracts or exchange-traded funds on the appropriate indices specified below in an amount NTI deems appropriate to achieve target exposure for such cash amounts. Cash equitization will occur as soon as practicable.

Election to use Unaffiliated Brokers: No, unless otherwise specified

Funding Date: As soon as practicable, unless otherwise specified

Trade in Northern Trust Stock: (designate trade details) <TBD>

Contract Termination Date: <TBD>

Trades Executed:

US and Canadian equity	XX	cents per share
US fixed income	XX	basis points (bps)
International equity	XX	basis points (bps)
International fixed income	XX	basis points (bps)
Foreign Exchange	XX	basis points (bps)

[continued on the following page]

**EXHIBIT A
(CONTINUED)**

<INCLUDE IF CASH IN TRANSITION>

NTI will communicate the dollar amount(s) available and trade date for the fund purchase(s) to the Custodian. The actual placement of the purchase(s) will be the responsibility of the client or Custodian as directed by the client. If cash provided is an estimate, NTI will provide a subsequent dollar amount for the following trade date.

<CROSS TRADE LANGUAGE - ALWAYS INCLUDE>

Notwithstanding anything to the contrary contained in the Agreement, and without limiting the authorizations set forth elsewhere in this Agreement, you understand and agree that from time to time a security held in or purchased or sold during the transition under these terms that would otherwise be purchased or sold externally through NTSI or NTS may be purchased from or sold to third-party brokerage account clients of NTSI or NTS under the following circumstances: (i) neither we nor any of our affiliates have investment responsibility for, or recommended, the purchase or sale of such security for the brokerage account; and (ii) if a fixed income security is being sold, the brokerage account client has offered more for the security than any of the third-party bidders which have engaged in a competitive bidding process arranged by the trading desk of NTSI for purchase of the security. Where this is the case, NTSI or NTS may, where permissible under any applicable law or regulation, charge or otherwise take remuneration from the third party brokerage account client in addition to any fees collected from you in accordance with this agreement. You also understand that the third party brokerage account clients of NTSI or NTS may be the legacy fund manager(s) and/or the new fund manager(s). Because NTSI or NTS would be acting as broker for its third-party brokerage account clients in such transactions, NTSI or NTS, as the case may be, have a potentially conflicting division of loyalties and responsibilities regarding you and the other parties to such transactions. You hereby authorize and consent to such transactions. YOU MAY REVOKE THIS CONSENT AT ANY TIME BY WRITTEN NOTICE TO NTI, AS TO ANY TRANSACTIONS OCCURRING AFTER NTI RECEIVES SUCH NOTICE.

ACCEPTED:

<CLIENT>

Northern Trust Investments, Inc.

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Please reference the link below for our 408(b)2 disclosures:

<http://www-ac.northerntrust.com/content/media/attachment/data/disclosure/1209/document/408b2-fee-disc-tm-contracted-ntsi-gpc.pdf>

EXHIBIT B

Transactions in Northern Trust Corporation Stock

The undersigned Customer hereby directs Northern Trust Investments, Inc. to purchase or sell shares of Northern Trust Corporation common stock (Ticker: NTRS) during a transition event, with trade date, trade side and number of shares as designated in Exhibit A of the Transition Services Agreement, when trading in such shares takes place during a blackout period for Northern Trust Corporation.

<CLIENT>

Northern Trust Investments, Inc.

ATTACHMENT B
[see attached fee schedule]



A Fee Schedule for:

KERN COUNTY

Effective Date: April 1, 2022

CONTACT DETAILS

Anabel Argüello

Vice President | Relationship Manager

Tel 312.444.4513

Email aa70@ntrs.com

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60603

www.northerntrust.com



Different services described in this fee summary may be provided by separate agreements

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Global Custody

Northern Trust has four components to its custody fee structure: account-based fees, asset-based fees, holdings-based fees and transaction-based fees. Details of each are as follows:

There is a Separate Flat Annual Fee of \$15,000 due to the departure of the Northern Security Lending Program in February 2015

Account Based Fees

Cash Account	\$2,000	per account
Single Line Asset Account	\$5,000	per account
Domestic Separately Managed Account	\$5,000	per account
Global Separately Managed Account Without Derivatives	\$33,000	per account
Global Separately Managed Account With Derivatives	\$50,000	per account

ASSET BASED FEES – SEPARATELY MANAGED ACCOUNTS (SMAs)

COUNTRY TIERING (ASSET BASED AND TRANSACTION FEES COVERING US AND NON-US ACCOUNTS)

Safekeeping charges are determined based on total eligible assets across all accounts with lower rates for higher market values. Eligible assets include: equities, fixed income securities, exchange traded derivatives (ETDs), cash and all assets other than single line assets and over the counter (OTCs).

Service	Subcategory	Fee	Basis
Tier 1	AuC < \$0.5B	0	bps
	AuC \$0.5B to 5B	0	bps
	AuC \$5B to 10B	0	bps
	AuC \$10B to 25B	0	bps
	AuC > \$25B	0	bps
Bahamas, Canada - NT, Canada - RBC, Cayman Islands, Clearstream, Euroclear, Ireland, United Kingdom, United States	AuC < \$0.5B	0	bps
	AuC > \$0.5B	0	bps
Tier 2	AuC < \$0.5B	0	bps
	AuC > \$0.5B	0	bps
Australia, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland	AuC > \$0.5B	0	bps
Tier 3	AuC < \$0.5B	0	bps
Hong Kong, Hong Kong Stock Connect, Hong Kong Bond Connect, Iceland, Malaysia, New Zealand, Portugal, Singapore, Thailand	AuC > \$0.5B	0	bps
Tier 4	AuC < \$0.5B	0	bps
Argentina, Brazil, China A Shares, China B Shares, China Interbank Bond Market (CIBM), Czech Republic, Egypt, Estonia, Greece,	AuC > \$0.5B	0	bps

Service	Subcategory	Fee	Basis
Hungary, India, Indonesia, Israel, Mexico, Philippines, Poland, South Africa, South Korea, Sri Lanka, Taiwan, Turkey			
Tier 5	AuC < \$50M	0	bps
Bulgaria, Chile, Croatia, Kazakhstan, Latvia, Lithuania, Morocco, Namibia, Nigeria, Pakistan, Peru, Romania, Russia, Slovak Republic, Slovenia, Swaziland, Trinidad, Tunisia, Uruguay, Venezuela, Vietnam			
Tier 6	AuC < \$50M	0	bps
Bahrain, Bangladesh, Benin, Bermuda, Bosnia/Herzegovina, Botswana, Burkina Faso, Colombia, Costa Rica, Cyprus, Ghana, Guinea-Bissau, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Mali, Malta, Mauritius, Niger, Oman, Palestine, Panama, Qatar, Saudi Arabia, Senegal, Serbia, Tanzania, Togo, Uganda, Ukraine, United Arab Emirates, Zambia, Zimbabwe			
Transactions for Securities Lending		Annual	
Direct Markets (U.S.) Transactions		\$6	per transaction
Direct Markets (UK, Canada & Euroclear) Transactions		\$8	per transaction
Major EMEA Markets Transactions		\$20	per transaction
Major Asia Markets Transactions		\$35	per transaction
Other Emerging Markets		\$50	per transaction
Asset-Level Fees			
Commingled Fund		\$0	per asset per annum
Mutual Fund		\$0	per asset per annum
Private Equity Limited Partnership		\$0	per asset per annum
Hedge Fund		\$0	per asset per annum
Real Estate Property		\$0	per asset per annum
Insurance Contract (Guaranteed Insurance Contracts)		\$0	per asset per annum
Bank Loans		\$0	per asset per annum
Mortgage Notes		\$0	per asset per annum
Unit Trust		\$0	per asset per annum
Sundry Asset		\$0	per asset per annum

ONLINE TRANSACTION APPLICATIONS

Trade Order Entry (TOE) and Web Cash Movement (WCM) are default methods of automated communication for trade initiation and cash movement provided to our clients at no additional cost. Should a client choose manual transaction processing, the following fee will apply.

\$100 per transaction (not per fax) but per transaction.

This takes effect as of November 1, 2021 and thereafter.

CLASS ACTIONS

An account that receives proceeds from securities class actions in US dollars will be assessed a charge of 0% of the proceeds up to \$0 per distribution (per account) with a minimum charge of \$0. Proceeds in other currencies are subject to higher charges – 0% of the proceeds up to approximately \$0 per distribution (per account) with a minimum charge of approximately \$0. These charges, which may change over time in response to market conditions or processing complexity, will be deducted from the class action proceeds in the same currency as the proceeds are paid. We will notify you in advance, if there will be any change to these charges. All charges are reported in your statement of account. If payments for a closed account are sent to another bank via wire or check, an additional \$0 processing charge will be deducted from US dollar payments and a processing charge of approximately \$0 will be deducted for other currencies.

TAX RECLAIMS

Tax reclaims	\$0	per global separately managed account
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Please note, tax reclaim accruals with a value equal or less than United States Dollar (USD) \$100 equivalents will not be filed or paid. Clients should ensure relevant personnel, including their accountants are made aware.

Accruals that fall below the threshold will be cancelled from both the custody and accounting systems on the day after generation and will no longer be reported or paid.

US Common and Collective STIF Sweep Services

Sweep Services - 10 basis points p.a.

Collective STIF

Sweep Services consist of the custodial services that support movement of available cash balances from a client account to a STIF on a daily basis, as well as the investment management of the assets in the STIF. Fees for Sweep Services are accrued daily and charged monthly.

Foreign Exchange

For foreign exchange transacted with Northern, as principal, Northern will provide such service at exchange rates established in its discretion, having regard to exchange rates available in the foreign exchange market on the global trading day, and Northern retains any profit derived from such service.

All foreign exchange transacted with an entity outside of Northern Trust will be assessed a minimum charge of \$50 per transaction will be debited from the account the following month and will appear on your statement of account. Certain currency markets may incur higher charges and indicative fees for those currencies will be disclosed prior to providing a service.

Third Party Term & Fixed Deposits

Third Party Term & Fixed Deposits	\$70	per transaction
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All term deposit and fixed deposit transactions with entities other than Northern Trust will be charged a \$70 transaction fee, which generally will be debited from the account the following month and will appear on your statement of account.

Transition Related Services

There is no event or non-trade related transaction charge where Northern Trust is hired as transition manager.

Where Northern Trust is not acting as transition manager, the following schedule applies:

TRANSACTION CHARGE

- \$10 per asset movement by line item for TBA's (for free delivery)
- \$10 per line item for reverse conversion/conversion activity (for delivery and receipt)

EVENT CHARGE

There is currently no event charge for day to day transition activity; however, we reserve the right to charge for more complex events. Your Relationship Manager will relay any event charges prior to execution of a complex event.

Transition Related Services include activities such as, but not limited to, manager terminations, account restructures, mergers, spin-offs, fund conversions, parebacks/reductions, transfers between accounts (TBA's), conversions, reverse conversions, distributions. Event charges are related to the number of events/components involved and the reconciliations necessary when the asset movement crosses a change in investment fiduciary responsibility and/or change in legal entity. Transaction charges are related to the number of line items involved in the overall asset movement. In addition, Northern Trust will, if applicable, pass through to the client legal, evaluation, and/or consulting charges incurred for an event. Charges will vary depending on the nature and scope of services to be provided for each event. In advance of an assignment, Northern Trust will provide estimated charges based on data elements provided by the client.

Additional charges may be assessed for more complex events.

Other Fees and Expenses

Where applicable, indicative fees will be disclosed prior to providing a service.

Additional charges may be applied for:

- Services or special procedures required in respect of any directly held property or venture capital/private equity portfolios will be evaluated and priced on a case by case business, according to the level of work involved.
- Services associated with special events the client, its investment managers, or other service providers initiate, to the extent those events are not specifically described by the fees detailed in the Transition Related Fee Schedule.
- Customized services including, but not limited to, reporting for non-custodied assets, developing custom downloads, custom programming, special accounting or project work for any client or third-party organization, class action filing services with prior custodial records, client specific data requirements.
- Services to support in-house managed accounts - These are services for clients that manage investments internally, it goes beyond just safekeeping/custody of the assets, one example includes hiring NT for “back office” support
- Manager fee payments (outsourced to NT).
- Custom Cash Fund Services, which could include cash consolidation (sweep), fund accounting, investor reporting and a portfolio management fee. - This service is for clients that decide they want NT to create a custom vehicle fund specifically for them (they would be the only holder) and where trading daily would become a manual process.
- Supporting/facilitating on-site visits by your auditors.

If you maintain deposits with Northern Trust in markets for which prevailing money market rates fall to a level at or below zero, Northern Trust may, in its discretion, charge a fee on such balances. The amount of the fee, which may vary by market and circumstance and may change over time, will be the spread in excess of the prevailing over night or central bank rate in an affected market and will not exceed 100 basis points. In order to determine the interest rates, you are receiving, you can review your report from Institutional Investor Passport (IIP) entitled: “Positions/Accrued Income/Interest Rates”, where all such rates are disclosed.

RELATIONSHIP PRICING

Northern Trust offers relationship pricing to clients who wish to avail themselves of it. There are circumstances where it is possible that the use of relationship pricing could give rise to client conflict of interest or prohibited transaction concerns under ERISA. Clients considering the use of relationship pricing are advised to consult with their ERISA counsel to assure that any such concerns are appropriately addressed.

OVERDRAFT DISCLOSURE

Northern Trust generally covers overdrafts as a service to its institutional trust and custody clients in order to assist in the timely processing of transactions. It is Northern Trust’s policy to discourage the incidence of overdrafts and to prohibit their excessive use. Northern Trust promptly notifies clients or their investment managers of all overdrafts that occur in client accounts, and the associated fees are reflected in client cash statements. Northern Trust monitors accounts for any pattern or practice or routine overdraft use and takes active steps to address any perceived abuse of overdraft privileges. Thus, this service is an accommodation granted entirely at the discretion of Northern Trust and can be discontinued at any time.

Northern Trust’s charge for U.S. dollar overdrafts is the Northern Trust Prime Rate of interest. Northern Trust intends to assess overdraft fees on all overdrawn accounts, including separately managed and commingled funds managed by Northern Trust and its affiliates, except in cases where it is determined that Northern Trust or its affiliate was at fault in causing the overdraft. Unless otherwise agreed, overdraft charges will be determined on a daily basis and assessed monthly against client accounts.

For non-U.S. dollar overdrafts, Northern Trust assesses overdraft recovery charges based upon prevailing local market rates.

Expenses to be passed through to clients include, but are not limited to:

- Commissions and placement or surrender fees.
- Execution attributable to settlement and associated activities in specific markets, including but not limited to market opening charges, stamp duty, securities re-registration fees, ADR/GDR agent pass through charges (including tax relief assistance), transfer agent pass through charges, proxy voting physical representation/ad hoc expenses, Legal entity identified registration charges, Deposit/Withdrawal at Custodian (DWAC) charges (Such charges will be passed through to the account where applicable.)
- Out of pocket expenses, including but not limited to vendor charges, fees for external legal and tax advice, and legal document processing fees.

Other security-relates charges passed through by depositories.

- All charges and expenses that are passed through to clients are dictated by markets or other third parties and are subject to change without notice.

Note: all fees are subject to direct debit. Fees are due upon receipt of invoice. Northern Trust reserves the right to modify any client fee schedule should there be a meaningful change in the account structure or services provided. In such event, a revised fee schedule will be provided to the client.

MATERIAL CHANGES AND TERMS

The fees quoted above are offered contingent upon the information provided and assume that actual experience will not be materially different from projected activity and/or assumptions. "Material" changes, for the purposes of this provision, will be changes in excess of 10% from the assumptions used.

BILLING / INVOICING

Market value-based fees are based on prior period values, prorated for the current invoice period. For example, the 1Q invoice will use 4Q closing market values.

Transaction based fees are charged a period in arrears. For example, transactions from 4Q will be charged on the 1Q invoice.

Fee Invoices will automatically be charged to account(s) designated by you (i.e. direct debit).



SPECIAL PAY CODE CLASSIFICATIONS

SPECIAL PAY CODES – EXPAND CURRENT DESIGNATION – PENSIONABLE AND NON-PENSIONABLE

Dept./BU	Code	Title	Details	Legal Authority
M, D	CJ	<p>Certification Pay</p> <p>INCLUDED FOR LEGACY MEMBERS;</p> <p>EXCLUDED FOR PEPRA MEMBERS</p>	<p>Special pay code CJ previously restricted to the CAO is expanded to the following eligible employees within the County (as approved by the Kern County Board of Supervisors effective 7/29/23 Resolution No. 2023-183). See Attachment A to Resolution.</p> <p>This certification pay shall be provided as additional compensation only for desirable certifications that are relevant to the classification and assignment of the individual employee and require the employee to acquire and maintain at their own expense.</p>	<p><i>Not excluded from compensation earnable by Cal. Gov. Code section 31461;</i></p> <p><i>Excluded from pensionable compensation by Cal. Gove. Code section 7522.34(a); 7522.34(c)(7)</i></p>

Attachment A


Item No.	Classification Title	Unit	Current Salary Range As of 7/1/23	New Salary Range Effective 7/29/23	Management Salary Grade
0070	CHIEF ADMINISTRATIVE OFFICER	M	86.4	87.0	1
0090	COUNTY COUNSEL	M	85.4	86.0	2
0199	FIRE CHIEF & DIRECTOR OF EMERGENCY SERVICES	M	85.2	86.0	2
0291	PUBLIC DEFENDER	M	83.6	85.0	3
485	KCERA CHIEF EXECUTIVE OFFICER	M	84.4	85.0	3
584	KCERA CHIEF INVESTMENT OFFICER	M	84.4	85.0	3
0491	CHIEF OPERATIONS OFFICER	M	83.2	84.0	4
1234	KCERA CHIEF LEGAL OFFICER	M	83.8	84.0	4
0770	UNDERSHERIFF	M	82.9	84.0	4
0575	ASSISTANT PUBLIC DEFENDER	M	82.8	83.0	5
0510	ASSISTANT COUNTY COUNSEL	M	82.8	83.0	5
0542	ASSISTANT DISTRICT ATTORNEY	M	82.8	83.0	5
0513	CHIEF DEPUTY-FIRE	M	81.9	83.0	5
0110	CHIEF PROBATION OFFICER	M	81.4	82.0	6
0281	DIRECTOR OF PLANNING AND NATURAL RESOURCES	M	80.9	82.0	6
0160	DIRECTOR OF BEHAVIORAL HEALTH AND RECOVERY SERVICES	M	80.9	82.0	6
0301	DIRECTOR OF PUBLIC HEALTH SERVICES	M	80.9	82.0	6
310	DIRECTOR OF PUBLIC WORKS	M	80.9	82.0	6
0430	DIRECTOR OF HUMAN SERVICES	M	80.9	82.0	6
1200	CHIEF CHILD SUPPORT ATTORNEY	M	80.8	81.0	7
1225	CHIEF DEPUTY COUNTY COUNSEL	M	80.8	81.0	7
1231	CHIEF DEPUTY DISTRICT ATTORNEY	M	80.8	81.0	7
1236	CHIEF DEPUTY PUBLIC DEFENDER	M	80.8	81.0	7
1228	KCERA CHIEF OPERATIONS OFFICER	M	80.1	81.0	7
1233	KCERA SENIOR DEPUTY CHIEF LEGAL OFFICER	M	80.8	81.0	7
589	KCERA DEPUTY CHIEF INVESTMENT OFFICER	M	80.1	81.0	7
0689	DEPUTY FIRE CHIEF	M	79.6	80.0	8
0786	CHIEF HUMAN RESOURCES OFFICER	M	78.8	80.0	8
0647	CHIEF GENERAL SERVICES OFFICER	M	78.8	80.0	8
0447	CHIEF INFORMATION TECHNOLOGY OFFICER	M	78.8	80.0	8
0489	CHIEF FINANCIAL OFFICER	M	78.8	80.0	8
48	CHIEF WORKFORCE DEVELOPMENT OFFICER	M	78.8	80.0	8
46	CHIEF ECONOMIC DEVELOPMENT OFFICER	M	78.8	80.0	8
1971	DIVISION DIRECTOR OF HEALTH SERVICES	M	78.8	80.0	8
1970	DIRECTOR OF PUBLIC HEALTH NURSING	M	78.8	80.0	8
0195	DIRECTOR OF CHILD SUPPORT SERVICES	M	78.9	80.0	8
0040	DIRECTOR OF AIRPORTS	M	78.8	79.0	9
1974	ASSISTANT DIRECTOR-PLANNING AND NATURAL RESOURCES	M	78.6	79.0	9
0448	BEHAVIORAL HEALTH AND RECOVERY SERVICES DEPUTY DIRECTOR	M	77.2	78.0	10
1232	KCERA DEPUTY CHIEF LEGAL OFFICER	M	77.1	78.0	10
0019	AGRICULTURAL COMMISSIONER/COUNTY SEALER WEIGHTS/MEASURES	M	74.8	78.0	10
0311	ASSISTANT DIRECTOR OF PUBLIC WORKS	M	76.6	77.0	11
0465	HUMAN SERVICES CHIEF DEPUTY DIRECTOR	M	76.6	77.0	11

1302	ASSISTANT DIRECTOR OF PUBLIC HEALTH SERVICES	M	76.6	77.0	11
0801	DIVISION DIRECTOR OF PUBLIC HEALTH OPERATIONS	M	76.6	77.0	11
2159	DIRECTOR OF ENVIRONMENTAL HEALTH	M	76.6	77.0	11
2157	DIRECTOR OF ANIMAL SERVICES	M	76.6	77.0	11
708	KCERA SENIOR INVESTMENT OFFICER	M	76.8	77.0	11
0581	BEHAVIORAL HEALTH & RECOVERY SYSTEM ADMINISTRATOR	M	75.7	76.0	12
0727	SENIOR ENGINEERING MANAGER	M	75.6	76.0	12
1176	PUBLIC WORKS CHIEF BUILDING OFFICIAL	M	75.6	76.0	12
0073	CHIEF COMMUNICATIONS OFFICER	M	74.6	76.0	12
0487	CHIEF STRATEGIC INITIATIVES OFFICER	M	74.6	76.0	12
0478	ASSISTANT CHIEF INFORMATION TECHNOLOGY OFFICER	M	74.6	76.0	12
0493	ASSISTANT CHIEF FINANCIAL OFFICER	M	74.6	76.0	12
0645	SENIOR CAO MANAGER	M	74.6	76.0	12
0821	ASSISTANT DIRECTOR OF WORKFORCE DEVELOPMENT	M	74.6	76.0	12
2292	ASSISTANT CHIEF HUMAN RESOURCES OFFICER	M	74.6	76.0	12
0268	DIRECTOR OF AGING AND ADULT SERVICES	M	74.6	76.0	12
0100	DIRECTOR OF LIBRARIES	M	72.8	76.0	12
4394	CORONER DIVISION CHIEF	D	74.6	75.0	13
4516	DIVISION DIRECTOR, FORENSIC SCIENCE	D	74.5	75.0	13
0730	ENGINEERING MANAGER	D	74.5	75.0	13
1630	PUBLIC HEALTH LABORATORY DIRECTOR	M	74.3	75.0	13
1945	ASSISTANT DIVISION DIRECTOR OF HEALTH SERVICES	D	74.8	75.0	13
592	KCERA CHIEF FINANCIAL OFFICER	M	74.6	75.0	13
11	KCERA CHIEF MEMBER SERVICES OFFICER	M	74.6	75.0	13
1229	KCERA CHIEF TECHNOLOGY OFFICER	M	74.6	75.0	13
504	KCERA DIRECTOR OF COMPLIANCE	M	74.6	75.0	13
1227	KCERA DIRECTOR OF INFORMATION TECHNOLOGY SECURITY	M	74.6	75.0	13
0585	PLANNING DIVISION CHIEF	M	74.6	75.0	13
0650	ASSISTANT DIRECTOR OF HUMAN SERVICES	M	74.6	75.0	13
3667	HUMAN SERVICES FINANCE DIRECTOR	M	74.6	75.0	13
0817	PUBLIC WORKS FINANCE DIRECTOR	M	74.6	75.0	13
0512	DIRECTOR OF ADMINISTRATIVE SERVICES - FIRE	M	76.4	75.0 (Y-RATE)	13
1283	ASSISTANT DIRECTOR OF CHILD SUPPORT SERVICES	M	73.3	74.0	14
0450	CONFIDENTIAL ASSISTANT, ASSESSOR	M	72.9	74.0	14
0460	CONFIDENTIAL ASSISTANT, AUDITOR-CONTROLLER	M	72.9	74.0	14
0475	CONFIDENTIAL ASSISTANT, TREASURER AND TAX COLLECTOR	M	72.9	74.0	14
3256	ASSISTANT REGISTRAR OF VOTERS	M	72.9	74.0	14
0473	PUBLIC WORKS MANAGER	D	73.4	74.0	14
717	KCERA INVESTMENT OFFICER	M	73.3	74.0	14
0479	DEPUTY CHIEF INFORMATION TECHNOLOGY OFFICER	M	72.8	73.0	15
0488	CHIEF INTERGOVERNMENTAL AND LEGISLATIVE AFFAIRS OFFICER	M	72.8	73.0	15
0782	CAO MANAGER	M	72.8	73.0	15
1631	ASSISTANT PUBLIC HEALTH LABORATORY DIRECTOR	D	72.8	73.0	15
0731	WASTEWATER SYSTEM MANAGER	D	72.7	73.0	15
0494	DEPUTY CHIEF FINANCIAL OFFICER	M	71.1	73.0	15
0783	DIRECTOR OF DIVERSITY, EQUITY, AND INCLUSION	M	71.1	73.0	15
0787	DEPUTY CHIEF HUMAN RESOURCES OFFICER	M	71.1	73.0	15

803	RISK MANAGER	M	70.3	73.0	15
3627	DEPARTMENT OF HUMAN SERVICES HUMAN RESOURCES MANAGER	M	72.8	73.0	15
0586	PRINCIPAL TREASURY INVESTMENT OFFICER	M	71.1	72.0	16
3625	HUMAN SERVICES PROGRAM DIRECTOR	D	71.3	72.0	16
4405	DEPUTY CORONER MANAGER	D	71.1	72.0	16
2165	CHIEF ENVIRONMENTAL HEALTH SPECIALIST	M	71.1	72.0	16
0639	SENIOR HUMAN RESOURCES MANAGER	M	71.1	72.0	16
1227	KCERA DEPUTY DIRECTOR OF INFORMATION TECHNOLOGY SECURITY	M	71.3	72.0	16
1067	KCERA SENIOR NETWORK MANAGER	M	71.3	72.0	16
1061	KCERA SENIOR APPLICATIONS MANAGER	M	71.3	72.0	16
0440	ASSISTANT DIRECTOR OF AGRICULTURE & MEASUREMENT STANDARDS	M	68.6	72.0	16
0480	INFORMATION TECHNOLOGY SERVICES MANAGER	D	70.7	71.0	17
1065	GEOGRAPHIC INFORMATION SYSTEMS (GIS) MANAGER	D	70.7	71.0	17
2396	TECHNOLOGY SERVICES MANAGER	D	70.7	71.0	17
12	KCERA ADMINISTRATIVE SERVICES OFFICER	M	70.7	71.0	17
593	KCERA DEPUTY CHIEF FINANCIAL OFFICER	M	70.7	71.0	17
13	KCERA DEPUTY CHIEF MEMBER SERVICES OFFICER	M	70.7	71.0	17
505	KCERA DEPUTY DIRECTOR OF COMPLIANCE	M	70.7	71.0	17
1641	KCERA SENIOR INVESTMENT ANALYST	M	70.3	71.0	17
3055	CLERK OF THE BOARD OF SUPERVISORS	M	69.1	70.0	18
0780	SENIOR ADMINISTRATIVE AND FISCAL SERVICES OFFICER	D	69.1	70.0	18
3477	DIVISION DIRECTOR OF FISCAL, RESEARCH & PLANNING	M	69.1	70.0	18
0788	SENIOR FISCAL AND POLICY ANALYST	D	69.1	70.0	18
120	COUNTY VETERANS SERVICE OFFICER	M	68.4	70.0	18
469	AIRPORT CHIEF OPERATIONS OFFICER	M	66.6	70.0	18
0825	AUDITOR-CONTROLLER'S DIVISION CHIEF	M	69.4	70.0	18
1068	KCERA NETWORK MANAGER	M	69.7	70.0	18
1062	KCERA APPLICATIONS MANAGER	M	69.7	70.0	18
5191	PARK RANGER MANAGER	D	68.1	70.0	18
0643	GENERAL SERVICES MANAGER	D	67.8	70.0	18
0455	ASSISTANT RECORDER	M	68.1	69.0	19
0829	ELECTIONS DIVISION MANAGER	M	68.1	69.0	19
4050	CHIEF APPRAISER	M	68.1	69.0	19
1285	DEPARTMENT OF CHILD SUPPORT SERVICES PROGRAM MANAGER	D	68.1	69.0	19
1175	PRINCIPAL BUILDING INSPECTOR	D	68.7	69.0	19
2069	SENIOR PUBLIC HEALTH EPIDEMIOLOGIST	D	68.1	69.0	19
777	KCERA SENIOR COMMUNICATIONS MANAGER	D	68.7	69.0	19
3910	DEPUTY DIRECTOR OF AGRICULTURE & MEASUREMENT STANDARDS	M	66.3	69.0	19
0705	EMERGENCY SERVICES MANAGER	D	67.7	68.0	20
0785	SPECIAL PROJECTS MANAGER	D	67.7	68.0	20
1491	PUBLIC HEALTH PROGRAM MANAGER	D	67.7	68.0	20
2158	DEPUTY DIRECTOR OF ANIMAL SERVICES	M	67.7	68.0	20
0800	WORKERS'S COMPENSATION CLAIMS MANAGER	D	67.6	68.0	20
3705	BEHAVIORAL HEALTH PROGRAM SUPERVISOR	D	67.3	68.0	20
0644	HUMAN RESOURCES MANAGER	D	67.1	68.0	20
0809	ADMINISTRATIVE SERVICES OFFICER	M	67.1	68.0	20
0816	PUBLIC WORKS PROGRAM MANAGER	D	67.1	68.0	20

0676	SHERIFF'S EMERGENCY COMMUNICATIONS CENTER MANAGER	D	67.1	68.0	20
0457	HEALTH PLAN SERVICES MANAGER	D	67.1	68.0	20
0675	FIRE EMERGENCY COMMUNICATION CENTER MANAGER	D	67.1	68.0	20
0793	FISCAL AND POLICY ANALYST II	D	67.1	68.0	20
0809	ADMINISTRATIVE SERVICES OFFICER	M	67.1	68.0	20
2295	PRINCIPAL HUMAN RESOURCES ANALYST	D	67.0	68.0	20
874	VICTIM WITNESS PROGRAM SUPERVISOR	D	66.8	68.0	20
0468	AIRPORTS FINANCE MANAGER	M	66.6	68.0	20
2544	KCERA MEMBER SERVICES MANAGER	M	67.6	68.0	20
3761	KCERA INVESTMENT ANALYST II	M	67.3	68.0	20
4170	ASSISTANT DIRECTOR OF LIBRARIES	M	64.7	67.0	21
4407	DEPUTY PUBLIC ADMINISTRATOR MANAGER	D	65.7	67.0	21
778	KCERA COMMUNICATIONS MANAGER	D	65.7	67.0	21
0950	HOUSING PROGRAMS MANAGER	D	65.5	67.0	21
4719	AIRPORT FACILITIES MANAGER	D	65.2	67.0	21
0699	SHERIFF'S OFFICE FLEET SERVICES MANAGER	D	65.2	67.0	21
0820	BUSINESS MANAGER	D	65.4	66.0	22
0823	BUSINESS MANAGER-CONFIDENTIAL	D	65.4	66.0	22
0171	CIVIL SERVICE COMMISSION OFFICER	D	65.0	66.0	22
0790	COORDINATOR OF ADMINISTRATIVE & LEGISLATIVE ANALYSIS	D	65.0	66.0	22
0919	SENIOR WORKFORCE DEVELOPMENT ANALYST	D	65.0	66.0	22
2323	SENIOR HUMAN RESOURCES ANALYST	D	65.0	66.0	22
4430	HUMAN SERVICES INTERNAL INVESTIGATOR	D	65.0	66.0	22
0818	WORKFORCE DEVELOPMENT PROGRAM MANAGER	D	65.0	66.0	22
2319	BEHAVIORAL HEALTH WORKFORCE DEVELOPMENT COORDINATOR	D	65.0	66.0	22
0811	LOSS PREVENTION SPECIALIST	D	64.9	66.0	22
0804	LIABILITY CLAIMS ADJUSTER	D	63.1	66.0	22
0841	VETERANS SERVICE MANAGER	D	64.9	66.0	22
4747	KCERA INVESTMENT ANALYST I	D	64.3	66.0	22
3058	ASSISTANT CLERK OF THE BOARD OF SUPERVISORS	M	61.9	66.0	22
4725	AIRPORT OPERATIONS AND SECURITY MANAGER	D	63.7	64.0	24
0795	FISCAL AND POLICY ANALYST I	D	63.1	64.0	24
0458	HEALTH PLAN SERVICES COORDINATOR	D	62.6	63.0	25
2879	SHERIFF'S RECORDS ADMINISTRATOR	D	62.4	63.0	25
2324	HUMAN RESOURCES ANALYST	D	62.0	63.0	25
2322	TALENT RECRUITER	D	62.0	63.0	25
0844	FACILITIES AND SERVICES MANAGER	D	61.5	63.0	25
0875	PROGRAM COORDINATOR	D	61.4	63.0	25
1210	ASSISTANT EMERGENCY SERVICES MANAGER	D	61.4	63.0	25



Date: August 9, 2023
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **Initiation of Service Provider Evaluation Period**

The Board of Retirement's Evaluation Period Policy was established to help ensure that decisions involving the selection, retention, or termination of KCERA service providers are consistent with fiduciary standards of conduct, and that service providers being considered by KCERA are treated fairly.

An "evaluation period" may be initiated by the Chief Executive Officer ("CEO") in the following situations:

- a) when a request for proposals (RFP) has been issued by KCERA or a short list of candidate firms has been identified for consideration by KCERA, or
- b) the Board otherwise deems it to be in the best interest of KCERA and its members and beneficiaries to do so.

The CEO has exercised his discretion and initiated the evaluation period for the following providers:

- 1) Hudson Bay Capital Management – Hudson Bay Special Opportunities Fund
- 2) Ares Management – Pathfinder Fund II
- 3) Silver Point Capital – Specialty Credit Fund III

Trustees are required to comply with the evaluation period restrictions upon receipt of this notification. (See Board Communications Policy).

During evaluation periods, trustees shall not communicate with the specified service providers, except during board meetings, committee meetings, or KCERA-authorized due diligence visits; nor shall they accept meals, travel, hotel, or other types of gifts from the specified service providers. Notwithstanding the above, Trustees who need to communicate with such service providers for reasons unrelated to KCERA business agree to disclose such need to the Board beforehand. If circumstances do not permit timely disclosure to the Board, the trustee shall provide disclosure of the intended communication to the CEO and to the Chair or Vice-Chair.

Initiation of Service Provider Evaluation Period

August 9, 2023

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Service providers that breach this policy may be terminated by KCERA or disqualified from consideration in a search process. Board members who breach this policy may be sanctioned in accordance with the KCERA Code of Conduct.

(See Evaluation Period Policy).

Pursuant to the aforementioned policies, staff recommends your Board ratify the evaluation period instituted by Chief Executive Officer Dominic Brown and delivered to the Board on July 26, 2023.



**SCHEDULES OF EMPLOYER ALLOCATIONS
AND PENSION AMOUNTS BY EMPLOYER**

*Actuarial Valuation based on June 30, 2022
Measurement*

Date for Employer Reporting as of June 30, 2023

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

11125 River Run Boulevard Bakersfield, CA 93311
(661) 381-7700 (661) 381-7799 fax www.kcera.org

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will be inserted at a later time.

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will be inserted at a later time.

Kern County Employees' Retirement Association - Schedule of Employer Allocations

As of and for the year ended June 30, 2022

	Actual Payroll by Employer	Employer Payroll Percentage	Total Allocated Net Pension Liability	Employer Proportionate Share
Kern County	\$ 436,142,833	71.194 %	\$ 1,775,600,455	74.612 %
Kern County Hospital Authority	106,790,632	17.432 %	345,399,109	14.514 %
Kern County Superior Courts	31,144,579	5.084 %	100,732,710	4.233 %
Berrenda Mesa Water District	179,557	0.029 %	4,056,987	0.170 %
Buttonwillow Recreation and Park District	38,334	0.006 %	153,804	0.006 %
East Kern Cemetery District	133,916	0.022 %	537,298	0.023 %
Inyokern Community Services District	—	— %	113,126	0.005 %
Kern County Water Agency	6,075,829	0.992 %	24,377,444	1.024 %
Kern Mosquito and Vector Control District	1,345,994	0.220 %	5,400,397	0.227 %
North of the River Sanitation District	1,230,032	0.201 %	4,935,134	0.207 %
San Joaquin Valley Unified Air Pollution Control District	28,344,293	4.627 %	113,722,982	4.779 %
Shafter Recreation and Park District	161,443	0.026 %	647,741	0.027 %
West Side Cemetery District	233,990	0.038 %	938,815	0.039 %
West Side Mosquito and Vector Control District	405,370	0.066 %	1,626,425	0.068 %
West Side Recreation and Park District	382,447	0.062 %	1,534,454	0.064 %
Total	\$ 612,609,249	100 %	\$ 2,379,776,881	100 %

**Kern County Employees' Retirement Association - Schedule of
Pension Amounts by Employer**

As of and for the year ended June 30, 2022 with Net Pension
Liability as of June 30, 2021

	Kern County	Kern County Hospital Authority	Kern County Superior Courts
NET PENSION LIABILITY (ASSET) as of June 30, 2021	\$ 1,404,103,571	\$ 284,243,193	\$ 79,900,510
NET PENSION LIABILITY (ASSET) as of June 30, 2022	1,775,600,455	345,399,109	100,732,710
Deferred Outflows of Resources			
Differences between expected and actual experience	—	—	—
Net difference between projected and actual investment earnings on pension plan investments	108,811,475	21,166,578	6,173,052
Changes of assumptions	46,245,946	8,996,004	2,623,608
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,473,756	18,516,606	1,064,553
Total Deferred Outflows of Resources	161,531,177	48,679,188	9,861,213
Deferred Inflows of Resources			
Differences between expected and actual experience	63,823,917	12,415,363	3,620,835
Net difference between projected and actual investment earnings on pension plan investments	—	—	—
Changes of assumptions	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,564,310	10,300,967	3,310,473
Total Deferred Inflows of Resources	82,388,227	22,716,330	6,931,308
Pension Expense			
Proportionate share of plan pension expense	190,788,357	37,113,151	10,823,734
Net amortization of deferred amounts and expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(12,506,131)	8,105,997	90,564
Total Employer Pension Expense	\$ 178,282,226	\$ 45,219,148	\$ 10,914,298

**Kern County Employees' Retirement Association - Schedule of
Pension Amounts by Employer**

As of and for the year ended June 30, 2022 with Net Pension
Liability as of June 30, 2021 (continued)

	Berrenda Mesa Water District	Buttonwillow Recreation and Park District	East Kern Cemetery District
NET PENSION LIABILITY (ASSET) as of June 30, 2021	\$ 4,040,127	\$ 119,200	\$ 404,156
NET PENSION LIABILITY (ASSET) as of June 30, 2022	4,056,987	153,804	537,298
Deferred Outflows of Resources			
Differences between expected and actual experience	—	—	—
Net difference between projected and actual investment earnings on pension plan investments	248,618	9,425	32,926
Changes of assumptions	105,665	4,006	13,994
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,056,071	3,955	39,958
Total Deferred Outflows of Resources	1,410,354	17,386	86,878
Deferred Inflows of Resources			
Differences between expected and actual experience	145,828	5,528	19,313
Net difference between projected and actual investment earnings on pension plan investments	—	—	—
Changes of assumptions	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	762,375	43,993	—
Total Deferred Inflows of Resources	908,203	49,521	19,313
Pension Expense			
Proportionate share of plan pension expense	435,923	16,527	57,732
Net amortization of deferred amounts and expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	429,482	(67,523)	18,952
Total Employer Pension Expense	\$ 865,405	\$ (50,996)	\$ 76,684

**Kern County Employees' Retirement Association - Schedule of
Pension Amounts by Employer**

As of and for the year ended June 30, 2022 with Net Pension
Liability as of June 30, 2021 (continued)

	Inyokern Community Services District	Kern County Water Agency	Kern Mosquito and Vector Control District
NET PENSION LIABILITY (ASSET) as of June 30, 2021	\$ 106,775	\$ 19,461,206	\$ 3,865,316
NET PENSION LIABILITY (ASSET) as of June 30, 2022	113,126	24,377,444	5,400,397
Deferred Outflows of Resources			
Differences between expected and actual experience	—	—	—
Net difference between projected and actual investment earnings on pension plan investments	6,933	1,493,887	330,944
Changes of assumptions	2,946	634,916	140,655
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,616	106,178	600,420
Total Deferred Outflows of Resources	35,495	2,234,981	1,072,019
Deferred Inflows of Resources			
Differences between expected and actual experience	4,066	876,247	194,117
Net difference between projected and actual investment earnings on pension plan investments	—	—	—
Changes of assumptions	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,183	734,558	56,847
Total Deferred Inflows of Resources	16,249	1,610,805	250,964
Pension Expense			
Proportionate share of plan pension expense	12,155	2,619,357	580,273
Net amortization of deferred amounts and expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	12,109	(23,516)	207,649
Total Employer Pension Expense	\$ 24,264	\$ 2,595,841	\$ 787,922

**Kern County Employees' Retirement Association - Schedule of
Pension Amounts by Employer**

As of and for the year ended June 30, 2022 with Net Pension
Liability as of June 30, 2021 (continued)

	North of the River Sanitation District	San Joaquin Valley Unified Air Pollution Control District	Shafter Recreation and Park District
NET PENSION LIABILITY (ASSET) as of June 30, 2021	\$ 3,632,018	\$ 85,354,840	\$ 619,606
NET PENSION LIABILITY (ASSET) as of June 30, 2022	4,935,134	113,722,982	647,741
Deferred Outflows of Resources			
Differences between expected and actual experience	—	—	—
Net difference between projected and actual investment earnings on pension plan investments	302,432	6,969,116	39,695
Changes of assumptions	128,537	2,961,943	16,871
Changes in proportion and differences between employer contributions and proportionate share of contributions	407,192	8,374,653	130,784
Total Deferred Outflows of Resources	838,161	18,305,712	187,350
Deferred Inflows of Resources			
Differences between expected and actual experience	177,393	4,087,770	23,283
Net difference between projected and actual investment earnings on pension plan investments	—	—	—
Changes of assumptions	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	95,778	1,974,668	110,012
Total Deferred Inflows of Resources	273,171	6,062,438	133,295
Pension Expense			
Proportionate share of plan pension expense	530,281	12,219,540	69,598
Net amortization of deferred amounts and expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	184,788	3,797,814	61,483
Total Employer Pension Expense	\$ 715,069	\$ 16,017,354	\$ 131,081

**Kern County Employees' Retirement Association - Schedule of
Pension Amounts by Employer**

As of and for the year ended June 30, 2022 with Net Pension
Liability as of June 30, 2021 (continued)

	West Side Cemetery District	West Side Mosquito and Vector Control District	West Side Recreation and Park District	Total
NET PENSION LIABILITY (ASSET) as of June 30, 2021	\$ 962,166	\$ 1,434,582	\$ 1,134,489	\$1,889,381,755
NET PENSION LIABILITY (ASSET) as of June 30, 2022	938,815	1,626,425	1,534,454	2,379,776,881
Deferred Outflows of Resources				
Differences between expected and actual experience	—	—	—	—
Net difference between projected and actual investment earnings on pension plan investments	57,532	99,670	94,034	145,836,317
Changes of assumptions	24,452	42,361	39,965	61,981,869
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,747	23,579	92,683	36,940,751
Total Deferred Outflows of Resources	106,731	165,610	226,682	244,758,937
Deferred Inflows of Resources				
Differences between expected and actual experience	33,746	58,462	55,156	85,541,024
Net difference between projected and actual investment earnings on pension plan investments	—	—	—	—
Changes of assumptions	—	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	454,245	300,936	219,406	36,940,751
Total Deferred Inflows of Resources	487,991	359,398	274,562	122,481,775
Pension Expense				
Proportionate share of plan pension expense	100,876	174,759	164,879	255,707,142
Net amortization of deferred amounts and expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(102,869)	(94,309)	(114,490)	—
Total Employer Pension Expense	\$ (1,993)	\$ 80,450	\$ 50,389	\$ 255,707,142

Cost-Sharing, Multiple-Employer Pension Plan
Notes to Schedules of Employer Allocations and Pension Amounts
by Employer As of and for the Year Ended June 30, 2022

Note 1 – DESCRIPTION OF THE ENTITY

Plan Description

The Kern County Employees' Retirement Association (KCERA) was established on January 1, 1945 by the County of Kern Board of Supervisors under the provisions of the County Employees' Retirement Law of 1937 (CERL). KCERA is a cost-sharing, multiple-employer defined benefit plan (the Plan) covering all permanent employees of the County of Kern and of the following agencies: Buttonwillow Recreation and Park District, East Kern Cemetery District, Kern County Hospital Authority, Kern County Superior Court, Kern County Water Agency, Kern Mosquito and Vector Control District, North of the River Sanitation District, San Joaquin Valley Unified Air Pollution Control District, Shafter Recreation and Park District, West Side Cemetery District, West Side Mosquito and Vector Control District, West Side Recreation and Park District, and. The Plan is administered by the Kern County Board of Retirement, which consists of nine members and two alternate members.

Pension Benefits

All regular, full-time employees of the County of Kern or contracting districts who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the payroll period following the date of hire. Safety membership includes those in active law enforcement, fire suppression, criminal investigation, detention and probation.

General members (excluding Tier III) are eligible to retire at age 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General Tier III members are eligible to retire at age 70 regardless of service or at age 52 with 5 or more years of retirement service credit.

Safety members are eligible to retire at age 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age.

The retirement benefit the member will receive is based on age at retirement, final average compensation (FAC), years of retirement service credit and benefit tier.

General member benefits for Tier I and Tier II are calculated pursuant to California Gov. Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of FAC times years of accrued retirement service credit times an age factor from Section 31676.17 (Tier I), or 1/90th of FAC times years of accrued retirement service credit times an age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the FAC multiplied by years of accrued retirement credit multiplied by an age factor from Section 7522.20(a).

Safety member benefits for Tier I and Tier II are calculated pursuant to California Gov. Code Sections 31664.1 and 31664, respectively. The monthly allowance is equal to 3% of FAC times years of accrued retirement service credit times an age factor from Section 31664.1 (Tier I), or 1/50th of FAC times years of accrued retirement service credit times an age factor from Section 31664 (Tier II).

For members in Tiers I and II, the maximum monthly retirement allowance is 100% of FAC. There is no FAC limit on the maximum retirement benefit for General Tier III members. However, the maximum amount of compensation earnable that can be taken into account for 2022 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$305,000. For members with membership dates on or after January 1, 2013, the maximum pensionable compensation that can be taken into account for 2022 is \$134,974 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

FAC consists of the highest 12 consecutive months of pensionable pay for a General Tier I or Tier IIA member or a Safety Tier I or Tier IIA members, and the highest 36 consecutive months of pensionable pay for a General Tier IIB or Tier III member or a Safety Tier IIB member.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible spouse or partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

Death Benefits

An active member's beneficiary is entitled to receive death benefits, which consist of accumulated contributions, plus interest, and one month's salary for each full year of service, up to a maximum of six months of salary.

If a member is vested and their death is not the result of a job-caused injury or disease, the spouse or registered domestic partner will be entitled to receive a lifetime monthly allowance equal to 60% of the retirement allowance to which they would have been entitled if they had retired with a nonservice-connected disability on the date of their death. The same choice is given to their minor children under the age of 18 (continuing to age 22 if enrolled full time in an accredited school).

If a member dies in the performance of duty, the spouse or registered domestic partner receives, for life, monthly allowance equal to at least 50% of the member's final average salary. This will only apply to minor children under the age of 18 (continuing to age 22 if enrolled full time in an accredited school).

If a member dies after retirement, a death benefit of \$5,000 is payable to their designated beneficiary or the estate.

If the retirement was for service-connected or nonservice-connected disability and the member chose the unmodified allowance option, their surviving spouse, registered domestic partner or minor children will receive a monthly continuance equal to 60% of the benefit.

If the retirement was for service-connected disability, their spouse, registered domestic partner or minor children will receive a 100% continuance of the member's benefit.

Disability Benefits

A member with five years of service, regardless of age, who becomes permanently incapacitated from the performance of duty will be eligible for a nonservice-connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty as a result of injury or disease arising out of and in the course of employment is eligible for a service-connected disability, regardless of service length or age.

Cost-of-Living Adjustments

An annual cost-of-living adjustment (COLA) of up to 2.0% was adopted for all retirees and continuance beneficiaries as of April 1, 1973. An additional 0.5% COLA was granted by the Ventura Settlement as of April 1, 2002, resulting in a maximum COLA of 2.5%, depending on the rate of inflation.

Supplemental Benefits

The Board of Retirement and the Board of Supervisors adopted Government Code Section 31618 on April 23, 1984, which provides for the establishment of the Supplemental Retiree Benefit Reserve (SRBR). The SRBR is used only for the benefit of future and current retired members and their beneficiaries. The supplemental benefit is not a guaranteed benefit. The distribution of the SRBR is determined by the Board of Retirement. SRBR currently provides for 82% purchasing power protection and the \$5,000 death benefit.

On September 14, 2022, the Board adopted a Restructured SRBR benefit effective July 1, 2022 equal to \$1.80 per year of service, but no less than the member's current SRBR benefit as of July 1, 2022. The Restructured SRBR benefit also includes a 2.5% COLA on the SRBR benefit, so long as the SRBR remains adequately funded. This plan amendment increased the NPL by \$30.4 million.

Contributions

Eligible employees and their beneficiaries are entitled to pension, disability and survivors' benefits under the provision of the CERL with the establishment of KCERA on January 1, 1945. As a condition of participation under the provisions of the CERL, members are required to pay a percentage of their salaries, depending up their age at date of entry in the Plan, membership type and benefit tier.

Members are required to make contributions to KCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 6.74% of compensation.

Interest is credited to member contributions semi-annually on June 30 and December 31, in accordance with Article 5.5 of the CERL. Member contributions and credited interest are refundable upon termination of membership.

The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation and after reflecting the phase-in of the impact of the assumption changes) was 48.78% of compensation.

Note 2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Employers participating in the Plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2015, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 27. In accordance with GASB Statement No. 82, Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73, employer-paid member contributions are classified as employee contributions for purposes of GASB Statement 68. Starting with the June 30, 2016 measurement date for the employers, employer-paid member contributions are excluded from employer contributions.

The accompanying schedules were prepared by KCERA's independent actuary and were derived from information provided by KCERA in accordance with the standards issued by the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing accounting principles generally accepted in the United States of America for governmental entities. As prescribed by GASB, they are reported using the economic resources measurement focus and the accrual basis of accounting.

Employer-covered payroll KCERA received within the fiscal year ended June 30, 2022, is used as the basis for determining each employer's proportionate share reported in the Schedule of Employer Allocations. The following items for each membership class is based on the corresponding proportionate share within each membership class:

- Net Pension Liability
- Service cost
- Interest on the Total Pension Liability
- Expensed portion of the current-period benefit changes
- Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
- Member contributions
- Projected earnings on plan investments
- Expensed portion of current-period differences between actual and projected earnings on plan investments
- Administrative expense
- Recognition of beginning-of-year deferred outflows of resources as pension expense
- Recognition of beginning-of-year deferred inflows of resources as pension expense

The Fiduciary Net Position of KCERA and additions to/deductions from KCERA's Fiduciary Net Position have been determined on the same basis as they are reported in KCERA's Comprehensive Annual Financial Report. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The reporting date and measurement date for the plan is June 30, 2022. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – NET PENSION LIABILITY

The Net Pension Liability of \$2,379,776,881 was measured as of June 30, 2022. The Net Pension Liability (NPL) is the Total Pension Liability reduced by the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability was determined based upon rolling forward the Total Pension Liability from the actuarial valuation as of June 30, 2021 to the measurement date of June 30, 2022. The Plan provisions used in the measurement of the Net Pension Liability are the same as those used in the KCERA actuarial valuation as of June 30, 2022. The Total Pension Liability and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Retiree Benefit Reserve (SRBR). The employers' proportions of the NPL are based on the employers' share of covered payroll for each membership class.

The NPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class.

- The safety membership class has only one employer (Kern County), so all of the NPL for safety is allocated to the County.
- For general and district membership classes, the NPL is allocated based on the covered payroll within their respective classes.
 - Calculate ratio of employer's payroll to the total payroll for the membership class.
 - This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.
- If the employer is in several membership classes, the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.
- The negative NPL associated with the SRBR is allocated based on the actual total payroll for each employer within KCERA.

Note 4 – ACTUARIAL ASSUMPTIONS

The Total Pension Liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 rolled forward to the measurement date of June 30, 2022. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study for the period from July 1, 2016 through June 30, 2019. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

<i>Inflation:</i>	2.75%
<i>Salary Increases:</i>	General: 4.00% to 8.75%. Safety: 3.75% to 12.00%. Varies by service, including inflation.
<i>Investment Rate of Return:</i>	7.25%, net of pension plan investment expenses, including inflation.
<i>Administrative Expenses:</i>	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
<i>Other Assumptions:</i>	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2019 Actuarial Experience Study dated August 3, 2020. Unless otherwise noted, all actuarial assumptions and methods apply to members for all tiers. These assumptions were adopted by the Board.

The Entry Age Actuarial Cost Method used in KCERA's annual actuarial valuation has also been applied in measuring the Service Cost and TPL with one exception. For purposes of measuring the Service Cost and TPL, KCERA has reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in KCERA's annual funding valuation, where the Normal Cost and Actuarial Accrued Liability are determined as if the current benefit accrual rate had always been in effect.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns net of pension plan investment expenses and inflation) are developed for each major asset class. This data is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the chart on page 15.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Weighted Average
Global Equity	37%	6.51%	2.41%
Core Fixed Income	14%	1.09%	0.15%
High Yield Corporate Credit	6%	3.38%	0.20%
Emerging Market Debt Blend	4%	3.41%	0.14%
Commodities	4%	3.08%	0.12%
Core Real Estate	5%	4.59%	0.23%
Private Real Estate	5%	9.50%	0.48%
Midstream	5%	8.20%	0.41%
Capital Efficiency Alpha Pool	5%	2.40%	0.12%
Hedge Funds	10%	2.40%	0.24%
Private Equity	5%	9.40%	0.47%
Private Credit	5%	5.60%	0.28%
Cash	(5)%	0.00%	0.00%
Inflation	0%	0.00%	2.75%
Total	100%		8.00%

Note 5 – DISCOUNT RATE

The discount rates used to measure the Total Pension Liability was 7.25% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rates assumed member contributions would be made at the current contribution rate and that employer contributions would be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both June 30, 2022 and June 30, 2021.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and Supplemental Retiree Benefit Reserve SRBR asset pools.

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability as of June 30, 2022, calculated using a discount rate of 7.25%, and what the Net Pension Liability would be if it were calculated using a discount rate that is one point lower (6.25%) or one point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability as of June 30, 2022	\$3,356,289,212	\$2,379,776,881	\$1,576,389,656

Note 6 - AMORTIZATION OF DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

There are changes in each employer’s proportionate share of the total Net Pension Liability (NPL) during the measurement period ended June 30, 2022. The net effect of the change on the employer’s proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through KCERA which is 4.77 years determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022).

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

Reporting Date for Employer under GAS 68 Year Ended June 30:	
2024	\$ 28,342,079
2025	\$ 21,241,419
2026	\$ (38,202,184)
2027	\$ 110,895,848
2028	\$ —
Thereafter	\$ —

Note 7 – ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (including the disclosure of the Net Pension Liability and the unmodified audit opinion on the financial statements) is located in the Kern County Employees’ Retirement Association’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The supporting actuarial information is included in the Governmental Accounting Standards (GAS) 67 Actuarial Valuation as of June 30, 2022 and Governmental Accounting Standard (GAS) 68 Actuarial Valuation as of June 30, 2022. The additional financial and actuarial information is available at www.kcera.org or by contacting KCERA’s office, 11125 River Run Blvd., Bakersfield, CA 93311, or by calling (661) 381-7700.

Kern County Employees' Retirement Association

Governmental Accounting Standards Board Statement 68 (GAS 68) Actuarial Valuation

Actuarial Valuation based on June 30, 2022 Measurement
Date for Employer Reporting as of June 30, 2023



This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for their liabilities associated with the KCERA pension plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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March 15, 2023

Board of Retirement
Kern County Employees' Retirement Association
11125 River Run Blvd.
Bakersfield, CA 93311

Dear Board Members:

We are pleased to submit this Governmental Accounting Standard (GAS) 68 Actuarial Valuation based on a June 30, 2022 measurement date for employer reporting as of June 30, 2023. It contains various information that will need to be disclosed in order for Kern County Employees' Retirement Association (KCERA) employers to comply with GAS 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the KCERA pension plan. The census and financial information on which our calculations were based was provided by KCERA. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Association.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

A handwritten signature in black ink, appearing to read "Paul Angelo", written over a horizontal line.

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

A handwritten signature in blue ink, appearing to read "Molly Calcagno", written over a horizontal line.

Molly Calcagno, ASA, MAAA, EA
Actuary

ST/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement 68 (GAS 68) for employer reporting as of as of June 30, 2023. The results used in preparing this GAS 68 report are comparable to those used in preparing the Governmental Accounting Standards Board Statement 67 (GAS 67) report for the plan based on a reporting date and a measurement date as of June 30, 2022. This valuation is based on:

- The benefit provisions of KCERA, as administered by the Board of Retirement;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2021, provided by KCERA;
- The assets of the Plan as of June 30, 2022, provided by KCERA;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board of Retirement for the June 30, 2022 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board of Retirement for the June 30, 2022 valuation.

General observations on the GAS 68 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans should develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as KCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is generally determined on the same basis as KCERA's Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Plan's Fiduciary Net Position includes assets held for the Supplemental Retiree Benefit Reserve (SRBR). The TPL reflects all future projected benefits expected to be paid from the SRBR for members as of the valuation date.

Section 1: Actuarial Valuation Summary

- The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) on a market value basis. The exception is that the NPL is reduced by the excess of the SRBR assets over the TPL associated with the SRBR benefits.

Highlights of the valuation

- For this report, the reporting dates for the employer are June 30, 2023 and June 30, 2022. The NPL was measured as of June 30, 2022 and June 30, 2021, respectively, and was determined based upon rolling forward the results from actuarial valuations as of June 30, 2021 and June 30, 2020. In addition, any changes in actuarial assumptions or plan provisions that occurred between the valuation date and the measurement date have been reflected. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2022 and June 30, 2021 are not adjusted or rolled forward to the June 30, 2023 and June 30, 2022 reporting dates, respectively.
- The NPL increased from \$1.89 billion as of June 30, 2021 to \$2.38 billion as of June 30, 2022 primarily due to the -4.08% return on the market value of assets during 2021-2022 (that was lower than the assumed return of 7.25%), and changes in plan provisions. Changes in these values during the last two fiscal years ending June 30, 2022 and June 30, 2021 can be found in *Section 2, Schedule of changes in Net Pension Liability* on page 20.
- All results shown in this report are on a combined basis including both the regular statutory (non-SRBR) benefits and the SRBR benefits. For purposes of illustration, separate values for the TPL, Plan's Fiduciary Net Position and NPL for the regular statutory (non-SRBR) benefits and the SRBR benefits as of June 30, 2022 are shown in the table below:

	Regular Benefits (Non-SRBR)	SRBR Benefits	Total KCERA
Total Pension Liability (TPL)	\$7,403,163,840	\$107,741,701	\$7,510,905,541
Plan's Fiduciary Net Position	4,999,892,890	131,235,770	5,131,128,660
Net Pension Liability (NPL)	2,403,270,950	(23,494,069)	2,379,776,881

- The discount rate used to determine the TPL and NPL as of June 30, 2022 and June 30, 2021 was 7.25%, following the same assumptions used by the Association in the funding valuations as of the same dates. The detailed derivation of the discount rate of 7.25% used in the calculation of the TPL and NPL as of June 30, 2022 can be found in *Section 3, Appendix A*. The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess

Section 1: Actuarial Valuation Summary

earnings between the retirement and SRBR asset pools. Various other information that is required to be disclosed can be found throughout *Section 2*.

5. As discussed in our letter dated September 11, 2015 regarding the treatment of the SRBR for financial reporting purposes, Actuarial Standard of Practice (ASOP) No. 4 (“Measuring Pension Obligations and Determining Pension Plan Costs or Contributions”) states that some plan provisions, including “gain sharing” provisions, “may create pension obligations that are difficult to appropriately measure using traditional valuation procedures.” ASOP No. 4 further states that “for such plan provisions, the actuary should consider using alternative valuation procedures, such as stochastic modeling... to reflect the impact of variations in experience from year to year.” The 50% allocation of future excess earnings to the SRBR for KCERA is a clear example of the gain sharing provisions referenced by ASOP No. 4.

After several meetings with KCERA and its auditors, and based on information regarding another SRBR system that included discussions with GASB staff, it was previously determined that future allocations to the SRBR should be treated as an additional “outflow” (i.e., assets not available to fund the benefits included in the determination of the TPL) against the Plan’s Fiduciary Net Position in the GASB crossover test¹ (see *Section 3, Appendix A*).

However, as noted earlier in this report, the Plan’s Fiduciary Net Position includes assets held for the SRBR, and the TPL includes all projected future benefits expected to be paid from the SRBR for members as of the valuation date. This treatment was also discussed with KCERA and its auditors and determined to be appropriate. Therefore, any outflows due to the 50/50 excess earnings allocation would not affect the outcome of the crossover test since the crossover test is performed based on the combined results of the statutory (non-SRBR) benefits and the SRBR.

6. Based on discussions with KCERA and their auditors, starting with the June 30, 2016 measurement date for the employers, employer paid member contributions are excluded from employer contributions in the determination of the Actuarially Determined Contribution (ADC). The amount of employer paid member contributions was estimated by first determining what the employer contribution rates would have been during the year, excluding any employer paid member contributions. The actual employer contribution rates were then adjusted by the ratio of the employer contribution rates determined above and the employer contribution rates determined in the annual actuarial valuation. The result is the employer contributions excluding any employer paid member contributions. This change has not been applied on a retroactive basis prior to the 2015-2016 fiscal year.
7. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2022. Employers should consult with their auditors to determine the deferred outflow that should be created for these contributions.

¹ The purpose of the GASB crossover test is to determine if the full expected return (or 7.25% in this case) can be used as the discount rate to determine the TPL and the NPL. That is, if there is no crossover point where the projected benefit payments would exceed the Plan’s Fiduciary Net Position, then the full expected return assumption can be used. As detailed later in this report, KCERA does pass the crossover test, which means that the full 7.25% investment rate of return assumption can be used as the discount rate to determine the TPL and the resulting NPL.

Section 1: Actuarial Valuation Summary

8. Due to the implementation of the Declining Employer Payroll Policy, the NPL as of June 30, 2021 and June 30, 2022 for Berrenda Mesa Water District and Inyokern Community Services District was determined based on rolling forward the results from the actuarial valuation as of June 30, 2020 and June 30, 2021, respectively, and allocating a portion of the Plan's Fiduciary Net Position as of June 30, 2021 and June 30, 2022, respectively, based on the valuation value of assets allocated to these employers as of the same dates.
9. The Safety membership class has only one employer (Kern County), so all of the NPL for Safety as of both June 30, 2021 and June 30, 2022 is allocated to the County.

For General and District, the NPL as of June 30, 2021 and June 30, 2022 is allocated based on the actual payroll within the General and District membership classes for 2020-2021 and 2021-2022, respectively. The steps we used are as follows:

- Calculate ratio of employer's payroll to the total payroll for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.²

The negative NPL associated with the SRBR is allocated based on the proportionate share of the non-SRBR NPL for each employer within KCERA.

Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers. The NPL allocation can be found in *Section 2, Determination of proportionate share*.

10. On September 14, 2022, the Board adopted a Restructured SRBR benefit effective July 1, 2022 equal to \$1.80 per year of service, but no less than the member's current SRBR benefit as of July 1, 2022. The Restructured SRBR benefit also includes a 2.5% COLA on the SRBR benefit, so long as the SRBR remains adequately funded. This plan amendment increased the NPL by \$30.4 million.
11. The Public Employee Pension Reform Act of 2013 (PEPRA) set contribution rates for members hired after January 1, 2013 (PEPRA members) at 50% of normal cost, pending expiration of the existing MOUs. Between January 1, 2013 and the expiration of the then-existing MOUs in or around 2015, PEPRA members were incorrectly charged the 50% of normal cost rate. On April 13, 2022, the Board decided to refund any overcollection of contributions paid in conjunction with PEPRA implementation to affected PEPRA members. The Board also decided to collect any underpayment of contributions by affected PEPRA members from the Plan sponsors.

On July 30, 2020, the California Supreme Court issued a decision in the Alameda County Deputy Sheriffs' Assn. et al. v. Alameda County Employees' Retirement Assn. litigation that clarified what should be considered compensation earnable for

² For the District, the ratio used to multiply the NPL is the employer's payroll to the total payroll (less the payroll for Berrenda Mesa Water District and Inyokern Community Services District). The NPL allocated is the total District NPL (less the NPL for Berrenda Mesa Water District and Inyokern Community Services District).

Section 1: Actuarial Valuation Summary

Legacy members and pensionable compensation for PEPRA members. In response, the Board adopted Resolution 2020-1, which detailed the implementation of the Alameda decision including reclassifying certain pay items for inclusion in compensation earnable and pensionable compensation. On April 13, 2022, the Board decided to refund any net overcollection of contributions over the overpayment of benefits paid in conjunction with these pay items to affected members that retired between January 1, 2013 and August 30, 2020. The Board also decided to collect any net overpayment of benefits over the undercollection of contributions to affected members from the Plan sponsors.

The results in this valuation reflect the recovery or refunds of benefits and/or member contributions previously paid in conjunction with PEPRA implementation and the Alameda decision, which increased the NPL by \$1.2 million.

12. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2022. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation is based on Plan data as of June 30, 2021 and it does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2021 due to COVID-19. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Reporting Date for Employer under GAS 68		June 30, 2023 ¹	June 30, 2022 ¹
Measurement Date for Employer under GAS 68		June 30, 2022	June 30, 2021
Disclosure elements for plan year ending June 30:	• Service cost ²	\$118,979,049	\$123,394,292
	• Total Pension Liability	7,510,905,541	7,306,894,934
	• Plan's Fiduciary Net Position	5,131,128,660	5,417,513,179
	• Net Pension Liability	2,379,776,881	1,889,381,755
	• Pension expense	255,707,142	129,168,007
Schedule of contributions for plan year ending June 30:	• Actuarially determined contributions ³	\$287,063,000	\$268,626,000
	• Actual employer contributions ³	287,063,000	268,626,000
	• Contribution deficiency / (excess)	0	0
Demographic data for plan year ending June 30:⁴	• Number of retired members and beneficiaries	9,015	8,835
	• Number of inactive vested members ⁵	4,015	3,517
	• Number of active members	9,076	9,072
Key assumptions as of June 30:	• Investment rate of return	7.25%	7.25%
	• Inflation rate	2.75%	2.75%
	• Projected salary increases ⁶	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%
	• Cost of living adjustments	2.50%	2.50%

¹ The reporting dates and measurement dates for the plan are June 30, 2022 and June 30, 2021, respectively.

² Excludes administrative expense load. The service cost is based on the previous year's valuation, meaning the June 30, 2022 and June 30, 2021 values are based on the valuations as of June 30, 2021 and June 30, 2020, respectively. Both service costs have been calculated using the assumptions shown in the June 30, 2021 column, as there had been no changes in the actuarial assumptions between the June 30, 2020 and June 30, 2021 valuations.

³ See footnote (1) under *Section 2, Schedule of contributions* on page 21.

⁴ Data as of June 30, 2021 is used in the measurement of the TPL as of June 30, 2022.

⁵ Includes terminated members due a refund of member contributions.

⁶ Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by KCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the measurement date, as provided by KCERA.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.
Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

If KCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.

Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

As Segal has no discretionary authority with respect to the management or assets of KCERA, it is not a fiduciary in its capacity as actuaries and consultants with respect to KCERA.

Section 2: GAS 68 Information

General information about the pension plan

Plan Description

Plan administration. The Kern County Employees' Retirement Association (KCERA) was established by the County of Kern in 1945. KCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.), the California Public Employees' Pension Reform Act (CalPEPRA) and the bylaws, procedures and policies adopted by the KCERA Board. KCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide retirement, disability, death, beneficiary, cost-of-living and supplemental retirement benefits to the General and Safety members employed by the County of Kern. KCERA also provides retirement benefits to the employee members of the Berrenda Mesa Water District, Buttonwillow Recreation and Park District, East Kern Cemetery District, Inyokern Community Services District, Kern County Water Agency, Kern Mosquito and Vector Control District, North of the River Sanitation District, San Joaquin Valley Unified Air Pollution Control District, Shafter Recreation and Park District, West Side Cemetery District, West Side Mosquito and Vector Control District, West Side Recreation and Park District, the Kern County Superior Court, and the Kern County Hospital Authority.

The management of KCERA is vested with the KCERA Board of Retirement. The Board consists of nine members and two alternate members. The County Treasurer is elected by the general public and is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor; two members are elected by the general membership; one member and one alternate member are elected by the safety membership; and one member and one alternate member are elected by the retired members of the Association. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Plan membership. At June 30, 2022, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	9,015
Inactive vested members entitled to, but not yet receiving benefits ¹	4,015
Active members	9,076
Total	22,106

¹ Includes terminated members due a refund of member contributions.

Note: Data as of June 30, 2022 is not used in the measurement of the TPL as of June 30, 2022.

Section 2: GAS 68 Information

Benefits provided. KCERA provides retirement, disability, beneficiary, cost-of-living and supplemental retirement benefits to eligible employees. All regular full-time employees of the County of Kern or contracting districts who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the first full biweekly payroll period following the date of employment. There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers.

General members (excluding Tier III) are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General Tier III members are eligible to retire once they have attained the age of 70 regardless of service or at age 52 and have acquired 5 or more years of retirement service credit.

Safety members are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.17 (Tier I) or 1/90th of final average compensation times years of accrued retirement service credit times age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final average compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits for Tier I and Tier II are calculated pursuant to the provisions of California Government Code Sections 31664.1 and 31664, respectively. The monthly allowance is equal to 3% of final average compensation times years of accrued retirement service credit times age factor from 31664.1 (Tier I) or 1/50th (or 2%) of final average compensation times years of accrued retirement service credit times age factor from Section 31664 (Tier II).

For members in Tier I or Tier II, the maximum monthly retirement allowance is 100% of final average compensation. There is no final average compensation limit on the maximum retirement benefit for General Tier III members. However, the maximum amount of compensation earnable that can be taken into account for 2022 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$305,000. For members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2022 is equal to \$134,974 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Section 2: GAS 68 Information

Final average compensation consists of the highest 12 consecutive months of pensionable pay for a General Tier I or Tier IIA member or a Safety Tier I or Tier IIA member and the highest 36 consecutive months of pensionable pay for a General Tier IIB or Tier III member or a Safety Tier IIB member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

KCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim Area, is capped at 2.5%.

The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation and after reflecting the phase-in of the impact of the assumption changes for the County Safety cost group) was 48.78% of compensation.

Members are required to make contributions to KCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation) was 6.74% of compensation.

Section 2: GAS 68 Information

Net Pension Liability

The components of the Net Pension Liability were as follows:

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Total Pension Liability	\$7,510,905,541	\$7,306,894,934
Plan's Fiduciary Net Position	<u>(5,131,128,660)</u>	<u>(5,417,513,179)</u>
Net Pension Liability	\$2,379,776,881	\$1,889,381,755
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	68.32%	74.14%

The Net Pension Liability (NPL) for the plan was measured as of June 30, 2022 and June 30, 2021. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2021 and June 30, 2020, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of June 30, 2022 and June 30, 2021 are the same as those used in the KCERA actuarial valuation as of June 30, 2022 and June 30, 2021, respectively. The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Retiree Benefit Reserve (SRBR).

Actuarial assumptions. The TPLs as of June 30, 2022 and June 30, 2021 that were measured by actuarial valuations as of June 30, 2021 and June 30, 2020, respectively, used the same actuarial assumptions and actuarial cost method as the June 30, 2022 and June 30, 2021 funding valuations. The actuarial assumptions used in the June 30, 2022 and June 30, 2021 funding valuations were based on the result of an experience study for the period from July 1, 2016 through June 30, 2019. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Section 2: GAS 68 Information

Investment rate of return:	7.25%, net of pension plan investment expense, including inflation.
Inflation rate:	2.75%
Administrative expenses:	0.90% of payroll allocated to both the employer and the member based on the components of the total average contribution rate (before expenses) for the employer and the member.
Real across-the-board salary increase:	0.50%
Projected salary increases:	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%, varying by service, including inflation and real across-the-board salary increase
Cost of living adjustments (COLA):	Retiree COLA increases due to CPI are assumed to be 2.50%.
Other assumptions:	Same as those used in the June 30, 2022 funding valuations. These assumptions were developed in the analysis of actuarial experience for the period July 1, 2016 through June 30, 2019.

The Entry Age Actuarial Cost Method used in KCERA's annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in KCERA's annual funding valuation, where the Normal Cost is determined as if the current benefit accrual rate had always been in effect.

Section 2: GAS 68 Information

Determination of discount rate and investment rates of return

In the most recent experience study performed in 2020, the long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the June 30, 2022 and June 30, 2021 actuarial valuations. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity	37%	6.51%
Core Fixed Income	14%	1.09%
High Yield Corporate Credit	6%	3.38%
Emerging Market Debt Blend	4%	3.41%
Commodities	4%	3.08%
Core Real Estate	5%	4.59%
Private Real Estate	5%	9.50%
Midstream	5%	8.20%
Capital Efficiency Alpha Pool	5%	2.40%
Hedge Fund	10%	2.40%
Private Equity	5%	9.40%
Private Credit	5%	5.60%
Cash	-5%	0.00%
Total	100%	5.25%

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Discount rate. The discount rate used to measure the TPL was 7.25% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rates assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2022 and June 30, 2021.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and Supplement Retirement Benefit Reserve (SRBR) asset pools.

Section 2: GAS 68 Information

Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the NPL of the KCERA as of June 30, 2022, calculated using the discount rate of 7.25%, as well as what the KCERA's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Kern County	\$2,504,196,380	\$1,775,600,455	\$1,176,176,729
Kern County Hospital Authority	487,129,408	345,399,109	228,796,064
Kern County Superior Courts	142,067,145	100,732,710	66,726,424
Berrenda Mesa Water District	5,721,722	4,056,987	2,687,392
Buttonwillow Recreation and Park District	216,916	153,804	101,881
East Kern Cemetery District	757,772	537,298	355,912
Inyokern Community Services District	159,546	113,126	74,936
Kern County Water Agency	34,380,430	24,377,444	16,147,880
Kern Mosquito and Vector Control District	7,616,384	5,400,397	3,577,281
North of the River Sanitation District	6,960,206	4,935,134	3,269,086
San Joaquin Valley Unified Air Pollution Control District	160,387,816	113,722,982	75,331,319
Shafter Recreation and Park District	913,534	647,741	429,071
West Side Cemetery District	1,324,046	938,815	621,881
West Side Mosquito and Vector Control District	2,293,809	1,626,425	1,077,361
West Side Recreation and Park District	<u>2,164,098</u>	<u>1,534,454</u>	<u>1,016,439</u>
Total for all Employers	\$3,356,289,212	\$2,379,776,881	\$1,576,389,656

Section 2: GAS 68 Information

Schedule of changes in Net Pension Liability – Last two fiscal years

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Total Pension Liability		
• Service cost	\$118,979,049	\$123,394,292
• Interest	523,871,953	510,015,072
• Change of benefit terms	30,437,639	(32,128,915)
• Differences between expected and actual experience	(69,170,152)	(16,282,256)
• Changes of assumptions	0	0
• Benefit payments, including refunds of member contributions	<u>(400,107,882)</u>	<u>(378,799,223)</u>
Net change in Total Pension Liability	\$204,010,607	\$206,198,970
Total Pension Liability – beginning	<u>7,306,894,934</u>	<u>7,100,695,964</u>
Total Pension Liability – ending (a)	<u>\$7,510,905,541</u>	<u>\$7,306,894,934</u>
Plan’s Fiduciary Net Position		
• Contributions – employer ¹	\$287,063,044	\$268,625,636
• Contributions – employee ¹	54,514,264	53,789,028
• Net investment income	(219,947,045)	1,043,360,706
• Benefit payments, including refunds of member contributions	(400,107,882)	(378,799,223)
• Administrative expense	(6,702,394)	(6,060,675)
• Other	<u>(1,204,506)²</u>	<u>(2,197,087)</u>
Net change in Plan’s Fiduciary Net Position	\$(286,384,519)	\$978,718,385
Plan’s Fiduciary Net Position – beginning	<u>5,417,513,179</u>	<u>4,438,794,794</u>
Plan’s Fiduciary Net Position – ending (b)	<u>\$5,131,128,660</u>	<u>\$5,417,513,179</u>
Net Pension Liability – ending (a) – (b)	<u>\$2,379,776,881</u>	<u>\$1,889,381,755</u>
Plan’s Fiduciary Net Position as a percentage of the Total Pension Liability	68.32%	74.14%
Covered payroll ³	\$612,609,249	\$604,320,398
Net Pension Liability as percentage of covered payroll	388.47%	312.65%

¹ See footnote (1) under *Section 2, Schedule of contributions* on page 21.

² This represents the amount of recovery or refunds of benefits and/or member contributions previously paid in conjunction with PEPRA implementation and pay items impacted by the implementation of the Alameda decision.

³ Covered payroll represents payroll on which contributions to the pension plan are based.

Notes to Schedule: Benefit changes: Restructured SRBR benefit based on years of service and including a 2.5% COLA.

Section 2: GAS 68 Information

Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions ¹	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll ²	Contributions as a Percentage of Covered Payroll
2013	\$211,677,000	\$211,677,000	\$0	\$516,465,189	40.99%
2014	220,393,000	220,393,000	0	533,850,811	41.28%
2015	215,477,000	215,477,000	0	531,598,183	40.53%
2016	216,229,000	216,229,000	0	537,539,991	40.23%
2017	224,351,000	224,351,000	0	546,671,003	41.04%
2018	242,534,000	242,534,000	0	576,728,789	42.05%
2019	229,120,000	229,120,000	0	579,071,865	39.57%
2020	273,909,000	273,909,000	0	607,695,110	45.07%
2021	268,626,000	268,626,000	0	604,320,398	44.45%
2022	287,063,000	287,063,000	0	612,609,249	46.86%

¹ All “Actuarially Determined Contributions” through June 30, 2014 were determined as the “Annual Required Contribution” under GAS 25 and 27. Starting from 2016, actuarially determined contributions exclude employer paid member contributions.

² Covered payroll represents payroll on which contributions to the pension plan are based.

See accompanying notes to this schedule on next page.

Section 2: GAS 68 Information

Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

Valuation date:	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method:	Entry Age Actuarial Cost Method
Amortization method:	Level percent of payroll for total unfunded liability
Remaining amortization period:	13.5 years as of June 30, 2022 for all UAAL as of June 30, 2011. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to changes in actuarial assumptions or methods will be amortized over a 18-year closed period effective with each valuation. Any change in unfunded actuarial accrued liability that arises due to plan amendments is amortized over its own declining 15-year period (with exception of a change due to retirement incentives, which is amortized over a declining period of up to 5 years).
Asset valuation method:	Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market return and the expected return on a market value basis and are recognized semi-annually over a five-year period. The AVA cannot be less than 50% of MVA, nor greater than 150% of MVA. The Actuarial Value of Assets (AVA) is reduced by the value of the non-valuation reserves.

Section 2: GAS 68 Information

Actuarial assumptions:

Valuation Date:	June 30, 2020 Valuation Date (used for the year ended June 30, 2022 ADC)
Investment rate of return:	7.25%, net of pension plan investment expenses, including inflation
Inflation rate:	2.75%
Administrative expense:	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member
Real across-the-board salary increase:	0.50%
Projected salary increases: ¹	General: 4.00% to 8.75% and Safety: 3.75% to 12.00%
Cost of living adjustments:	2.50% (actual increases contingent upon CPI increases with a 2.50% maximum)
Other assumptions:	Same as those used in the June 30, 2020 funding actuarial valuation

¹ Includes inflation at 2.75% plus real across-the-board salary increase of 0.50% plus merit and promotional increases.

Section 2: GAS 68 Information

Determination of proportionate share

Actual Payroll by Employer and Membership Class
July 1, 2020 to June 30, 2021
for Proportionate Share as of June 30, 2021 Measurement Date

Employer	General	General Percentage ¹	Safety	Safety Percentage	District	District Percentage ¹	Total	Total Percentage
Kern County	\$294,775,978	68.162%	\$134,328,012	100.000%	\$0	0.000%	\$429,103,990	71.006%
Kern County Hospital Authority	107,477,006	24.852%	0	0.000%	0	0.000%	107,477,006	17.785%
Kern County Superior Courts	30,211,691	6.986%	0	0.000%	0	0.000%	30,211,691	4.999%
Berrenda Mesa Water District	0	0.000%	0	0.000%	149,588	0.399%	149,588	0.025%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	38,085	0.101%	38,085	0.006%
East Kern Cemetery District	0	0.000%	0	0.000%	129,130	0.344%	129,130	0.021%
Inyokern Community Services District	0	0.000%	0	0.000%	0	0.000%	0	0.000%
Kern County Water Agency	0	0.000%	0	0.000%	6,217,954	16.569%	6,217,954	1.029%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	1,234,988	3.291%	1,234,988	0.204%
North of the River Sanitation District	0	0.000%	0	0.000%	1,160,448	3.092%	1,160,448	0.192%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	27,271,303	72.670%	27,271,303	4.513%
Shafter Recreation and Park District	0	0.000%	0	0.000%	197,967	0.528%	197,967	0.033%
West Side Cemetery District	0	0.000%	0	0.000%	307,417	0.819%	307,417	0.051%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	458,356	1.221%	458,356	0.076%
West Side Recreation and Park District	0	0.000%	0	0.000%	362,475	0.966%	362,475	0.060%
Total for all Employers	\$432,464,675	100.000%	\$134,328,012	100.000%	\$37,527,711	100.000%	\$604,320,398	100.000%

¹ The unrounded percentages are used in the allocation of the NPL amongst the General and District employers.

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2021 Net Pension Liability

Employer	General	General Percentage	Safety	Safety Percentage	District	District Percentage	Subtotal	Subtotal Percentage
Kern County	\$800,062,235	68.162%	\$640,912,318	100.000%	\$0	0.000%	\$1,440,974,553	74.316%
Kern County Hospital Authority	291,707,262	24.852%	0	0.000%	0	0.000%	291,707,262	15.044%
Kern County Superior Courts	81,998,653	6.986%	0	0.000%	0	0.000%	81,998,653	4.229%
Berrenda Mesa Water District	0	0.000%	0	0.000%	4,146,219	3.335%	4,146,219	0.214%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	122,330	0.098%	122,330	0.006%
East Kern Cemetery District	0	0.000%	0	0.000%	414,769	0.334%	414,769	0.021%
Inyokern Community Services District	0	0.000%	0	0.000%	109,579	0.088%	109,579	0.006%
Kern County Water Agency	0	0.000%	0	0.000%	19,972,247	16.066%	19,972,247	1.030%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	3,966,817	3.191%	3,966,817	0.205%
North of the River Sanitation District	0	0.000%	0	0.000%	3,727,393	2.998%	3,727,393	0.192%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	87,596,211	70.463%	87,596,211	4.518%
Shafter Recreation and Park District	0	0.000%	0	0.000%	635,876	0.512%	635,876	0.033%
West Side Cemetery District	0	0.000%	0	0.000%	987,432	0.794%	987,432	0.051%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	1,472,253	1.184%	1,472,253	0.076%
West Side Recreation and Park District	0	0.000%	0	0.000%	1,164,280	0.937%	1,164,280	0.060%
Total for all Employers	\$1,173,768,150	100.000%	\$640,912,318	100.000%	\$124,315,406	100.000%	\$1,938,995,874	100.000%

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2021 Net Pension Liability

Employer	SRBR	SRBR Percentage	Total	Total Percentage
Kern County	\$(36,870,982)	74.316%	\$1,404,103,571	74.316%
Kern County Hospital Authority	(7,464,069)	15.044%	284,243,193	15.044%
Kern County Superior Courts	(2,098,143)	4.229%	79,900,510	4.229%
Berrenda Mesa Water District	(106,092)	0.214%	4,040,127	0.214%
Buttonwillow Recreation and Park District	(3,130)	0.006%	119,200	0.006%
East Kern Cemetery District	(10,613)	0.021%	404,156	0.021%
Inyokern Community Services District	(2,804)	0.006%	106,775	0.006%
Kern County Water Agency	(511,041)	1.030%	19,461,206	1.030%
Kern Mosquito and Vector Control District	(101,501)	0.205%	3,865,316	0.205%
North of the River Sanitation District	(95,375)	0.192%	3,632,018	0.192%
San Joaquin Valley Unified Air Pollution Control District	(2,241,371)	4.518%	85,354,840	4.518%
Shafter Recreation and Park District	(16,270)	0.033%	619,606	0.033%
West Side Cemetery District	(25,266)	0.051%	962,166	0.051%
West Side Mosquito and Vector Control District	(37,671)	0.076%	1,434,582	0.076%
West Side Recreation and Park District	<u>(29,791)</u>	<u>0.060%</u>	<u>1,134,489</u>	<u>0.060%</u>
Total for all Employers	\$(49,614,119)	100.000%	\$1,889,381,755	100.000%

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Notes:

Based on the July 1, 2020 through June 30, 2021 actual payroll as provided by KCERA.

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class. The Plan's Fiduciary Net Position for each membership was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total KCERA Plan's Fiduciary Net Position (excluding the SRBR) to total KCERA valuation value of assets. Based on this methodology, any non-valuation reserves are allocated amongst the membership classes based on each membership class' valuation value of assets. Note that the NPL for Berrenda Mesa Water District and Inyokern Community Services District is calculated for each employer separately using the methodology described below.

Due to the implementation of the Declining Employer Payroll Policy, the NPL as of June 30, 2021 for Berrenda Mesa Water District and Inyokern Community Services District was determined based on rolling forward the results from the actuarial valuation as of June 30, 2020 and allocating a portion of the Plan's Fiduciary Net Position as of June 30, 2021 based on the valuation value of assets allocated to these employers as of the same dates.

The Safety membership class has only one employer (Kern County), so all of the NPL for Safety is allocated to the County.

For General and District, the NPL is allocated based on the actual payroll within the General and District membership classes, respectively.

- Calculate ratio of employer's payroll to the total payroll for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.¹

The NPL associated with the SRBR is allocated based on the proportionate share of the non-SRBR NPL for each employer within KCERA.

If the employer is in several membership classes, the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2022. The reporting date and measurement date for the plan under GAS 67 are June 30, 2021. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2021 are not adjusted or "rolled forward" to June 30, 2022. Other results such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

¹ For the District, the ratio used to multiply the NPL is the employer's payroll to the total payroll (less the payroll for Berrenda Mesa Water District and Inyokern Community Services District). The NPL allocated is the total District NPL (less the NPL for Berrenda Mesa Water District and Inyokern Community Services District).

Section 2: GAS 68 Information

Notes (continued):

The following items are allocated based on the corresponding proportionate share:

- 1) Net Pension Liability
- 2) Service cost
- 3) Interest on the Total Pension Liability
- 4) Current-period benefit changes
- 5) Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
- 6) Expensed portion of current-period changes of assumptions or other inputs
- 7) Member contributions
- 8) Projected earnings on plan investments
- 9) Expensed portion of current-period differences between actual and projected earnings on plan investments
- 10) Administrative expense
- 11) Other
- 12) Recognition of beginning of year deferred outflows of resources as pension expense
- 13) Recognition of beginning of year deferred inflows of resources as pension expense

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Actual Payroll by Employer and Membership Class
July 1, 2021 to June 30, 2022
for Proportionate Share as of June 30, 2022 Measurement Date

Employer	General	General Percentage ¹	Safety	Safety Percentage	District	District Percentage ¹	Total	Total Percentage
Kern County	\$298,565,177	68.400%	\$137,577,656	100.000%	\$0	0.000%	\$436,142,833	71.194%
Kern County Hospital Authority	106,790,632	24.465%	0	0.000%	0	0.000%	106,790,632	17.432%
Kern County Superior Courts	31,144,579	7.135%	0	0.000%	0	0.000%	31,144,579	5.084%
Berrenda Mesa Water District	0	0.000%	0	0.000%	179,557	0.466%	179,557	0.029%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	38,334	0.099%	38,334	0.006%
East Kern Cemetery District	0	0.000%	0	0.000%	133,916	0.348%	133,916	0.022%
Inyokern Community Services District	0	0.000%	0	0.000%	0	0.000%	0	0.000%
Kern County Water Agency	0	0.000%	0	0.000%	6,075,829	15.769%	6,075,829	0.992%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	1,345,994	3.493%	1,345,994	0.220%
North of the River Sanitation District	0	0.000%	0	0.000%	1,230,032	3.192%	1,230,032	0.201%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	28,344,293	73.562%	28,344,293	4.627%
Shafter Recreation and Park District	0	0.000%	0	0.000%	161,443	0.419%	161,443	0.026%
West Side Cemetery District	0	0.000%	0	0.000%	233,990	0.607%	233,990	0.038%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	405,370	1.052%	405,370	0.066%
West Side Recreation and Park District	0	0.000%	0	0.000%	382,447	0.993%	382,447	0.062%
Total for all Employers	\$436,500,388	100.000%	\$137,577,656	100.000%	\$38,531,205	100.000%	\$612,609,249	100.000%

¹ The unrounded percentages are used in the allocation of the NPL amongst the General and District employers.

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2022 Net Pension Liability

Employer	General	General Percentage	Safety	Safety Percentage	District	District Percentage	Subtotal	Subtotal Percentage
Kern County	\$975,200,025	68.400%	\$817,929,838	100.000%	\$0	0.000%	\$1,793,129,863	74.612%
Kern County Hospital Authority	348,809,021	24.465%	0	0.000%	0	0.000%	348,809,021	14.514%
Kern County Superior Courts	101,727,182	7.135%	0	0.000%	0	0.000%	101,727,182	4.233%
Berrenda Mesa Water District	0	0.000%	0	0.000%	4,097,039	2.567%	4,097,039	0.170%
Buttonwillow Recreation and Park District	0	0.000%	0	0.000%	155,322	0.097%	155,322	0.006%
East Kern Cemetery District	0	0.000%	0	0.000%	542,602	0.340%	542,602	0.023%
Inyokern Community Services District	0	0.000%	0	0.000%	114,243	0.072%	114,243	0.005%
Kern County Water Agency	0	0.000%	0	0.000%	24,618,107	15.424%	24,618,107	1.024%
Kern Mosquito and Vector Control District	0	0.000%	0	0.000%	5,453,712	3.417%	5,453,712	0.227%
North of the River Sanitation District	0	0.000%	0	0.000%	4,983,856	3.123%	4,983,856	0.207%
San Joaquin Valley Unified Air Pollution Control District	0	0.000%	0	0.000%	114,845,699	71.956%	114,845,699	4.779%
Shafter Recreation and Park District	0	0.000%	0	0.000%	654,136	0.410%	654,136	0.027%
West Side Cemetery District	0	0.000%	0	0.000%	948,083	0.594%	948,083	0.039%
West Side Mosquito and Vector Control District	0	0.000%	0	0.000%	1,642,482	1.029%	1,642,482	0.068%
West Side Recreation and Park District	0	0.000%	0	0.000%	1,549,603	0.971%	1,549,603	0.064%
Total for all Employers	\$1,425,736,228	100.000%	\$817,929,838	100.000%	\$159,604,884	100.000%	\$2,403,270,950	100.000%

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Determination of proportionate share (continued)

Allocation of June 30, 2022 Net Pension Liability

Employer	SRBR	SRBR Percentage	Total	Total Percentage
Kern County	\$(17,529,408)	74.612%	\$1,775,600,455	74.612%
Kern County Hospital Authority	(3,409,912)	14.514%	345,399,109	14.514%
Kern County Superior Courts	(994,472)	4.233%	100,732,710	4.233%
Berrenda Mesa Water District	(40,052)	0.170%	4,056,987	0.170%
Buttonwillow Recreation and Park District	(1,518)	0.006%	153,804	0.006%
East Kern Cemetery District	(5,304)	0.023%	537,298	0.023%
Inyokern Community Services District	(1,117)	0.005%	113,126	0.005%
Kern County Water Agency	(240,663)	1.024%	24,377,444	1.024%
Kern Mosquito and Vector Control District	(53,315)	0.227%	5,400,397	0.227%
North of the River Sanitation District	(48,722)	0.207%	4,935,134	0.207%
San Joaquin Valley Unified Air Pollution Control District	(1,122,717)	4.779%	113,722,982	4.779%
Shafter Recreation and Park District	(6,395)	0.027%	647,741	0.027%
West Side Cemetery District	(9,268)	0.039%	938,815	0.039%
West Side Mosquito and Vector Control District	(16,057)	0.068%	1,626,425	0.068%
West Side Recreation and Park District	(15,149)	0.064%	1,534,454	0.064%
Total for all Employers	\$(23,494,069)	100.000%	\$2,379,776,881	100.000%

Note: Results may not total due to rounding.

Section 2: GAS 68 Information

Notes:

Based on the July 1, 2021 through June 30, 2022 actual payroll as provided by KCERA.

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position (plan assets). The TPL for each membership class is obtained from internal valuation results based on the actual participants in each membership class. The Plan's Fiduciary Net Position for each membership was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total KCERA Plan's Fiduciary Net Position (excluding the SRBR) to total KCERA valuation value of assets. Based on this methodology, any non-valuation reserves are allocated amongst the membership classes based on each membership class' valuation value of assets. Note that the NPL for Berrenda Mesa Water District and Inyokern Community Services District is calculated for each employer separately using the methodology described below.

Due to the implementation of the Declining Employer Payroll Policy, the NPL as of June 30, 2022 for Berrenda Mesa Water District and Inyokern Community Services District was determined based on rolling forward the results from the actuarial valuation as of June 30, 2021 and allocating a portion of the Plan's Fiduciary Net Position as of June 30, 2022 based on the valuation value of assets allocated to these employers as of the same dates.

The Safety membership class has only one employer (Kern County), so all of the NPL for Safety is allocated to the County.

For General and District, the NPL is allocated based on the actual payroll within the General and District membership classes, respectively.

- Calculate ratio of employer's payroll to the total payroll for the membership class.
- This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.¹

The NPL associated with the SRBR is allocated based on the proportionate share of the non-SRBR NPL for each employer within KCERA.

If the employer is in several membership classes, the employer's total allocated NPL is the sum of its allocated NPL from each membership class. Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2023. The reporting date and measurement date for the plan under GAS 67 are June 30, 2022. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2022 are not adjusted or "rolled forward" to June 30, 2023. Other results such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

¹ For the District, the ratio used to multiply the NPL is the employer's payroll to the total payroll (less the payroll for Berrenda Mesa Water District and Inyokern Community Services District). The NPL allocated is the total District NPL (less the NPL for Berrenda Mesa Water District and Inyokern Community Services District).

Section 2: GAS 68 Information

Notes (continued):

The following items are allocated based on the corresponding proportionate share:

- 1) Net Pension Liability
- 2) Service cost
- 3) Interest on the Total Pension Liability
- 4) Current-period benefit changes
- 5) Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
- 6) Expensed portion of current-period changes of assumptions or other inputs
- 7) Member contributions
- 8) Projected earnings on plan investments
- 9) Expensed portion of current-period differences between actual and projected earnings on plan investments
- 10) Administrative expense
- 11) Other
- 12) Recognition of beginning of year deferred outflows of resources as pension expense
- 13) Recognition of beginning of year deferred inflows of resources as pension expense

Section 2: GAS 68 Information

Pension expense

Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$118,979,049	\$123,394,292
• Interest on the Total Pension Liability	523,871,953	510,015,072
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Current-period benefit changes	30,437,639	(32,128,915)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(14,501,080)	(3,322,909)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(54,514,264)	(53,789,028)
• Projected earnings on plan investments	(390,361,347)	(319,469,338)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	122,061,678	(144,778,274)
• Administrative expense	6,702,394	6,060,675
• Other	1,204,506	2,197,087
• Recognition of beginning of year deferred outflows of resources as pension expense	92,459,734	126,641,891
• Recognition of beginning of year deferred inflows of resources as pension expense	(180,633,120)	(85,652,546)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	\$255,707,142	\$129,168,007

Section 2: GAS 68 Information

Pension expense (continued)

Kern County

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$88,772,713	\$91,701,094
• Interest on the Total Pension Liability	390,871,635	379,020,269
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	1,717,179	(1,399,402)
• Current-period benefit changes	22,710,147	(23,876,765)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(10,819,554)	(2,469,436)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(40,674,213)	(39,973,587)
• Projected earnings on plan investments	(291,256,626)	(237,415,249)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	91,072,729	(107,592,704)
• Administrative expense	5,000,793	4,504,021
• Other	898,708	1,632,775
• Recognition of beginning of year deferred outflows of resources as pension expense	68,986,110	94,114,558
• Recognition of beginning of year deferred inflows of resources as pension expense	(134,774,085)	(63,653,120)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(14,223,310)	(9,893,320)
Pension Expense	\$178,282,226	\$84,699,134

Section 2: GAS 68 Information

Pension expense (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$17,268,534	\$18,563,737
• Interest on the Total Pension Liability	76,034,399	76,727,910
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(2,732,352)	3,248,237
• Current-period benefit changes	4,417,697	(4,833,552)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(2,104,676)	(499,907)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(7,912,161)	(8,092,152)
• Projected earnings on plan investments	(56,656,766)	(48,061,745)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	17,715,944	(21,780,796)
• Administrative expense	972,781	911,783
• Other	174,821	330,535
• Recognition of beginning of year deferred outflows of resources as pension expense	13,419,539	19,052,315
• Recognition of beginning of year deferred inflows of resources as pension expense	(26,216,961)	(12,885,778)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>10,838,349</u>	<u>1,806,394</u>
Pension Expense	\$45,219,148	\$24,486,981

Section 2: GAS 68 Information

Pension expense (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$5,036,221	\$5,218,252
• Interest on the Total Pension Liability	22,174,785	21,568,147
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	64,133	(1,141,542)
• Current-period benefit changes	1,288,384	(1,358,707)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(613,811)	(140,523)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(2,307,514)	(2,274,697)
• Projected earnings on plan investments	(16,523,463)	(13,510,114)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	5,166,704	(6,122,563)
• Administrative expense	283,703	256,301
• Other	50,985	92,913
• Recognition of beginning of year deferred outflows of resources as pension expense	3,913,694	5,355,589
• Recognition of beginning of year deferred inflows of resources as pension expense	(7,645,954)	(3,622,181)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>26,431</u>	<u>1,998,817</u>
Pension Expense	\$10,914,298	\$6,319,692

Section 2: GAS 68 Information

Pension expense (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$202,834	\$263,857
• Interest on the Total Pension Liability	893,084	1,090,582
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(201,830)	173,105
• Current-period benefit changes	51,889	(68,702)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(24,721)	(7,105)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(92,935)	(115,019)
• Projected earnings on plan investments	(665,479)	(683,132)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	208,088	(309,584)
• Administrative expense	11,426	12,960
• Other	2,053	4,698
• Recognition of beginning of year deferred outflows of resources as pension expense	157,623	270,803
• Recognition of beginning of year deferred inflows of resources as pension expense	(307,939)	(183,154)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>631,312</u>	<u>423,859</u>
Pension Expense	\$865,405	\$873,168

Section 2: GAS 68 Information

Pension expense (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$7,689	\$7,785
• Interest on the Total Pension Liability	33,858	32,177
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	1,049	(635)
• Current-period benefit changes	1,967	(2,027)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(937)	(210)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(3,523)	(3,394)
• Projected earnings on plan investments	(25,229)	(20,155)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	7,889	(9,134)
• Administrative expense	433	382
• Other	78	139
• Recognition of beginning of year deferred outflows of resources as pension expense	5,976	7,990
• Recognition of beginning of year deferred inflows of resources as pension expense	(11,674)	(5,404)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(68,572)</u>	<u>(59,672)</u>
Pension Expense	\$(50,996)	\$(52,158)

Section 2: GAS 68 Information

Pension expense (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$26,862	\$26,395
• Interest on the Total Pension Liability	118,278	109,097
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	5,764	590
• Current-period benefit changes	6,872	(6,873)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,274)	(711)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(12,308)	(11,506)
• Projected earnings on plan investments	(88,134)	(68,337)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	27,559	(30,969)
• Administrative expense	1,513	1,296
• Other	272	470
• Recognition of beginning of year deferred outflows of resources as pension expense	20,875	27,090
• Recognition of beginning of year deferred inflows of resources as pension expense	(40,783)	(18,322)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>13,188</u>	<u>30,607</u>
Pension Expense	\$76,684	\$58,827

Section 2: GAS 68 Information

Pension expense (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$5,655	\$6,973
• Interest on the Total Pension Liability	24,903	28,823
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(2,556)	2,408
• Current-period benefit changes	1,447	(1,816)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(689)	(188)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(2,591)	(3,040)
• Projected earnings on plan investments	(18,556)	(18,054)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	5,802	(8,182)
• Administrative expense	319	343
• Other	57	124
• Recognition of beginning of year deferred outflows of resources as pension expense	4,395	7,157
• Recognition of beginning of year deferred inflows of resources as pension expense	(8,587)	(4,840)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	14,665	(22,682)
Pension Expense	\$24,264	\$(12,974)

Section 2: GAS 68 Information

Pension expense (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$1,218,771	\$1,270,998
• Interest on the Total Pension Liability	5,366,326	5,253,310
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(19,138)	(68,281)
• Current-period benefit changes	311,791	(330,938)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(148,543)	(34,227)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(558,421)	(554,043)
• Projected earnings on plan investments	(3,998,699)	(3,290,631)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	1,250,349	(1,491,260)
• Administrative expense	68,657	62,427
• Other	12,338	22,631
• Recognition of beginning of year deferred outflows of resources as pension expense	947,119	1,304,450
• Recognition of beginning of year deferred inflows of resources as pension expense	(1,850,331)	(882,247)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(4,378)	296,229
Pension Expense	\$2,595,841	\$1,558,418

Section 2: GAS 68 Information

Pension expense (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$269,997	\$252,442
• Interest on the Total Pension Liability	1,188,816	1,043,394
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	96,493	57,531
• Current-period benefit changes	69,072	(65,730)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(32,907)	(6,798)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(123,709)	(110,042)
• Projected earnings on plan investments	(885,842)	(653,574)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	276,993	(296,189)
• Administrative expense	15,210	12,399
• Other	2,733	4,495
• Recognition of beginning of year deferred outflows of resources as pension expense	209,818	259,085
• Recognition of beginning of year deferred inflows of resources as pension expense	(409,908)	(175,229)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>111,156</u>	<u>139,752</u>
Pension Expense	\$787,922	\$461,536

Section 2: GAS 68 Information

Pension expense (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$246,738	\$237,204
• Interest on the Total Pension Liability	1,086,395	980,418
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	59,311	(33,027)
• Current-period benefit changes	63,121	(61,762)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(30,072)	(6,388)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(113,051)	(103,400)
• Projected earnings on plan investments	(809,524)	(614,126)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	253,129	(278,312)
• Administrative expense	13,899	11,651
• Other	2,498	4,224
• Recognition of beginning of year deferred outflows of resources as pension expense	191,741	243,448
• Recognition of beginning of year deferred inflows of resources as pension expense	(374,593)	(164,653)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>125,477</u>	<u>228,402</u>
Pension Expense	\$715,069	\$443,679

Section 2: GAS 68 Information

Pension expense (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$5,685,682	\$5,574,469
• Interest on the Total Pension Liability	25,034,398	23,040,476
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	1,103,832	(680,920)
• Current-period benefit changes	1,454,531	(1,451,458)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(692,967)	(150,116)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(2,605,087)	(2,429,977)
• Projected earnings on plan investments	(18,654,294)	(14,432,369)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	5,832,991	(6,540,513)
• Administrative expense	320,289	273,797
• Other	57,560	99,256
• Recognition of beginning of year deferred outflows of resources as pension expense	4,418,396	5,721,183
• Recognition of beginning of year deferred inflows of resources as pension expense	(8,631,959)	(3,869,445)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	2,693,982	4,983,634
Pension Expense	\$16,017,354	\$10,138,017

Section 2: GAS 68 Information

Pension expense (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$32,384	\$40,465
• Interest on the Total Pension Liability	142,590	167,255
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(29,181)	11,011
• Current-period benefit changes	8,285	(10,536)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,947)	(1,090)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(14,838)	(17,640)
• Projected earnings on plan investments	(106,251)	(104,767)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	33,223	(47,479)
• Administrative expense	1,824	1,988
• Other	328	721
• Recognition of beginning of year deferred outflows of resources as pension expense	25,166	41,531
• Recognition of beginning of year deferred inflows of resources as pension expense	(49,166)	(28,089)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>90,664</u>	<u>123,652</u>
Pension Expense	\$131,081	\$177,022

Section 2: GAS 68 Information

Pension expense (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$46,937	\$62,837
• Interest on the Total Pension Liability	206,666	259,725
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(53,305)	(87,339)
• Current-period benefit changes	12,008	(16,362)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(5,721)	(1,692)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(21,506)	(27,392)
• Projected earnings on plan investments	(153,996)	(162,689)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	48,153	(73,728)
• Administrative expense	2,644	3,086
• Other	475	1,119
• Recognition of beginning of year deferred outflows of resources as pension expense	36,475	64,492
• Recognition of beginning of year deferred inflows of resources as pension expense	(71,259)	(43,618)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(49,564)	58,542
Pension Expense	\$(1,993)	\$36,981

Section 2: GAS 68 Information

Pension expense (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$81,315	\$93,691
• Interest on the Total Pension Liability	358,033	387,248
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(33,983)	(45,837)
• Current-period benefit changes	20,802	(24,395)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(9,911)	(2,523)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(37,257)	(40,841)
• Projected earnings on plan investments	(266,787)	(242,569)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	83,421	(109,928)
• Administrative expense	4,581	4,602
• Other	823	1,668
• Recognition of beginning of year deferred outflows of resources as pension expense	63,190	96,157
• Recognition of beginning of year deferred inflows of resources as pension expense	(123,451)	(65,035)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(60,326)	(8,849)
Pension Expense	\$80,450	\$43,389

Section 2: GAS 68 Information

Pension expense (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
• Service cost	\$76,717	\$74,093
• Interest on the Total Pension Liability	337,787	306,241
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	24,584	(35,899)
• Current-period benefit changes	19,626	(19,292)
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(9,350)	(1,995)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(35,150)	(32,298)
• Projected earnings on plan investments	(251,701)	(191,827)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	78,704	(86,933)
• Administrative expense	4,322	3,639
• Other	777	1,319
• Recognition of beginning of year deferred outflows of resources as pension expense	59,617	76,043
• Recognition of beginning of year deferred inflows of resources as pension expense	(116,470)	(51,431)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(139,074)	(105,365)
Pension Expense	\$50,389	\$(63,705)

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources

Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$36,940,751	\$43,025,867
• Changes of assumptions or other inputs	61,981,869	96,005,608
• Net excess of projected over actual earnings on pension plan investments (if any)	145,836,317	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$244,758,937	\$139,031,475
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$36,940,751	\$43,025,867
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	428,752,676
• Difference between expected and actual experience in the Total Pension Liability	<u>85,541,024</u>	<u>66,726,798</u>
• Total Deferred Inflows of Resources	\$122,481,775	\$538,505,341
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(88,173,386)
2024	\$28,342,079	(79,218,519)
2025	21,241,419	(86,319,179)
2026	(38,202,184)	(145,762,782)
2027	110,895,848	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$6,473,756	\$265,929
• Changes of assumptions or other inputs	46,245,946	71,347,051
• Net excess of projected over actual earnings on pension plan investments (if any)	108,811,475	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$161,531,177	\$71,612,980
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$18,564,310	\$33,053,549
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	318,629,711
• Difference between expected and actual experience in the Total Pension Liability	<u>63,823,917</u>	<u>49,588,358</u>
• Total Deferred Inflows of Resources	\$82,388,227	\$401,271,618
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(79,749,806)
2024	\$12,668,575	(69,066,852)
2025	10,867,003	(70,847,367)
2026	(28,456,519)	(109,994,613)
2027	84,063,891	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$18,516,606	\$29,951,753
• Changes of assumptions or other inputs	8,996,004	14,443,317
• Net excess of projected over actual earnings on pension plan investments (if any)	21,166,578	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$48,679,188	\$44,395,070
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$10,300,967	\$596,798
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	64,502,597
• Difference between expected and actual experience in the Total Pension Liability	<u>12,415,363</u>	<u>10,038,542</u>
• Total Deferred Inflows of Resources	\$22,716,330	\$75,137,937
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(2,426,670)
2024	\$9,794,233	(3,504,791)
2025	7,244,414	(6,092,266)
2026	(5,067,222)	(18,719,140)
2027	13,991,433	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$1,064,553	\$1,990,744
• Changes of assumptions or other inputs	2,623,608	4,060,004
• Net excess of projected over actual earnings on pension plan investments (if any)	6,173,052	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$9,861,213	\$6,050,748
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$3,310,473	\$4,452,015
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	18,131,623
• Difference between expected and actual experience in the Total Pension Liability	<u>3,620,835</u>	<u>2,821,825</u>
• Total Deferred Inflows of Resources	\$6,931,308	\$25,405,463
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(3,702,354)
2024	\$725,233	(3,888,673)
2025	26,627	(4,586,998)
2026	(2,565,407)	(7,176,690)
2027	4,743,452	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$1,056,071	\$1,709,410
• Changes of assumptions or other inputs	105,665	205,292
• Net excess of projected over actual earnings on pension plan investments (if any)	248,618	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$1,410,354	\$1,914,702
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$762,375	\$23,505
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	916,816
• Difference between expected and actual experience in the Total Pension Liability	<u>145,828</u>	<u>142,684</u>
• Total Deferred Inflows of Resources	\$908,203	\$1,083,005
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$442,768
2024	\$498,348	482,465
2025	77,450	58,489
2026	(107,292)	(152,025)
2027	33,645	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$3,955	\$858
• Changes of assumptions or other inputs	4,006	6,057
• Net excess of projected over actual earnings on pension plan investments (if any)	9,425	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$17,386	\$6,915
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$43,993	\$113,423
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	27,050
• Difference between expected and actual experience in the Total Pension Liability	<u>5,528</u>	<u>4,210</u>
• Total Deferred Inflows of Resources	\$49,521	\$144,683
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(74,135)
2024	\$(26,411)	(34,290)
2025	(10,754)	(18,622)
2026	(2,945)	(10,721)
2027	7,975	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$39,958	\$31,415
• Changes of assumptions or other inputs	13,994	20,536
• Net excess of projected over actual earnings on pension plan investments (if any)	32,926	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$86,878	\$51,951
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$0	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	91,714
• Difference between expected and actual experience in the Total Pension Liability	<u>19,313</u>	<u>14,273</u>
• Total Deferred Inflows of Resources	\$19,313	\$105,987
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(5,673)
2024	\$22,145	(6,964)
2025	17,759	(11,265)
2026	(1,815)	(30,134)
2027	29,476	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$25,616	\$45,770
• Changes of assumptions or other inputs	2,946	5,426
• Net excess of projected over actual earnings on pension plan investments (if any)	6,933	0
• Difference between expected and actual experience in the Total Pension Liability	0	0
• Total Deferred Outflows of Resources	\$35,495	\$51,196
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$12,183	\$8,035
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	24,230
• Difference between expected and actual experience in the Total Pension Liability	4,066	3,771
• Total Deferred Inflows of Resources	\$16,249	\$36,036
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$9,682
2024	\$17,722	14,454
2025	525	(2,807)
2026	(2,304)	(6,169)
2027	3,303	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$106,178	\$393,345
• Changes of assumptions or other inputs	634,916	988,887
• Net excess of projected over actual earnings on pension plan investments (if any)	1,493,887	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$2,234,981	\$1,382,232
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$734,558	\$953,951
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	4,416,283
• Difference between expected and actual experience in the Total Pension Liability	<u>876,247</u>	<u>687,306</u>
• Total Deferred Inflows of Resources	\$1,610,805	\$6,057,540
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(912,591)
2024	\$81,411	(1,005,750)
2025	(88,687)	(1,176,251)
2026	(489,781)	(1,580,716)
2027	1,121,233	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$600,420	\$375,128
• Changes of assumptions or other inputs	140,655	196,409
• Net excess of projected over actual earnings on pension plan investments (if any)	330,944	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$1,072,019	\$571,537
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$56,847	\$84,178
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	877,146
• Difference between expected and actual experience in the Total Pension Liability	<u>194,117</u>	<u>136,510</u>
• Total Deferred Inflows of Resources	\$250,964	\$1,097,834
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(69,230)
2024	\$257,503	(65,372)
2025	178,204	(143,085)
2026	59,393	(248,610)
2027	325,955	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$407,192	\$342,092
• Changes of assumptions or other inputs	128,537	184,555
• Net excess of projected over actual earnings on pension plan investments (if any)	302,432	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$838,161	\$526,647
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$95,778	\$128,805
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	824,205
• Difference between expected and actual experience in the Total Pension Liability	<u>177,393</u>	<u>128,271</u>
• Total Deferred Inflows of Resources	\$273,171	\$1,081,281
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(44,021)
2024	\$196,485	(73,885)
2025	137,310	(131,985)
2026	(44,450)	(304,743)
2027	275,645	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$8,374,653	\$7,588,106
• Changes of assumptions or other inputs	2,961,943	4,337,156
• Net excess of projected over actual earnings on pension plan investments (if any)	6,969,116	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$18,305,712	\$11,925,262
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$1,974,668	\$2,655,588
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	19,369,360
• Difference between expected and actual experience in the Total Pension Liability	<u>4,087,770</u>	<u>3,014,454</u>
• Total Deferred Inflows of Resources	\$6,062,438	\$25,039,402
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(1,289,345)
2024	\$4,301,620	(1,735,383)
2025	3,005,274	(3,013,188)
2026	(1,212,980)	(7,076,224)
2027	6,149,360	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$130,784	\$221,448
• Changes of assumptions or other inputs	16,871	31,484
• Net excess of projected over actual earnings on pension plan investments (if any)	39,695	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$187,350	\$252,932
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$110,012	\$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	140,606
• Difference between expected and actual experience in the Total Pension Liability	<u>23,283</u>	<u>21,882</u>
• Total Deferred Inflows of Resources	\$133,295	\$162,488
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$61,748
2024	\$47,748	43,236
2025	25,320	20,411
2026	(26,729)	(34,951)
2027	7,716	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$24,747	\$62,522
• Changes of assumptions or other inputs	24,452	48,891
• Net excess of projected over actual earnings on pension plan investments (if any)	57,532	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$106,731	\$111,413
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$454,245	\$340,624
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	218,342
• Difference between expected and actual experience in the Total Pension Liability	<u>33,746</u>	<u>33,981</u>
• Total Deferred Inflows of Resources	\$487,991	\$592,947
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(94,466)
2024	\$(109,240)	(107,458)
2025	(128,018)	(127,051)
2026	(146,705)	(152,559)
2027	2,703	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$23,579	\$47,347
• Changes of assumptions or other inputs	42,361	72,896
• Net excess of projected over actual earnings on pension plan investments (if any)	99,670	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$165,610	\$120,243
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$300,936	\$256,916
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	325,546
• Difference between expected and actual experience in the Total Pension Liability	<u>58,462</u>	<u>50,665</u>
• Total Deferred Inflows of Resources	\$359,398	\$633,127
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(127,275)
2024	\$(57,998)	(103,535)
2025	(82,599)	(128,674)
2026	(102,817)	(153,400)
2027	49,626	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$92,683	\$0
• Changes of assumptions or other inputs	39,965	57,647
• Net excess of projected over actual earnings on pension plan investments (if any)	94,034	0
• Difference between expected and actual experience in the Total Pension Liability	<u>0</u>	<u>0</u>
• Total Deferred Outflows of Resources	\$226,682	\$57,647
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$219,406	\$358,480
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on pension plan investments (if any)	0	257,447
• Difference between expected and actual experience in the Total Pension Liability	<u>55,156</u>	<u>40,066</u>
• Total Deferred Inflows of Resources	\$274,562	\$655,993
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68 Year Ended June 30:		
2023	N/A	\$(192,018)
2024	\$(75,295)	(165,721)
2025	(28,409)	(118,520)
2026	(34,611)	(122,087)
2027	90,435	0
2028	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Section 2: GAS 68 Information

Deferred outflows of resources and deferred inflows of resources (continued)

There are changes in each employer's proportionate share of the total Net Pension Liability (NPL) during the measurement period ended June 30, 2022. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources for the current period (i.e., 2021-2022) is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through KCERA which is 4.77 years determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022). This is described in Paragraph 33a. of GAS 68.

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2022 is recognized over the same period.

The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources and the difference between the actual employer contributions and the proportionate share of the employer contributions for prior periods continue to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability

Total for all Employers

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	100.000%	\$2,069,234,081	\$533,850,811	387.61%	63.35%
2016	100.000%	2,203,097,939	531,598,183	414.43%	62.20%
2017	100.000%	2,413,639,356	537,539,991	449.02%	59.67%
2018	100.000%	2,363,975,142	546,671,003	432.43%	62.64%
2019	100.000%	2,330,800,045	576,728,789	404.14%	64.30%
2020	100.000%	2,382,504,403	579,071,865	411.44%	64.59%
2021	100.000%	2,661,901,170	607,695,110	438.03%	62.51%
2022	100.000%	1,889,381,755	604,320,398	312.65%	74.14%
2023	100.000%	2,379,776,881	612,609,249	388.47%	68.32%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	75.942%	\$1,571,423,351	\$405,150,369	387.86%	63.60%
2016	75.618%	1,665,934,895	395,298,960	421.44%	62.46%
2017	77.130%	1,861,645,866	401,455,839	463.72%	59.90%
2018	77.683%	1,836,401,634	407,333,715	450.83%	62.97%
2019	76.587%	1,785,078,802	422,275,740	422.73%	64.67%
2020	75.842%	1,806,944,701	418,430,675	431.84%	65.04%
2021	74.671%	1,987,665,686	433,696,195	458.31%	63.13%
2022	74.316%	1,404,103,571	429,103,990	327.22%	74.66%
2023	74.612%	1,775,600,455	436,142,833	407.11%	68.84%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	15.972%	\$330,492,938	\$77,008,989	429.16%	62.95%
2016	15.672%	345,262,534	81,925,123	421.44%	61.87%
2017	13.670%	329,935,445	78,433,199	420.66%	59.37%
2018	12.405%	293,255,458	78,815,070	372.08%	62.49%
2019	13.182%	307,234,709	89,068,706	344.94%	64.19%
2020	13.520%	322,103,797	93,857,773	343.18%	64.43%
2021	14.319%	381,152,811	104,248,078	365.62%	62.00%
2022	15.044%	284,243,193	107,477,006	264.47%	73.38%
2023	14.514%	345,399,109	106,790,632	323.44%	67.86%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	3.247%	\$67,189,363	\$19,571,588	343.30%	62.95%
2016	3.649%	80,394,021	21,864,229	367.70%	61.87%
2017	4.085%	98,598,626	24,964,019	394.96%	59.37%
2018	4.287%	101,346,545	27,236,241	372.10%	62.49%
2019	4.368%	101,801,570	29,515,356	344.91%	64.19%
2020	4.435%	105,673,461	30,791,227	343.19%	64.43%
2021	4.461%	118,738,715	32,475,906	365.62%	62.00%
2022	4.229%	79,900,510	30,211,691	264.47%	73.38%
2023	4.233%	100,732,710	31,144,579	323.44%	67.86%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.075%	\$1,542,994	\$494,815	311.83%	60.66%
2016	0.066%	1,456,264	424,688	342.90%	59.25%
2017	0.053%	1,276,568	338,001	377.68%	57.15%
2018	0.046%	1,079,726	270,303	399.45%	57.90%
2019	0.042%	975,922	256,223	380.89%	59.22%
2020	0.147%	3,512,507	161,736	2171.75%	62.19%
2021	0.175%	4,647,756	161,005	2886.72%	53.60%
2022	0.214%	4,040,127	149,588	2700.84%	61.35%
2023	0.170%	4,056,987	179,557	2259.44%	59.54%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.024%	\$500,655	\$160,470	311.99%	60.66%
2016	0.018%	402,524	117,500	342.57%	59.25%
2017	0.021%	511,119	135,355	377.61%	57.15%
2018	0.023%	542,546	135,623	400.04%	57.90%
2019	0.013%	308,902	81,140	380.70%	59.22%
2020	0.009%	217,227	53,795	403.81%	58.47%
2021	0.007%	174,012	38,085	456.90%	55.90%
2022	0.006%	119,200	38,085	312.98%	69.69%
2023	0.006%	153,804	38,334	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.010%	\$207,281	\$66,341	312.45%	60.66%
2016	0.011%	231,931	67,647	342.85%	59.25%
2017	0.015%	355,569	94,080	377.94%	57.15%
2018	0.019%	448,133	112,019	400.05%	57.90%
2019	0.019%	452,431	118,685	381.20%	59.22%
2020	0.020%	475,004	118,101	402.20%	58.47%
2021	0.021%	568,645	124,456	456.90%	55.90%
2022	0.021%	404,156	129,130	312.98%	69.69%
2023	0.023%	537,298	133,916	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.010%	\$198,239	\$63,752	310.95%	60.66%
2016	0.010%	218,549	63,752	342.81%	59.25%
2017	0.009%	213,601	56,396	378.75%	57.15%
2018	0.000%	0	0	N/A	N/A
2019	0.000%	0	0	N/A	N/A
2020	0.004%	101,953	0	N/A	58.22%
2021	0.005%	120,857	0	N/A	54.11%
2022	0.006%	106,775	0	N/A	61.75%
2023	0.005%	113,126	0	N/A	61.75%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.925%	\$19,135,553	\$6,138,341	311.74%	60.66%
2016	1.011%	22,263,402	6,490,763	343.00%	59.25%
2017	0.992%	23,954,836	6,342,198	377.71%	57.15%
2018	1.050%	24,828,435	6,215,199	399.48%	57.90%
2019	1.091%	25,420,676	6,670,825	381.07%	59.22%
2020	1.099%	26,191,823	6,509,654	402.35%	58.47%
2021	1.050%	27,955,352	6,118,418	456.90%	55.90%
2022	1.030%	19,461,206	6,217,954	312.98%	69.69%
2023	1.024%	24,377,444	6,075,829	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.157%	\$3,248,181	\$1,041,816	311.78%	60.66%
2016	0.161%	3,538,099	1,031,557	342.99%	59.25%
2017	0.166%	4,009,961	1,061,688	377.70%	57.15%
2018	0.187%	4,413,319	1,104,807	399.47%	57.90%
2019	0.188%	4,388,960	1,151,669	381.10%	59.22%
2020	0.200%	4,760,174	1,182,856	402.43%	58.47%
2021	0.194%	5,163,331	1,130,067	456.90%	55.90%
2022	0.205%	3,865,316	1,234,988	312.98%	69.69%
2023	0.227%	5,400,397	1,345,994	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.130%	\$2,698,448	\$865,760	311.69%	60.66%
2016	0.137%	3,017,365	879,725	342.99%	59.25%
2017	0.136%	3,285,264	869,712	377.74%	57.15%
2018	0.157%	3,708,561	928,465	399.43%	57.90%
2019	0.170%	3,952,940	1,037,184	381.12%	59.22%
2020	0.180%	4,299,653	1,068,758	402.30%	58.47%
2021	0.197%	5,252,547	1,149,593	456.90%	55.90%
2022	0.192%	3,632,018	1,160,448	312.98%	69.69%
2023	0.207%	4,935,134	1,230,032	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	3.297%	\$68,213,462	\$21,882,301	311.73%	60.66%
2016	3.404%	74,985,888	21,862,199	342.99%	59.25%
2017	3.468%	83,711,648	22,163,475	377.70%	57.15%
2018	3.886%	91,852,721	22,993,004	399.48%	57.90%
2019	4.084%	95,186,053	24,978,663	381.07%	59.22%
2020	4.287%	102,135,944	25,384,117	402.36%	58.47%
2021	4.648%	123,717,825	27,077,369	456.90%	55.90%
2022	4.518%	85,354,840	27,271,303	312.98%	69.69%
2023	4.779%	113,722,982	28,344,293	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.000%	\$0	\$0	N/A	N/A
2016	0.000%	0	0	N/A	N/A
2017	0.015%	356,787	94,569	377.28%	57.15%
2018	0.012%	293,850	73,697	398.73%	57.90%
2019	0.017%	393,653	103,297	381.09%	59.22%
2020	0.021%	511,209	126,991	402.56%	58.47%
2021	0.030%	802,951	175,737	456.90%	55.90%
2022	0.033%	619,606	197,967	312.98%	69.69%
2023	0.027%	647,741	161,443	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.055%	\$1,147,467	\$368,139	311.69%	60.66%
2016	0.057%	1,261,130	367,764	342.92%	59.25%
2017	0.058%	1,401,253	371,112	377.58%	57.15%
2018	0.063%	1,485,315	371,617	399.69%	57.90%
2019	0.066%	1,548,627	406,579	380.89%	59.22%
2020	0.069%	1,642,239	408,157	402.35%	58.47%
2021	0.069%	1,841,340	403,003	456.90%	55.90%
2022	0.051%	962,166	307,417	312.98%	69.69%
2023	0.039%	938,815	233,990	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.081%	\$1,680,139	\$539,127	311.64%	60.66%
2016	0.100%	2,192,225	639,073	343.03%	59.25%
2017	0.087%	2,106,211	557,694	377.66%	57.15%
2018	0.090%	2,134,171	534,406	399.35%	57.90%
2019	0.087%	2,018,824	529,958	380.94%	59.22%
2020	0.090%	2,154,895	535,694	402.26%	58.47%
2021	0.086%	2,286,558	500,445	456.90%	55.90%
2022	0.076%	1,434,582	458,356	312.98%	69.69%
2023	0.068%	1,626,425	405,370	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of proportionate share of the Net Pension Liability (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll ¹	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.075%	\$1,556,010	\$499,003	311.82%	60.66%
2016	0.088%	1,939,112	565,203	343.08%	59.25%
2017	0.094%	2,276,602	602,654	377.76%	57.15%
2018	0.092%	2,184,728	546,838	399.52%	57.90%
2019	0.087%	2,037,976	534,764	381.10%	59.22%
2020	0.075%	1,779,816	442,331	402.37%	58.47%
2021	0.068%	1,812,784	396,753	456.90%	55.90%
2022	0.060%	1,134,489	362,475	312.98%	69.69%
2023	0.064%	1,534,454	382,447	401.22%	62.80%

¹ Covered payroll represents payroll on which contributions to the pension plan are based.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability

Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$1,889,381,755	\$2,661,901,170
• Pension Expense	255,707,142	129,168,007
• Employer Contributions	(287,063,044)	(268,625,636)
• New Net Deferred Inflows/Outflows	433,577,642	(592,072,441)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion ¹	0	0
• Recognition of Prior Deferred Inflows/Outflows	88,173,386	(40,989,345)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>0</u>	<u>0</u>
Ending Net Pension Liability	\$2,379,776,881	\$1,889,381,755

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$1,404,103,571	\$1,987,665,686
• Pension Expense	178,282,226	84,699,134
• Employer Contributions	(215,586,928)	(201,403,676)
• New Net Deferred Inflows/Outflows	323,501,192	(440,001,618)
• Change in Allocation of Prior Deferred Inflows/Outflows	(1,184,647)	(830,172)
• New Net Deferred Flows Due to Change in Proportion ¹	6,473,756	(5,457,665)
• Recognition of Prior Deferred Inflows/Outflows	65,787,975	(30,461,438)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>14,223,310</u>	<u>9,893,320</u>
Ending Net Pension Liability	\$1,775,600,455	\$1,404,103,571

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County Hospital Authority

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$284,243,193	\$381,152,811
• Pension Expense	45,219,148	24,486,981
• Employer Contributions	(40,768,957)	(38,713,478)
• New Net Deferred Inflows/Outflows	62,929,148	(89,072,820)
• Change in Allocation of Prior Deferred Inflows/Outflows	2,118,471	1,694,504
• New Net Deferred Flows Due to Change in Proportion ¹	(10,300,967)	12,668,126
• Recognition of Prior Deferred Inflows/Outflows	12,797,422	(6,166,537)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(10,838,349)</u>	<u>(1,806,394)</u>
Ending Net Pension Liability	\$345,399,109	\$284,243,193

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County Superior Courts

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$79,900,510	\$118,738,715
• Pension Expense	10,914,298	6,319,692
• Employer Contributions	(12,366,719)	(11,394,027)
• New Net Deferred Inflows/Outflows	18,352,750	(25,038,291)
• Change in Allocation of Prior Deferred Inflows/Outflows	(15,740)	(541,339)
• New Net Deferred Flows Due to Change in Proportion ¹	241,782	(4,452,015)
• Recognition of Prior Deferred Inflows/Outflows	3,732,260	(1,733,408)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(26,431)</u>	<u>(1,998,817)</u>
Ending Net Pension Liability	\$100,732,710	\$79,900,510

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Berrenda Mesa Water District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$4,040,127	\$4,647,756
• Pension Expense	865,405	873,168
• Employer Contributions	(519,000)	(469,986)
• New Net Deferred Inflows/Outflows	739,153	(1,266,048)
• Change in Allocation of Prior Deferred Inflows/Outflows	173,195	91,637
• New Net Deferred Flows Due to Change in Proportion ¹	(760,897)	675,108
• Recognition of Prior Deferred Inflows/Outflows	150,316	(87,649)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(631,312)</u>	<u>(423,859)</u>
Ending Net Pension Liability	\$4,056,987	\$4,040,127

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Buttonwillow Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$119,200	\$174,012
• Pension Expense	(50,996)	(52,158)
• Employer Contributions	(20,032)	(19,375)
• New Net Deferred Inflows/Outflows	28,022	(37,354)
• Change in Allocation of Prior Deferred Inflows/Outflows	(615)	(533)
• New Net Deferred Flows Due to Change in Proportion ¹	3,955	(2,478)
• Recognition of Prior Deferred Inflows/Outflows	5,698	(2,586)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>68,572</u>	<u>59,672</u>
Ending Net Pension Liability	\$153,804	\$119,200

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

East Kern Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$404,156	\$568,645
• Pension Expense	76,684	58,827
• Employer Contributions	(65,144)	(59,657)
• New Net Deferred Inflows/Outflows	97,892	(126,650)
• Change in Allocation of Prior Deferred Inflows/Outflows	(4,741)	67
• New Net Deferred Flows Due to Change in Proportion ¹	21,731	2,299
• Recognition of Prior Deferred Inflows/Outflows	19,908	(8,768)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(13,188)</u>	<u>(30,607)</u>
Ending Net Pension Liability	\$537,298	\$404,156

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Inyokern Community Services District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$106,775	\$120,857
• Pension Expense	24,264	(12,974)
• Employer Contributions	(22,000)	0
• New Net Deferred Inflows/Outflows	20,611	(33,460)
• Change in Allocation of Prior Deferred Inflows/Outflows	3,586	2,595
• New Net Deferred Flows Due to Change in Proportion ¹	(9,637)	9,392
• Recognition of Prior Deferred Inflows/Outflows	4,192	(2,317)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(14,665)</u>	<u>22,682</u>
Ending Net Pension Liability	\$113,126	\$106,775

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern County Water Agency

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$19,461,206	\$27,955,352
• Pension Expense	2,595,841	1,558,418
• Employer Contributions	(2,979,088)	(2,922,190)
• New Net Deferred Inflows/Outflows	4,441,389	(6,098,526)
• Change in Allocation of Prior Deferred Inflows/Outflows	22,658	(47,120)
• New Net Deferred Flows Due to Change in Proportion ¹	(72,152)	(266,296)
• Recognition of Prior Deferred Inflows/Outflows	903,212	(422,203)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>4,378</u>	<u>(296,229)</u>
Ending Net Pension Liability	\$24,377,444	\$19,461,206

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Kern Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$3,865,316	\$5,163,331
• Pension Expense	787,922	461,536
• Employer Contributions	(600,193)	(573,827)
• New Net Deferred Inflows/Outflows	983,912	(1,211,268)
• Change in Allocation of Prior Deferred Inflows/Outflows	(89,273)	24,782
• New Net Deferred Flows Due to Change in Proportion ¹	363,779	224,370
• Recognition of Prior Deferred Inflows/Outflows	200,090	(83,856)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(111,156)</u>	<u>(139,752)</u>
Ending Net Pension Liability	\$5,400,397	\$3,865,316

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

North of the River Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$3,632,018	\$5,252,547
• Pension Expense	715,069	443,679
• Employer Contributions	(531,577)	(478,157)
• New Net Deferred Inflows/Outflows	899,145	(1,138,159)
• Change in Allocation of Prior Deferred Inflows/Outflows	(60,500)	(11,890)
• New Net Deferred Flows Due to Change in Proportion ¹	223,604	(128,805)
• Recognition of Prior Deferred Inflows/Outflows	182,852	(78,795)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(125,477)</u>	<u>(228,402)</u>
Ending Net Pension Liability	\$4,935,134	\$3,632,018

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

San Joaquin Valley Unified Air Pollution Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$85,354,840	\$123,717,825
• Pension Expense	16,017,354	10,138,017
• Employer Contributions	(13,006,626)	(11,958,599)
• New Net Deferred Inflows/Outflows	20,719,481	(26,747,505)
• Change in Allocation of Prior Deferred Inflows/Outflows	(1,043,097)	(303,938)
• New Net Deferred Flows Due to Change in Proportion ¹	4,161,449	(2,655,588)
• Recognition of Prior Deferred Inflows/Outflows	4,213,563	(1,851,738)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(2,693,982)</u>	<u>(4,983,634)</u>
Ending Net Pension Liability	\$113,722,982	\$85,354,840

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

Shafter Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$619,606	\$802,951
• Pension Expense	131,081	177,022
• Employer Contributions	(66,557)	(78,194)
• New Net Deferred Inflows/Outflows	118,014	(194,165)
• Change in Allocation of Prior Deferred Inflows/Outflows	22,273	6,142
• New Net Deferred Flows Due to Change in Proportion ¹	(110,012)	42,944
• Recognition of Prior Deferred Inflows/Outflows	24,000	(13,442)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>(90,664)</u>	<u>(123,652)</u>
Ending Net Pension Liability	\$647,741	\$619,606

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

West Side Cemetery District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$962,166	\$1,841,340
• Pension Expense	(1,993)	36,981
• Employer Contributions	(121,631)	(151,976)
• New Net Deferred Inflows/Outflows	171,045	(301,512)
• Change in Allocation of Prior Deferred Inflows/Outflows	45,840	(42,627)
• New Net Deferred Flows Due to Change in Proportion ¹	(200,960)	(340,624)
• Recognition of Prior Deferred Inflows/Outflows	34,784	(20,874)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>49,564</u>	<u>(58,542)</u>
Ending Net Pension Liability	\$938,815	\$962,166

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

West Side Mosquito and Vector Control District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$1,434,582	\$2,286,558
• Pension Expense	80,450	43,389
• Employer Contributions	(207,703)	(221,485)
• New Net Deferred Inflows/Outflows	296,323	(449,553)
• Change in Allocation of Prior Deferred Inflows/Outflows	30,300	(23,291)
• New Net Deferred Flows Due to Change in Proportion ¹	(128,114)	(178,763)
• Recognition of Prior Deferred Inflows/Outflows	60,261	(31,122)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>60,326</u>	<u>8,849</u>
Ending Net Pension Liability	\$1,626,425	\$1,434,582

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of reconciliation of Net Pension Liability (continued)

West Side Recreation and Park District

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Beginning Net Pension Liability	\$1,134,489	\$1,812,784
• Pension Expense	50,389	(63,705)
• Employer Contributions	(200,889)	(181,009)
• New Net Deferred Inflows/Outflows	279,565	(355,512)
• Change in Allocation of Prior Deferred Inflows/Outflows	(17,710)	(18,817)
• New Net Deferred Flows Due to Change in Proportion ¹	92,683	(140,005)
• Recognition of Prior Deferred Inflows/Outflows	56,853	(24,612)
• Recognition of Prior Deferred Flows Due to Change in Proportion ¹	<u>139,074</u>	<u>105,365</u>
Ending Net Pension Liability	\$1,534,454	\$1,134,489

¹ Includes differences between employer contributions and proportionate share of contributions.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total Pension Liability (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30:¹

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	Thereafter
2017	\$(105,054)	5.10	\$(2,060)	\$0	\$0	\$0	\$0	\$0	\$0
2018	(109,368)	5.11	(21,403)	(2,354)	0	0	0	0	0
2019	(80,208)	5.08	(15,789)	(15,789)	(1,263)	0	0	0	0
2020	(48,814)	5.05	(9,666)	(9,666)	(9,666)	(483)	0	0	0
2021	(23,991)	5.08	(4,723)	(4,723)	(4,723)	(4,723)	(378)	0	0
2022	(16,282)	4.90	(3,323)	(3,323)	(3,323)	(3,323)	(2,991)	0	0
2023	(69,170)	4.77	N/A	(14,501)	(14,501)	(14,501)	(14,501)	(11,166)	0
Net increase/(decrease) in pension expense			\$(56,963)	\$(50,356)	\$(33,476)	\$(23,030)	\$(17,870)	\$(11,166)	\$0

Note: Results may not total due to rounding.

As described in *Section 2, Deferred outflows of resources and deferred inflows of resources*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through KCERA (active and inactive employees) determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022) is 4.77 years.

¹ The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 68 reports.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition
of the Effects of Assumption Changes (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30:¹

Reporting Date for Employer under GAS 68 Year Ended June 30	Effect of Assumption Changes	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	Thereafter
2017	\$0	5.10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	196,259	5.11	38,407	4,225	0	0	0	0	0
2019	0	5.08	0	0	0	0	0	0	0
2020	0	5.05	0	0	0	0	0	0	0
2021	151,379	5.08	29,799	29,799	29,799	29,799	2,384	0	0
2022	0	4.90	0	0	0	0	0	0	0
2023	0	4.77	N/A	0	0	0	0	0	0
Net increase/(decrease) in pension expense			\$68,206	\$34,024	\$29,799	\$29,799	\$2,384	\$0	\$0

Note: Results may not total due to rounding.

As described in *Section 2, Deferred outflows of resources and deferred inflows of resources*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through KCERA (active and inactive employees) determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022) is 4.77 years.

¹ The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 68 reports.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30:¹

Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2022	2023	2024	2025	2026	2027	Thereafter
2017	\$298,443	5.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	(160,062)	5.00	(32,012)	0	0	0	0	0	0
2019	18,502	5.00	3,700	3,700	0	0	0	0	0
2020	87,733	5.00	17,547	17,547	17,547	0	0	0	0
2021	185,945	5.00	37,189	37,189	37,189	37,189	0	0	0
2022	(723,891)	5.00	(144,778)	(144,778)	(144,778)	(144,778)	(144,778)	0	0
2023	610,308	5.00	N/A	122,062	122,062	122,062	122,062	122,062	0
Net increase/(decrease) in pension expense			\$(118,355)	\$35,719	\$32,019	\$14,472	\$(22,717)	\$122,062	\$0

Note: Results may not total due to rounding.

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b of GAS 68.

¹ The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 68 reports.

Section 2: GAS 68 Information

Schedule of recognition of changes in total Net Pension Liability (continued)

Total Increase (Decrease) in Pension Expense (Dollars in \$000s)

Reporting Date for Employer under GAS 68 Year Ended June 30:¹

Reporting Date for Employer under GAS 68 Year Ended June 30	Total Differences	2022	2023	2024	2025	2026	2027	Thereafter
2017	\$193,390	\$(2,060)	\$0	\$0	\$0	\$0	\$0	\$0
2018	(73,170)	(15,008)	1,870	0	0	0	0	0
2019	(61,705)	(12,088)	(12,088)	(1,263)	0	0	0	0
2020	38,919	7,880	7,880	7,880	(483)	0	0	0
2021	313,333	62,265	62,265	62,265	62,265	2,006	0	0
2022	(740,174)	(148,101)	(148,101)	(148,101)	(148,101)	(147,769)	0	0
2023	541,138	<u>N/A</u>	<u>107,561</u>	<u>107,561</u>	<u>107,561</u>	<u>107,561</u>	<u>110,896</u>	<u>0</u>
Net increase/(decrease) in pension expense		\$(107,112)	\$19,387	\$28,342	\$21,241	\$(38,202)	\$110,896	\$0

Note: Results may not total due to rounding.

¹ The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 68 reports.

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability

In addition to the amounts shown in *Section 2, Schedule of recognition of changes in total Net Pension Liability*, there are changes in each employer's proportionate share of the total NPL during the measurement period ending on June 30, 2022. The net effect of the change on the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown above. The differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2022 are recognized over the same period. These amounts are shown on the following page, with the corresponding amounts for the measurement periods ending each June 30 beginning in 2017 shown on the pages after that. While these amounts are different for each employer, they sum to zero over the entire KCERA.

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2022

	Total Change	Recognition Period (Years)	2023	2024	2025	2026	2027	2028
Kern County	\$8,190,935	4.77	\$1,717,179	\$1,717,179	\$1,717,179	\$1,717,179	\$1,322,219	\$0
Kern County Hospital Authority	(13,033,319)	4.77	(2,732,352)	(2,732,352)	(2,732,352)	(2,732,352)	(2,103,911)	0
Kern County Superior Courts	305,915	4.77	64,133	64,133	64,133	64,133	49,383	0
Berrenda Mesa Water District	(962,727)	4.77	(201,830)	(201,830)	(201,830)	(201,830)	(155,407)	0
Buttonwillow Recreation and Park District	5,004	4.77	1,049	1,049	1,049	1,049	808	0
East Kern Cemetery District	27,495	4.77	5,764	5,764	5,764	5,764	4,439	0
Inyokern Community Services District	(12,193)	4.77	(2,556)	(2,556)	(2,556)	(2,556)	(1,969)	0
Kern County Water Agency	(91,290)	4.77	(19,138)	(19,138)	(19,138)	(19,138)	(14,738)	0
Kern Mosquito and Vector Control District	460,272	4.77	96,493	96,493	96,493	96,493	74,300	0
North of the River Sanitation District	282,915	4.77	59,311	59,311	59,311	59,311	45,671	0
San Joaquin Valley Unified Air Pollution Control District	5,265,281	4.77	1,103,832	1,103,832	1,103,832	1,103,832	849,953	0
Shafter Recreation and Park District	(139,193)	4.77	(29,181)	(29,181)	(29,181)	(29,181)	(22,469)	0
West Side Cemetery District	(254,265)	4.77	(53,305)	(53,305)	(53,305)	(53,305)	(41,045)	0
West Side Mosquito and Vector Control District	(162,097)	4.77	(33,983)	(33,983)	(33,983)	(33,983)	(26,165)	0
West Side Recreation and Park District	<u>117,267</u>	4.77	<u>24,584</u>	<u>24,584</u>	<u>24,584</u>	<u>24,584</u>	<u>18,931</u>	<u>0</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2021

	Total Change	Recognition Period (Years)	2022	2023	2024	2025	2026	2027
Kern County	\$(6,857,067)	4.90	\$(1,399,402)	\$(1,399,402)	\$(1,399,402)	\$(1,399,402)	\$(1,259,459)	\$0
Kern County Hospital Authority	15,916,363	4.90	3,248,237	3,248,237	3,248,237	3,248,237	2,923,415	0
Kern County Superior Courts	(5,593,557)	4.90	(1,141,542)	(1,141,542)	(1,141,542)	(1,141,542)	(1,027,389)	0
Berrenda Mesa Water District	848,213	4.90	173,105	173,105	173,105	173,105	155,793	0
Buttonwillow Recreation and Park District	(3,113)	4.90	(635)	(635)	(635)	(635)	(573)	0
East Kern Cemetery District	2,889	4.90	590	590	590	590	529	0
Inyokern Community Services District	11,800	4.90	2,408	2,408	2,408	2,408	2,168	0
Kern County Water Agency	(334,577)	4.90	(68,281)	(68,281)	(68,281)	(68,281)	(61,453)	0
Kern Mosquito and Vector Control District	281,901	4.90	57,531	57,531	57,531	57,531	51,777	0
North of the River Sanitation District	(161,832)	4.90	(33,027)	(33,027)	(33,027)	(33,027)	(29,724)	0
San Joaquin Valley Unified Air Pollution Control District	(3,336,508)	4.90	(680,920)	(680,920)	(680,920)	(680,920)	(612,828)	0
Shafter Recreation and Park District	53,955	4.90	11,011	11,011	11,011	11,011	9,911	0
West Side Cemetery District	(427,963)	4.90	(87,339)	(87,339)	(87,339)	(87,339)	(78,607)	0
West Side Mosquito and Vector Control District	(224,600)	4.90	(45,837)	(45,837)	(45,837)	(45,837)	(41,252)	0
West Side Recreation and Park District	(175,904)	4.90	(35,899)	(35,899)	(35,899)	(35,899)	(32,308)	0
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2020

	Total Change	Recognition Period (Years)	2021	2022	2023	2024	2025	2026
Kern County	\$(26,086,134)	5.08	\$(5,135,066)	\$(5,135,066)	\$(5,135,066)	\$(5,135,066)	\$(5,135,066)	\$(410,804)
Kern County Hospital Authority	18,183,528	5.08	3,579,435	3,579,435	3,579,435	3,579,435	3,579,435	286,353
Kern County Superior Courts	945,705	5.08	186,162	186,162	186,162	186,162	186,162	14,895
Berrenda Mesa Water District	245,726	5.08	48,371	48,371	48,371	48,371	48,371	3,871
Buttonwillow Recreation and Park District	(60,327)	5.08	(11,875)	(11,875)	(11,875)	(11,875)	(11,875)	(952)
East Kern Cemetery District	32,867	5.08	6,470	6,470	6,470	6,470	6,470	517
Inyokern Community Services District	(6,215)	5.08	(1,223)	(1,223)	(1,223)	(1,223)	(1,223)	(100)
Kern County Water Agency	(1,134,183)	5.08	(223,264)	(223,264)	(223,264)	(223,264)	(223,264)	(17,863)
Kern Mosquito and Vector Control District	(138,840)	5.08	(27,331)	(27,331)	(27,331)	(27,331)	(27,331)	(2,185)
North of the River Sanitation District	329,251	5.08	64,813	64,813	64,813	64,813	64,813	5,186
San Joaquin Valley Unified Air Pollution Control District	7,721,218	5.08	1,519,925	1,519,925	1,519,925	1,519,925	1,519,925	121,593
Shafter Recreation and Park District	186,464	5.08	36,705	36,705	36,705	36,705	36,705	2,939
West Side Cemetery District	17,648	5.08	3,474	3,474	3,474	3,474	3,474	278
West Side Mosquito and Vector Control District	(93,568)	5.08	(18,419)	(18,419)	(18,419)	(18,419)	(18,419)	(1,473)
West Side Recreation and Park District	<u>(143,140)</u>	5.08	<u>(28,177)</u>	<u>(28,177)</u>	<u>(28,177)</u>	<u>(28,177)</u>	<u>(28,177)</u>	<u>(2,255)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2019

	Total Change	Recognition Period (Years)	2020	2021	2022	2023	2024	2025
Kern County	\$(16,601,122)	5.05	\$(3,287,351)	\$(3,287,351)	\$(3,287,351)	\$(3,287,351)	\$(3,287,351)	\$(164,367)
Kern County Hospital Authority	6,678,985	5.05	1,322,571	1,322,571	1,322,571	1,322,571	1,322,571	66,130
Kern County Superior Courts	1,894,164	5.05	375,082	375,082	375,082	375,082	375,082	18,754
Berrenda Mesa Water District	2,180,907	5.05	431,863	431,863	431,863	431,863	431,863	21,592
Buttonwillow Recreation and Park District	(67,126)	5.05	(13,292)	(13,292)	(13,292)	(13,292)	(13,292)	(666)
East Kern Cemetery District	14,229	5.05	2,818	2,818	2,818	2,818	2,818	139
Inyokern Community Services District	89,616	5.05	17,746	17,746	17,746	17,746	17,746	886
Kern County Water Agency	445,258	5.05	88,170	88,170	88,170	88,170	88,170	4,408
Kern Mosquito and Vector Control District	333,938	5.05	66,126	66,126	66,126	66,126	66,126	3,308
North of the River Sanitation District	218,548	5.05	43,277	43,277	43,277	43,277	43,277	2,163
San Joaquin Valley Unified Air Pollution Control District	4,784,203	5.05	947,367	947,367	947,367	947,367	947,367	47,368
Shafter Recreation and Park District	101,228	5.05	20,045	20,045	20,045	20,045	20,045	1,003
West Side Cemetery District	77,967	5.05	15,439	15,439	15,439	15,439	15,439	772
West Side Mosquito and Vector Control District	113,403	5.05	22,456	22,456	22,456	22,456	22,456	1,123
West Side Recreation and Park District	<u>(264,198)</u>	5.05	<u>(52,317)</u>	<u>(52,317)</u>	<u>(52,317)</u>	<u>(52,317)</u>	<u>(52,317)</u>	<u>(2,613)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2018

	Total Change	Recognition Period (Years)	2019	2020	2021	2022	2023	2024
Kern County	\$(23,710,493)	5.08	\$(4,667,420)	\$(4,667,420)	\$(4,667,420)	\$(4,667,420)	\$(4,667,420)	\$(373,393)
Kern County Hospital Authority	16,687,313	5.08	3,284,904	3,284,904	3,284,904	3,284,904	3,284,904	262,793
Kern County Superior Courts	2,649,131	5.08	521,483	521,483	521,483	521,483	521,483	41,716
Berrenda Mesa Water District	(93,788)	5.08	(18,462)	(18,462)	(18,462)	(18,462)	(18,462)	(1,478)
Buttonwillow Recreation and Park District	(221,630)	5.08	(43,628)	(43,628)	(43,628)	(43,628)	(43,628)	(3,490)
East Kern Cemetery District	6,664	5.08	1,312	1,312	1,312	1,312	1,312	104
Inyokern Community Services District	0	5.08	0	0	0	0	0	0
Kern County Water Agency	863,665	5.08	170,013	170,013	170,013	170,013	170,013	13,600
Kern Mosquito and Vector Control District	23,398	5.08	4,606	4,606	4,606	4,606	4,606	368
North of the River Sanitation District	211,691	5.08	41,671	41,671	41,671	41,671	41,671	3,336
San Joaquin Valley Unified Air Pollution Control District	3,621,056	5.08	712,806	712,806	712,806	712,806	712,806	57,026
Shafter Recreation and Park District	92,309	5.08	18,171	18,171	18,171	18,171	18,171	1,454
West Side Cemetery District	83,215	5.08	16,381	16,381	16,381	16,381	16,381	1,310
West Side Mosquito and Vector Control District	(100,775)	5.08	(19,838)	(19,838)	(19,838)	(19,838)	(19,838)	(1,585)
West Side Recreation and Park District	<u>(111,756)</u>	5.08	<u>(21,999)</u>	<u>(21,999)</u>	<u>(21,999)</u>	<u>(21,999)</u>	<u>(21,999)</u>	<u>(1,761)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 2: GAS 68 Information

Allocation of changes in total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer and Member Contributions for the Year Ended June 30, 2017

	Total Change	Recognition Period (Years)	2018	2019	2020	2021	2022	2023
Kern County	\$12,353,524	5.11	\$2,417,519	\$2,417,519	\$2,417,519	\$2,417,519	\$2,417,519	\$265,929
Kern County Hospital Authority	(27,724,028)	5.11	(5,425,446)	(5,425,446)	(5,425,446)	(5,425,446)	(5,425,446)	(596,798)
Kern County Superior Courts	3,960,066	5.11	774,964	774,964	774,964	774,964	774,964	85,246
Berrenda Mesa Water District	(165,515)	5.11	(32,390)	(32,390)	(32,390)	(32,390)	(32,390)	(3,565)
Buttonwillow Recreation and Park District	39,883	5.11	7,805	7,805	7,805	7,805	7,805	858
East Kern Cemetery District	92,818	5.11	18,164	18,164	18,164	18,164	18,164	1,998
Inyokern Community Services District	(198,101)	5.11	(38,767)	(38,767)	(38,767)	(38,767)	(38,767)	(4,266)
Kern County Water Agency	1,346,534	5.11	263,510	263,510	263,510	263,510	263,510	28,984
Kern Mosquito and Vector Control District	475,049	5.11	92,965	92,965	92,965	92,965	92,965	10,224
North of the River Sanitation District	406,028	5.11	79,457	79,457	79,457	79,457	79,457	8,743
San Joaquin Valley Unified Air Pollution Control District	9,049,524	5.11	1,770,944	1,770,944	1,770,944	1,770,944	1,770,944	194,804
Shafter Recreation and Park District	219,882	5.11	43,030	43,030	43,030	43,030	43,030	4,732
West Side Cemetery District	115,156	5.11	22,535	22,535	22,535	22,535	22,535	2,481
West Side Mosquito and Vector Control District	60,817	5.11	11,901	11,901	11,901	11,901	11,901	1,312
West Side Recreation and Park District	<u>(31,637)</u>	5.11	<u>(6,191)</u>	<u>(6,191)</u>	<u>(6,191)</u>	<u>(6,191)</u>	<u>(6,191)</u>	<u>(682)</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

Section 3: Actuarial Assumptions and Methods and Appendices

Actuarial assumptions and methods

For June 30, 2022 Measurement Date and Employer Reporting as of June 30, 2023:

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2019 Actuarial Experience Study dated August 3, 2020. Unless otherwise noted, all actuarial assumptions and methods shown below apply to members for all tiers. These assumptions were adopted by the Board.
<u>Economic Assumptions</u>	
Net Investment Return:	7.25%; net of investment expenses. Based on the Actuarial Experience Study reference above, expected investment expenses represent about 0.40% of the Market Value of Assets.
Administrative Expenses:	0.90% of payroll allocated to both the employer and member based on the components of the total average contribution rate (before expenses) for the employer and member.
Member Contribution Crediting Rate:	7.25%, compounded semi-annually.
Consumer Price Index (CPI) and Cost of Living Adjustments (COLA):	CPI increase of 2.75% per year. Retiree COLA increases due to CPI are assumed to be 2.50% per year.
Payroll Growth:	Inflation of 2.75% per year plus “across the board” real salary increases of 0.50% per year.
Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:	Increase of 2.75% per year from the valuation date.
Increase in Section 7522.10 Compensation Limit:	Increase of 2.75% per year from the valuation date.

Section 3: Actuarial Assumptions and Methods and Appendices

Salary Increases:

The annual rate of compensation increase includes: inflation at 2.75%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Years of Service	Merit and Promotion Increases	
	Rate (%)	
	General	Safety
Less than 1	5.50	8.75
1 – 2	4.50	7.00
2 – 3	4.00	5.50
3 – 4	3.50	5.00
4 – 5	3.00	4.50
5 – 6	2.50	4.00
6 – 7	2.25	3.50
7 – 8	1.75	2.50
8 – 9	1.50	1.50
9 – 10	1.25	1.25
10 – 11	1.15	1.00
11 – 12	1.05	0.80
12 – 13	0.95	0.75
13 – 14	0.85	0.70
14 – 15	0.75	0.65
15 – 16	0.75	0.60
16 – 17	0.75	0.55
17 – 18	0.75	0.50
18 – 19	0.75	0.50
19 – 20	0.75	0.50
20 & Over	0.75	0.50

Section 3: Actuarial Assumptions and Methods and Appendices

Demographic Assumptions:

Post-Retirement Mortality Rates:

Healthy

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

Disabled

- **General Members:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

Beneficiaries

- **General and Safety Members:** Pub-2010 General Contingent Survivor Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

The Pub-2010 mortality tables and adjustments as shown above with generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Section 3: Actuarial Assumptions and Methods and Appendices

Pre-Retirement Mortality Rates:

- **General Members:** Pub-2010 General Employee Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.
- **Safety Members:** Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.

Age	Rate (%)			
	General		Safety	
	Male	Female	Male	Female
25	0.03	0.01	0.03	0.02
30	0.04	0.01	0.04	0.02
35	0.05	0.02	0.04	0.03
40	0.07	0.04	0.05	0.04
45	0.10	0.06	0.07	0.06
50	0.15	0.08	0.10	0.08
55	0.22	0.12	0.15	0.11
60	0.32	0.19	0.23	0.14
65	0.47	0.30	0.35	0.20

All pre-retirement deaths are assumed to be non-service connected. Note that generational projections beyond the base year (2010) are not reflected in the above mortality rates.

Mortality Rates for Member Contributions:

- **General Members:** Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for females, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 30% male and 70% female.
- **Safety Members:** Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 80% male and 20% female.

Section 3: Actuarial Assumptions and Methods and Appendices

Disability Incidence:

Age	Rate (%)	
	General	Safety
20	0.02	0.05
25	0.03	0.07
30	0.04	0.10
35	0.07	0.19
40	0.09	0.28
45	0.13	0.39
50	0.18	1.08
55	0.26	2.55
60	0.36	3.70
65	0.40	4.00
70	0.00	0.00

50% of General disabilities are assumed to be service connected (duty) disabilities and the other 50% are assumed to be non-service connected (ordinary) disabilities.

90% of Safety disabilities are assumed to be service connected (duty) disabilities and the other 10% are assumed to be non-service connected (ordinary) disabilities.

Section 3: Actuarial Assumptions and Methods and Appendices

Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 1	17.00	9.00
1 – 2	13.00	8.00
2 – 3	10.00	7.00
3 – 4	9.00	6.00
4 – 5	8.50	5.00
5 – 6	8.00	4.00
6 – 7	7.00	3.50
7 – 8	6.00	3.25
8 – 9	5.00	3.00
9 – 10	4.00	2.60
10 – 11	3.75	2.20
11 – 12	3.50	1.80
12 – 13	3.25	1.60
13 – 14	3.00	1.40
14 – 15	2.75	1.20
15 – 16	2.50	1.00
16 – 17	2.30	0.90
17 – 18	2.10	0.75
18 – 19	1.90	0.75
19 – 20	1.70	0.75
20 – 21	1.50	0.00
21 – 22	1.30	0.00
22 – 23	1.10	0.00
23 – 24	1.00	0.00
24 – 25	1.00	0.00
25 – 26	1.00	0.00
26 – 27	1.00	0.00
27 – 28	1.00	0.00
28 – 29	1.00	0.00
29 – 30	1.00	0.00
30 & Over	0.00	0.00

Refer to the next table that contains rates for electing a refund of contributions upon termination. No termination is assumed after a member is first assumed to retire.

Section 3: Actuarial Assumptions and Methods and Appendices

Electing a Refund of Contributions upon Termination:

Years of Service	Rate (%)	
	General	Safety
Less than 5	100.00	100.00
5 – 6	36.00	44.00
6 – 7	34.00	40.00
7 – 8	32.00	38.00
8 – 9	30.00	32.00
9 – 10	28.00	30.00
10 – 11	26.00	26.00
11 – 12	25.00	25.00
12 – 13	24.00	21.00
13 – 14	23.00	18.00
14 – 15	22.00	15.00
15 – 16	21.00	12.00
16 – 17	18.00	10.00
17 – 18	16.00	8.00
18 – 19	14.00	6.00
19 – 20	13.00	4.00
20 – 21	12.00	0.00
21 – 22	11.00	0.00
22 – 23	10.00	0.00
23 – 24	8.00	0.00
24 – 25	6.00	0.00
25 – 26	4.00	0.00
26 – 27	2.00	0.00
27 & Over	0.00	0.00

Section 3: Actuarial Assumptions and Methods and Appendices

Retirement Rates:

Age	Rate (%)						
	General Tier I		General Tiers IIA and IIB	General Tier III	Safety Tier I		Safety Tiers IIA and IIB
	<25 Years of Service	>25 Years of Service			<25 Years of Service	>25 Years of Service	
45	0.00	0.00	0.00	0.00	5.00	5.00	0.00
46	0.00	0.00	0.00	0.00	5.00	5.00	0.00
47	0.00	0.00	0.00	0.00	5.00	5.00	0.00
48	0.00	0.00	0.00	0.00	5.00	5.00	0.00
49	0.00	0.00	0.00	0.00	25.00	25.00	0.00
50	10.00	10.00	5.00	0.00	10.00	30.00	3.00
51	6.00	6.00	3.00	0.00	8.00	24.00	3.00
52	6.00	12.00	3.00	3.00	8.00	24.00	3.00
53	6.00	12.00	3.00	3.00	8.00	24.00	5.00
54	6.00	12.00	3.50	3.50	12.00	24.00	11.00
55	6.00	12.00	4.00	4.00	14.00	28.00	13.00
56	6.00	14.00	4.50	4.50	14.00	28.00	12.00
57	6.00	16.00	5.00	5.00	8.00	28.00	12.00
58	9.00	18.00	6.50	6.50	8.00	28.00	12.00
59	16.00	24.00	11.00	11.00	14.00	28.00	12.00
60	20.00	35.00	12.00	12.00	25.00	28.00	12.00
61	16.00	28.00	13.00	13.00	25.00	50.00	12.00
62	20.00	35.00	20.00	20.00	25.00	50.00	25.00
63	20.00	30.00	20.00	20.00	25.00	50.00	25.00
64	20.00	30.00	20.00	20.00	25.00	50.00	25.00
65	35.00	35.00	35.00	35.00	100.00	100.00	100.00
66	35.00	35.00	35.00	35.00	100.00	100.00	100.00
67	35.00	35.00	35.00	35.00	100.00	100.00	100.00
68	35.00	35.00	35.00	35.00	100.00	100.00	100.00
69	40.00	40.00	40.00	40.00	100.00	100.00	100.00
70	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Retirement Age and Benefit for Deferred Vested Members:

For current and future deferred vested members, retirement age assumptions are as follows:

General Retirement Age: 57

Safety Retirement Age: 53

We assume that 45% of future General and 60% of future Safety deferred vested members will continue to work for a reciprocal employer. For reciprocal members, we assume 4.00% and 3.75% compensation increases per annum for General and Safety members, respectively.

Future Benefit Accruals:

1.0 year of service per year of employment.

Section 3: Actuarial Assumptions and Methods and Appendices

Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Definition of Active Members:	All active members of KCERA as of the valuation date.
Form of Payment:	All active and inactive members are assumed to elect the unmodified option at retirement.
Percent Married:	For all active and inactive members, 70% of male members and 60% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.
Age and Gender of Spouse:	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.
Actuarial Methods	
Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age is the age on the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.
Expected Remaining Service Lives:	The average of the expected service lives of all employees is determined by: <ul style="list-style-type: none">• Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.• Setting the remaining service life to zero for each nonactive or retired member.• Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.
Changed Actuarial Assumptions and Methods:	There have been no changes in actuarial assumptions or methods since the last valuation.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix A: Projection of Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2022 (\$ in millions)

Year Beginning July 1,	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2021	\$5,418	\$342	\$401	\$7	-\$220	\$5,131
2022	5,131	338	440	5	368	5,392
2023	5,392	344	439	5	387	5,679
2024	5,679	347	456	5	408	5,973
2025	5,973	353	474	5	428	6,276
2026	6,276	367	492	4	450	6,597
2027	6,597	372	510	4	473	6,928
2028	6,928	377	529	4	497	7,269
2029	7,269	382	549	4	521	7,619
2030	7,619	376	569	4	545	7,968
2061	8,090	1	721	0 *	560	7,930
2062	7,930	1	709	0 *	549	7,771
2063	7,771	0 *	695	0 *	538	7,614
2064	7,614	0 *	680	0 *	527	7,461
2065	7,461	0 *	665	0 *	517	7,314
2096	14,875	0	38	0	1,077	15,914
2097	15,914	0	30	0	1,153	17,036
2098	17,036	0	24	0	1,234	18,247
2099	18,247	0	18	0	1,322	19,551
2100	19,551	0	14	0	1,417	20,954
2127	129,113	0	0 *	0	9,361	138,474
2128	138,474					
2128	Discounted Value:	83 **				

* Less than \$1 million, when rounded.

** \$138,474 million when discounted with interest at the rate of 7.25% per annum has a value of \$83 million (or 1.62% of the Plan's Fiduciary Net Position) as of the June 30, 2022 measurement date.

Section 3: Actuarial Assumptions and Methods and Appendices

Notes:

1. Amounts may not total exactly due to rounding.
2. Amounts shown in the year beginning July 1, 2021 row are actual amounts, based on the financial statements provided by KCERA.
3. Certain years have been omitted from the table.
4. Column (a): Except for the "discounted value" shown for 2128, none of the projected beginning Plan's Fiduciary Net Position amounts shown have been adjusted for the time value of money.
5. Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2021); plus employer contributions to the unfunded actuarial accrued liability; plus employer and employee contributions to fund each year's annual administrative expenses, based on the Plan's funding policy. Contributions are assumed to occur halfway through the year, on average.
6. Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2021. The projected benefit payments reflect the cost of living increase assumption of 2.50% per annum and include projected benefits associated with the Supplemental Retiree Benefit Reserve, including applicable cost of living increases on those benefits. Benefit payments are assumed to occur halfway through the year, on average.
7. Column (d): Projected administrative expenses are calculated as approximately 0.90% of the closed group payroll. Administrative expenses are assumed to occur halfway through the year, on average.
8. Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.25% per annum.
9. As illustrated in this Exhibit, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.25% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2022 shown earlier in this report, pursuant to Paragraph 44 of GASB Statement No. 67.
10. This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 3: Actuarial Assumptions and Methods and Appendices

Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

Active Employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual Contributions	Cash contributions recognized as additions to a pension Plan's Fiduciary Net Position.
Actuarial Present Value of Projected Benefit Payments:	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Valuation:	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial Valuation Date:	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution:	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs):	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad Hoc Postemployment Benefit Changes:	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Automatic Cost-of-Living Adjustments (Automatic COLAs):	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic Postemployment Benefit Changes:	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Closed Period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.

Section 3: Actuarial Assumptions and Methods and Appendices

Collective Net Pension Liability	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
Collective Pension Expense	Pension expense arising from certain changes in the collective Net Pension Liability.
Contributions	Additions to a Pension Plan's Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-Living Adjustments:	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan):	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered Payroll:	Payroll on which contributions to the pension plan are based.
Defined Benefit Pension Plans:	Pension plans that are used to provide defined benefit pensions.
Defined Benefit Pensions:	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 68.)
Defined Contribution Pension Plans:	Pension plans that are used to provide defined contribution pensions.
Defined Contribution Pensions:	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.

Section 3: Actuarial Assumptions and Methods and Appendices

Discount Rate:	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 68) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry Age Actuarial Cost Method:	<p>A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.</p>
Inactive Employees:	<p>Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.</p>
Multiple-Employer Defined Benefit Pension Plan:	<p>A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.</p>
Net Pension Liability (NPL):	<p>The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.</p>
Other Postemployment Benefits:	<p>All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.</p>
Pension Plans:	<p>Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.</p>
Pensions:	<p>Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.</p>
Plan Members:	<p>Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).</p>
Postemployment:	<p>The period after employment.</p>

Section 3: Actuarial Assumptions and Methods and Appendices

Postemployment Benefit Changes:	Adjustments to the pension of an inactive employee.
Postemployment Healthcare Benefits:	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected Benefit Payments:	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public Employee Retirement System:	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real Rate of Return:	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs:	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single-Employer Defined Benefit Pension Plan (Single-Employer Pension Plan):	A defined benefit pension plan that is used to provide pensions to employees of only one employer.
Termination Benefits:	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL):	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68.

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KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: August 9, 2023
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer *Dominic D. Brown*
Subject: **Workiva Amplify 2023**
Nashville, Tennessee
September 19-22, 2023

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, I have attached information concerning the above-captioned conference, as follows:

- Agenda and supporting information on the pertinence and relevance of attendance to a fiduciary – Preliminary agenda is attached
- Specific information as to whether staff or members of the Board will serve as a speaker or panel participant – None
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the conference sponsor

The topic list is timely and relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Chief Financial Officer Angela Kruger.

Attachments

Travel Subject Workiva Amplify 2023
Date(s) September 19-22, 2023
Location Nashville, TN
Proposed Attendee(s) Angela Kruger
Estimated Total Travel Cost \$2,713.26

Description	Computation	=	Kruger	Totals	Borne By	
					KCERA	Sponsor
Registration fees		=	1,095.00	1,095.00	1,095.00	
Lodging expense	3 nights @ \$ 291.42 /night	=	874.26	874.26	874.26	
Per diem meals reimbursement:	5 days @ \$ 79.00 /day	=	395.00			
Less meals provided by sponsor	2 Breakfast, 2 Lunch, 0 Dinner = \$79.00	=	(\$79.00)			\$79.00
Total meals expense		=		395.00	316.00	
Shuttle/taxicab expense		=	60.00	60.00	60.00	
Airfare		=	\$368.00	\$368.00	368.00	
Vehicle-related expenses:		=	-	-	-	
Parking	- days @ - /day	=	-	-	-	
Mileage	miles @ 0.385 /mile (Department Head)	=	-	-	-	
	miles @ 0.655 /mile (Staff, Trustee)	=	-	-	-	
Rental car		=	-	-	-	
Rental car gasoline		=	-	-	-	
Totals		=	2,713.26	\$ 2,792.26	\$ 2,713.26	\$ 79.00

09/19/2023

10:00 am - 7:00 pm

Registration Open

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

1:00 pm - 2:00 pm

Policy Management: The Core Foundation of a Successful ESG Program

Governance, Risk, & Compliance In-Person Breakout

Finding the Beauty in Financial Reports

Financial Reporting In-Person Breakout

Process Management with Workiva: Workflows, Certifications, and Stakeholders

Financial Reporting In-Person Workshop

ESG Raters & Rankers on the Workiva Platform

Environmental, Social, & Governance In-Person Breakout

XBRL Tagging and the Workiva Platform—Introduction

Financial Reporting In-Person Workshop

How Companies Transformed and Automated their Global Reporting Processes using Workiva

Financial Reporting In-Person Breakout

SOX & Internal Controls Summit 2023

Governance, Risk, & Compliance In-Person Breakout

Workiva for GRC 101: The Basics

Governance, Risk, & Compliance In-Person Workshop

Global Reporting Alignment in Six Months: Is It Really as Tough as It Sounds?

Financial Reporting In-Person Breakout

How Under Armour Optimized Record-to-Report Processes to Enhance Efficiency & Accuracy

Financial Reporting In-Person Breakout

Maximizing Impact with Multistakeholder ESG Reporting

Environmental, Social, & Governance In-Person Breakout

2:30 pm - 3:30 pm

Building Risk Resilience: How Audit and Risk Teams Can Stay Ahead in a Rapidly Changing Environment

Governance, Risk, & Compliance In-Person Breakout

Forget FOMO: Five A&F Features to Start Using Now

Financial Reporting In-Person Breakout

ESG in the C-Suite: Strategy, Governance, and Risk Management

Environmental, Social, & Governance In-Person Breakout

XBRL Tagging and the Workiva Platform—Intermediate

Financial Reporting In-Person Workshop

How A&F Teams Use Workiva for Digital Transformation

Financial Reporting In-Person Breakout

Take Control of Your Data with the Data Management Suite

Financial Reporting In-Person Workshop

How Link Logistics Stays at the Forefront of Reporting with Workiva's Data Management Solution

Financial Reporting In-Person Breakout

The Future of Internal Audit: A Conversation with Anthony Pugliese

Governance, Risk, & Compliance In-Person Breakout

SOX & Internal Controls Summit 2023

Governance, Risk, & Compliance In-Person Breakout

How Playa Resorts Makes Financial Reporting, ESG, and GRC Processes Work Together

Environmental, Social, & Governance In-Person Breakout

Workiva for GRC 201: The Advanced User's Course

Governance, Risk, & Compliance In-Person Workshop

4:00 pm - 5:15 pm

Unite to Ignite the Possibilities in Reporting & Assurance

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person General Session

5:15 pm - 7:00 pm

Welcome Reception in the Amplify Hub

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

09/20/2023

7:00 am - 8:00 am

Breakfast

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

7:00 am - 5:30 pm

Registration Open

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

8:00 am - 9:00 am	<p>Performance with Purpose: Lessons for business, career, and life</p> <p>Environmental, Social, & Governance Financial Reporting Financial Services Governance, Risk, & Compliance Government Legal In-Person General Session</p>
9:30 am - 10:30 am	<p>Audit's ESG Journey</p> <p>Environmental, Social, & Governance Governance, Risk, & Compliance In-Person Breakout</p>
	<p>Unlock the Power of Your Data</p> <p>Governance, Risk, & Compliance In-Person Breakout</p>
	<p>What's Next: Workiva's Financial Reporting Product Roadmap</p> <p>Financial Reporting In-Person Breakout</p>
	<p>Embracing ESG Regulation</p> <p>Environmental, Social, & Governance In-Person Breakout</p>
	<p>Quick Tips for Using the ESG Solution</p> <p>Environmental, Social, & Governance In-Person Workshop</p>
	<p>How Playa Resorts Makes Financial Reporting, ESG, and GRC Processes Work Together</p> <p>Environmental, Social, & Governance Financial Reporting Governance, Risk, & Compliance In-Person Breakout</p>
	<p>Magnify Your Impact: How Stonex uses the Workiva Platform to Build Trust and Transparency Across Your Organization</p> <p>Governance, Risk, & Compliance In-Person Breakout</p>
	<p>The Stock Compensation Rodeo: Top 10 Issues of 2023</p> <p>Financial Reporting In-Person Breakout</p>

The Controller's Guidebook: The Current State of Accounting and What the Future Holds

Financial Reporting In-Person Breakout

Roundtable: Building Governance, Risk, and Compliance for ESG Reporting

Environmental, Social, & Governance In-Person Roundtable

Going Global: Minimizing the Reporting Language Barrier

Governance, Risk, & Compliance In-Person Breakout

XBRL Tagging and the Workiva Platform—Introduction

Financial Reporting In-Person Workshop

Workiva for GRC 101: The Basics

Governance, Risk, & Compliance In-Person Workshop

11:00 am - 12:00 pm

Simplifying Financial Reporting with Effective Data Management and Process Automation

Financial Reporting In-Person Breakout

Turbocharge Your Management Reporting Process Like a Fortune 500 Giant

Financial Reporting In-Person Breakout

How Companies are Combining ESG & GRC

Environmental, Social, & Governance Governance, Risk, & Compliance In-Person Breakout

Generative AI: Change the Way You Work

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person Breakout

Incorporating Workiva into Your ERP or Finance Transformation Program

Financial Reporting In-Person Breakout

Roundtable: Managing ESG Data Through a Single Connected Platform

Environmental, Social, & Governance In-Person Roundtable

XBRL Tagging and the Workiva Platform—Introduction

Financial Reporting In-Person Workshop

Solving for CSR: Practical Takeaways for Today

Environmental, Social, & Governance In-Person Breakout

Process Management with Workiva: Workflows, Certifications, and Stakeholders

Financial Reporting In-Person Workshop

ESG in the C-Suite: Strategy, Policy, Governance, and Risk Management

Environmental, Social, & Governance In-Person Breakout

Workiva for GRC 101: The Basics

Governance, Risk, & Compliance In-Person Workshop

Customer Panel: Workiva for Capital Markets

Legal In-Person Breakout

12:00 pm - 2:00 pm

Lunch and Amplify Hub

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

2:00 pm - 3:00 pm

Automate Controls Monitoring with Workiva's Analytic Platform

Governance, Risk, & Compliance In-Person Breakout

Saving Time with Workiva: Improve Audit & SOX Efficiency

Exploring the ESG Tech Stack

Environmental, Social, & Governance In-Person Breakout

Common Oversights in XBRL Tagging

Financial Reporting In-Person Breakout

Exploring the Workiva Platform: What's New in GRC

Governance, Risk, & Compliance In-Person Breakout

Quick Tips for Using the ESG Solution

Environmental, Social, & Governance In-Person Workshop

XBRL Tagging and the Workiva Platform—Intermediate

Financial Reporting In-Person Workshop

Building Risk Resilience: How Audit and Risk Teams Can Stay Ahead in a Rapidly Changing Environment

Governance, Risk, & Compliance In-Person Breakout

Solving Your Financial Reporting Challenges with Automation

Financial Reporting In-Person Roundtable

Take Control of Your Data with the Data Management Suite

Financial Reporting In-Person Workshop

How to Increase Collaboration Between Finance and the Business

Financial Reporting In-Person Breakout

ESG 101: Getting Started

Environmental, Social, & Governance In-Person Breakout

Navigating a Rocky Road: Staying Ahead of Trends and Challenges in SEC Reporting

Financial Reporting In-Person Breakout

Building Carbon Emissions Disclosures with Cross-functional Teams - from Data, to Calculations, to Reports!

Environmental, Social, & Governance In-Person Breakout

3:30 pm - 4:30 pm

Charter Your Career: Strategies for Internal Audit Professionals to Advance While Driving Organizational Value

Governance, Risk, & Compliance In-Person Breakout

Find Your Flow: Using Automation to Drive A&F Efficiency

Financial Reporting In-Person Breakout

How Companies Transformed and Automated their Global Reporting Processes using Workiva

Financial Reporting In-Person Breakout

Walk the Tightrope: Striking a Balance Between Telling Your ESG Story and Responding to Raters

Environmental, Social, & Governance In-Person Breakout

What's Next: Workiva's ESG Product Roadmap

Environmental, Social, & Governance In-Person Breakout

ESG 101: Getting Started

Environmental, Social, & Governance In-Person Breakout

How Companies are Combining ESG & GRC

Environmental, Social, & Governance Governance, Risk, & Compliance In-Person Breakout

Financial and Regulatory Reporting on Autopilot: How Asset Managers Streamline Their Fund Reporting with Workiva

Financial Services In-Person Breakout

Integrated Fund Reporting: How Asset Managers Can Scale the Fund Modeling and Reporting Process

Financial Reporting In-Person Breakout

Workiva for GRC 201: The Advanced User's Course

Governance, Risk, & Compliance In-Person Workshop

Roundtable: Building an Action Plan for Regulated Climate Disclosures with Persefoni and Deloitte

Environmental, Social, & Governance In-Person Roundtable

4:30 pm - 5:30 pm

Sponsor Hour in the Amplify Hub

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

09/21/2023

7:00 am - 8:00 am

Breakfast

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person

7:00 am - 4:30 pm

Registration Open

Environmental, Social, & Governance Financial Reporting Governance, Risk, & Compliance Legal
In-Person

8:00 am - 9:00 am

Positively Impactful: A Conversation with Reese Witherspoon

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person General Session

9:30 am - 10:30 am

Insights from Exxon Mobil: How Digital Transformations Impact Building a Resilient Accounting Team

Financial Reporting In-Person Breakout

Embrace the Convergence: Why Financial Reporting, ESG, and GRC Need to Unite

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person Breakout

ESG Frameworks, Regulations, and Risk: Internal Audit's Role in Bringing It All Together

Environmental, Social, & Governance In-Person Breakout

The Power of a Unifying Solution: Planful, Workiva, and Trintech

Financial Reporting In-Person Breakout

Embracing ESG Regulation

Environmental, Social, & Governance In-Person Breakout

Finding the Beauty in Financial Reports

Financial Reporting In-Person Breakout

Quick Tips for Using the ESG Solution

Environmental, Social, & Governance In-Person Workshop

Do More with Workiva: A Powerful Platform for the Public Sector

Government In-Person Breakout

Process Management with Workiva: Workflows, Certifications, and Stakeholders

Financial Reporting In-Person Workshop

Exploring the Workiva Platform: What's New in GRC

Governance, Risk, & Compliance In-Person Breakout

Master Your ESG Reporting with Workiva – Boost Internal Controls and Data Quality

Environmental, Social, & Governance In-Person Breakout

Workiva for GRC 101: The Basics

Governance, Risk, & Compliance In-Person Workshop

Beyond the Financial Printer: Legal Tech Trends and the Digital Revolution of '33 & '34 Act Filings

Legal In-Person Breakout

10:00 am - 11:15 am

Unite to Ignite the Possibilities in Reporting & Assurance

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal Online

11:00 am - 12:00 pm

GHG Emissions and You

Environmental, Social, & Governance In-Person Breakout

Unlocking Financial Reporting Insights with Workiva: A KKR Use Case Study

Financial Reporting In-Person Breakout

Leveraging the power of the end-to-end Workiva platform for integrated reporting and compliance

Governance, Risk, & Compliance In-Person Breakout

Forget FOMO: Five A&F Features to Start Using Now

Financial Reporting — In-Person — Breakout

Generative AI: Change the Way You Work

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal In-Person Breakout

Saving Time with Workiva: Improve Audit & SOX Efficiency

Governance, Risk, & Compliance In-Person Breakout

Quick Tips for Using the ESG Solution

Environmental, Social, & Governance In-Person Workshop

XBRL Tagging and the Workiva Platform—Introduction

Financial Reporting In-Person Workshop

Take Control of Your Data with the Data Management Suite

Financial Reporting In-Person Workshop

How A&F Teams Use Workiva for Digital Transformation

Financial Reporting In-Person Breakout

Trends for GRC in the Public Sector

Governance, Risk, & Compliance Government In-Person Breakout

Workiva on Workiva: Best Practices for Engaging Your Legal Team Across the Platform

Legal In-Person Breakout

11:15 am - 12:15 pm

Performance with Purpose: Lessons for business, career, and life

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal Online

12:00 pm - 2:00 pm	<p>Lunch and Amplify Hub</p> <p>Environmental, Social, & Governance Financial Reporting Financial Services Governance, Risk, & Compliance Government Legal In-Person</p>
12:30 pm - 1:30 pm	<p>Embracing ESG Regulation</p> <p>Environmental, Social, & Governance Online</p> <hr/> <p>Embrace the Convergence: Why Financial Reporting, ESG, and GRC Need to Unite</p> <p>Environmental, Social, & Governance Financial Reporting Financial Services Governance, Risk, & Compliance Government Legal Online</p> <hr/> <p>How Companies Transformed and Automated their Global Reporting Processes using Workiva</p> <p>Financial Reporting Online</p> <hr/> <p>SOX & Internal Controls Summit 2023</p> <p>Governance, Risk, & Compliance Online</p>
1:30 pm - 2:30 pm	<p>ESG Frameworks, Regulations, and Risk: Internal Audit's Role in Bringing It All Together</p> <p>Environmental, Social, & Governance Online</p> <hr/> <p>Forget FOMO: Five A&F Features to Start Using Now</p> <p>Financial Reporting Online</p> <hr/> <p>Generative AI: Change the Way You Work</p> <p>Environmental, Social, & Governance Financial Reporting Financial Services Governance, Risk, & Compliance Government Legal Online</p>

ESG in the C-Suite: Strategy, Governance, and Risk Management

Environmental, Social, & Governance Online
SOX & Internal Controls Summit 2023

Governance, Risk, & Compliance Online

2:00 pm - 3:00 pm

The Financial Impact of ESG: Unifying Climate Data in Financial Disclosures

Financial Reporting In-Person Breakout

Common Oversights in XBRL Tagging

Financial Reporting In-Person Breakout

Charter Your Career: Strategies for Internal Audit Professionals to Advance While Driving Organizational Value

Governance, Risk, & Compliance In-Person Breakout

Unlock the Power of Your Data

Governance, Risk, & Compliance In-Person Breakout

XBRL Tagging and the Workiva Platform—Intermediate

Financial Reporting In-Person Workshop

Surfing the Tidal Wave of ESG Regulation

Environmental, Social, & Governance In-Person Breakout

Financial and Regulatory Reporting on Autopilot: How Asset Managers Streamline Their Fund Reporting with Workiva

Financial Services In-Person Breakout

Process Management with Workiva: Workflows, Certifications, and Stakeholders

Financial Reporting In-Person Workshop

What's Next: Workiva's ESG Product Roadmap

Environmental, Social, & Governance In-Person Breakout

Optimized Financial Reporting: Unleashing the Full Potential of Your Workiva Financial Reporting Solution

Financial Reporting In-Person Breakout

Workiva for GRC 201: The Advanced User's Course

Governance, Risk, & Compliance In-Person Workshop

3:00 pm - 4:00 pm

Positively Impactful: A Conversation with Reese Witherspoon

Environmental, Social, & Governance Financial Reporting Financial Services
Governance, Risk, & Compliance Government Legal Online

3:30 pm - 4:30 pm

Master Your ESG Reporting with Workiva: Boost Internal Controls and Data Quality

Environmental, Social, & Governance In-Person Breakout

Catching a Cloud and Pinning It Down: How to Solve Your ESG Disclosure Challenges

Environmental, Social, & Governance In-Person Breakout

Audit's ESG Journey

Environmental, Social, & Governance Governance, Risk, & Compliance In-Person Breakout

Exploring the ESG Tech Stack

Environmental, Social, & Governance In-Person Breakout

Find Your Flow: Using Automation to Drive A&F Efficiency

Financial Reporting In-Person Breakout

What's Next: Workiva's Financial Reporting Product Roadmap

Financial Reporting In-Person Breakout

Magnify Your Impact: How Stonex uses the Workiva Platform to Build Trust and Transparency Across Your Organization

Governance, Risk, & Compliance In-Person Breakout

XBRL Tagging and the Workiva Platform—Intermediate

Financial Reporting In-Person Workshop

Strategies for Effective Capital Planning and Liquidity Stress Testing: Panel Session

Financial Services In-Person Breakout

Financial Reporting Trends for Government Accounting and Finance Teams

Government In-Person Breakout

Take Control of Your Data with the Data Management Suite

Financial Reporting In-Person Workshop

Workiva for GRC 201: The Advanced User's Course

Governance, Risk, & Compliance In-Person Workshop

6:30 pm - 10:00 pm

Closing Event at the Grand Ole Opry

Environmental, Social, & Governance Financial Reporting Financial Services

Governance, Risk, & Compliance Government Legal In-Person



Fixed Income Portfolio 2023 Strategic Review

August 2023

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. Strategic Review: Model Portfolios & Key Metrics
5. Strategic Review: Benchmarks
6. Strategic Review: Implementation Guidelines
7. Summary
8. Appendix

Background/ Objectives

Putting Fixed Income in Context

- Kern County Employees' Retirement Association (KCERA) Board of Retirement
 - The KCERA Board (“Board”) sets policy and is ultimately responsible for the investment program.
 - The Board oversees the investment management activities of KCERA, has the authority to set and monitor portfolio risk and set asset allocation.
- Role of Fixed Income in the KCERA Portfolio
 - The objectives of fixed income investments, pursuant to policy, are:
 - Primary Objective: provide risk mitigation (to equity risk) & liquidity;
 - Secondary Objective: income generation and diversification.
- Fixed Income Strategic Review Objective
 - Primary Objective: determine whether the fixed income asset allocation can be enhanced to improve upon the current risk mitigation (to equity risk) & liquidity benefits.
 - Secondary Objective: minimize income loss and improve diversification.
- KCERA staff worked with Verus & PIMCO on the Strategic Review
 - KCERA staff provided inputs, feedback & guidance on preferred portfolios.
 - Verus & PIMCO ran the asset allocation analytics given KCERA staff guidance.

Fixed Income's Role: Providing Risk Mitigation & Liquidity for KCERA Portfolio

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. Strategic Review: Model Portfolios & Key Metrics
5. Strategic Review: Benchmarks
6. Strategic Review: Implementation Guidelines
7. Summary
8. Appendix

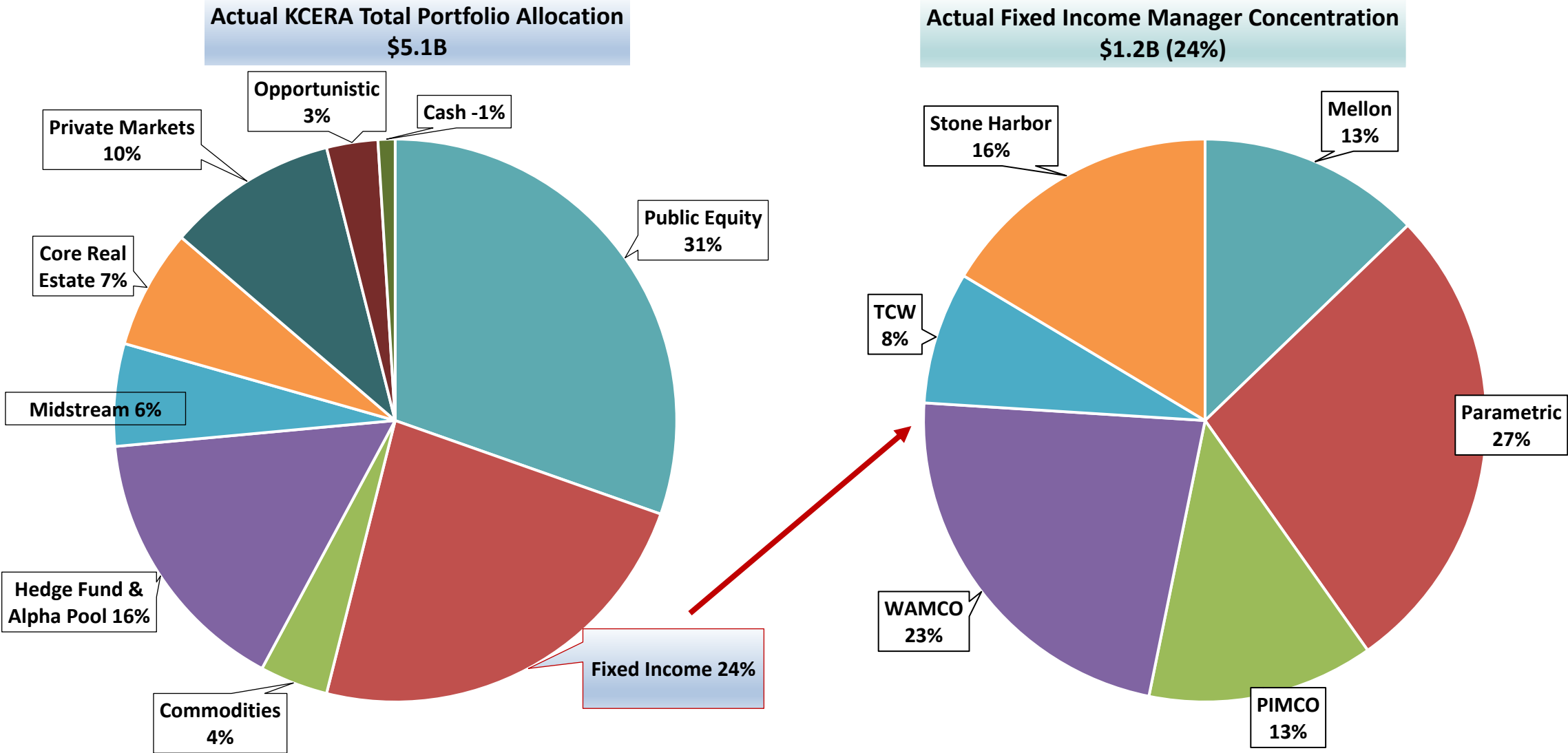
Executive Summary

- De-Risk Fixed Income Portfolio to Enhance Risk Mitigation & Liquidity
 - Risk mitigation & liquidity benefits can be enhanced by de-risking. De-risking entails:
 - Lowering non-investment grade/investment grade credit & emerging markets debt (EMD) exposure;
 - Moving to Core from Core+ credit mandates & EMD to hard dollar only;
 - Increasing US Treasury exposure;
 - Increasing securitized products exposure; and,
 - Adding a short-term credit sleeve.
- Benefits of De-Risking (*Proposed Portfolio Compared to Policy*)
 - Reduced volatility;
 - Reduced drawdown potential; and,
 - Improved equity diversification.
- Further De-Risking Comes with Trade-Offs
 - While de-risking improves fixed income's role within the KCERA portfolio, it comes with a trade-off:
 - Lower expected long-term returns.
 - Up in quality, shifting away from higher yielding assets.

Further De-Risk Fixed Income Portfolio To Improve Risk Mitigation & Liquidity

Strategic Review: KCERA Fixed Income Program Overview

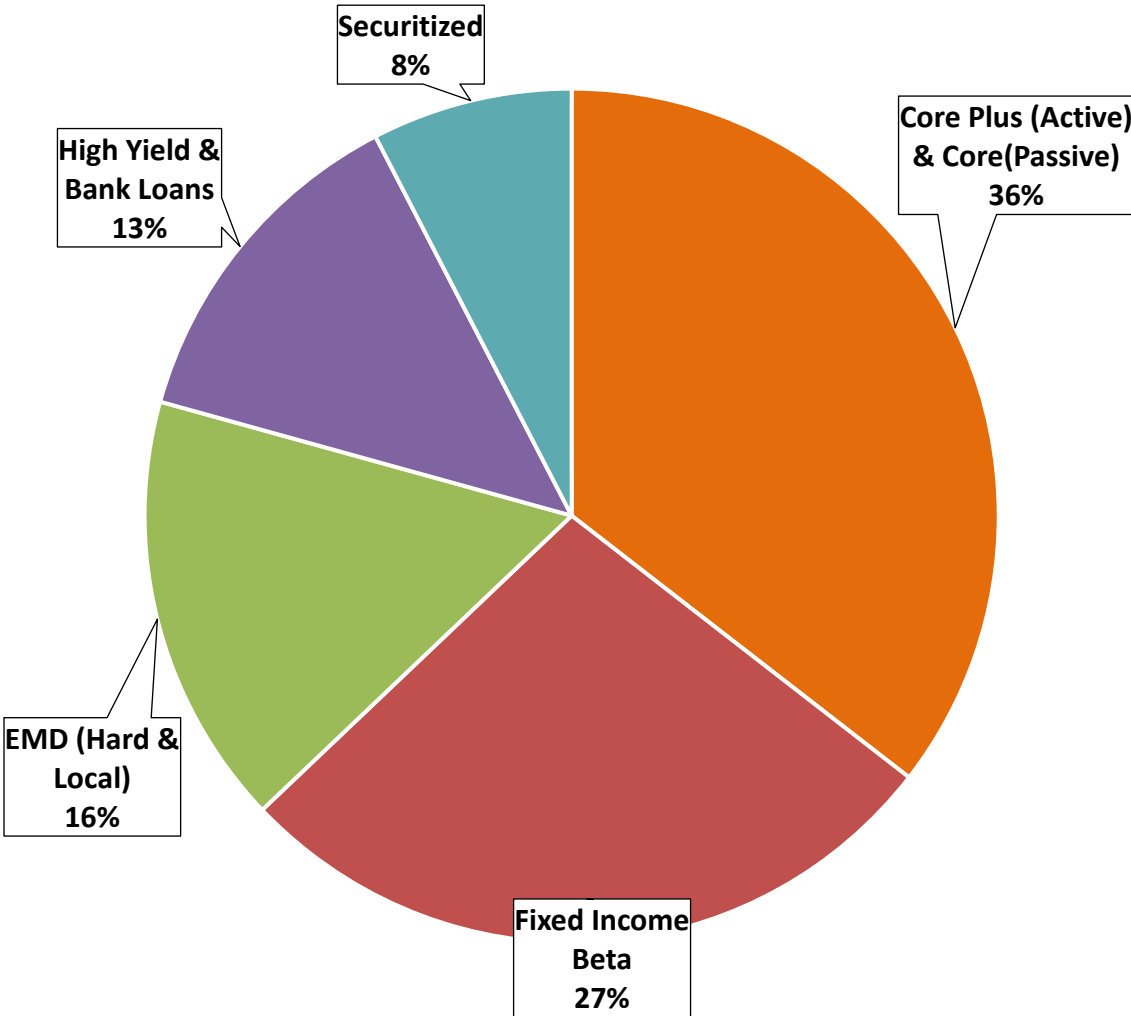
Putting Fixed Income in Context - Current Portfolio Composition



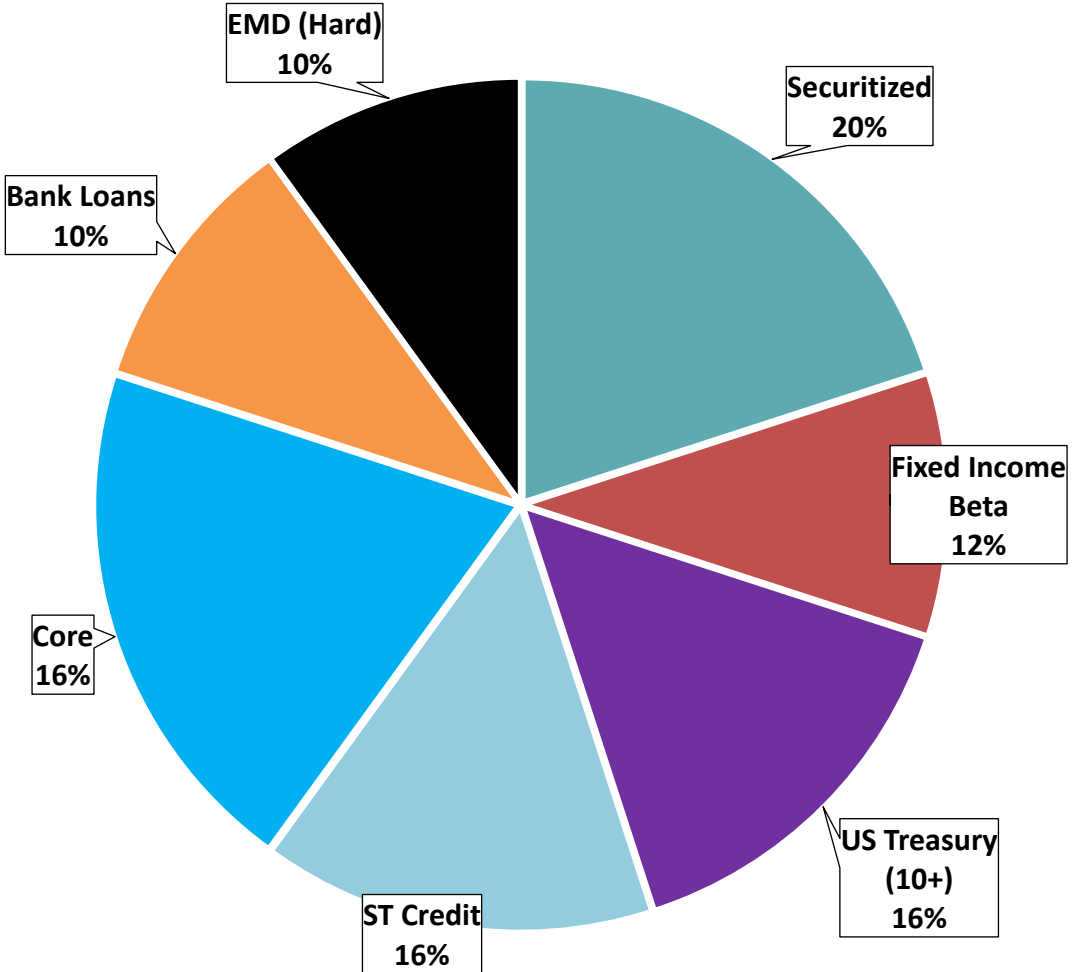
Fixed Income Represents a Significant Portion of KCERA Assets

Strategic Review: KCERA Fixed Income Program Overview

Actual Fixed Income Asset Allocation



Proposed Fixed Income Asset Allocation



Asset Allocation Changes to De-Risk Fixed Income Portfolio

Agenda

1. Background/Objectives
2. Executive Summary
3. **Strategic Review: Model Input Overview**
4. Strategic Review: Model Portfolios & Key Metrics
5. Strategic Review: Benchmarks
6. Strategic Review: Implementation Guidelines
7. Summary
8. Appendix

Strategic Review: Model Input Overview

- Optimization Objectives
 - Diversify equity risk & overall KCERA portfolio;
 - Provide liquidity in down markets; and,
 - Earn adequate return for a given level of risk.

- Key Constraints
 - Equity beta ≤ 0.06
 - Estimated volatility $\leq 4.5\%$
 - Sub-strategy allocation limits (see table on right →)

- Return Horizon
 - 10 years

- Return / Volatility / Duration / Correlation Assumptions
 - Verus & PIMCO Capital Markets Assumptions
 - Please see appendix for details.

- Metric To Measure
 - Equity beta

 - Sharpe ratio

Categories	Allocation Limits	
	Min	Max
Liquidity	0%	5%
Securitized	3%	20%
Treasuries	16%	32%
TIPS	0%	5%
IG Credit	5%	15%
Core	16%	40%
Non-IG	3%	18%
Global	0%	20%
EMD	3%	21%

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. **Strategic Review: Model Portfolios & Key Metrics**
5. Strategic Review: Benchmarks
6. Strategic Review: Implementation Guidelines
7. Summary
8. Appendix

Strategic Review: Asset Allocation Portfolios

Fixed Income AUM \$1,232 MM as of 12/22	KCERA Actual (A)	Policy (B)	Proposed (C)	Change: Actual to Proposed (C-A)	Change: Policy to Proposed (C-B)
Securitized	8% \$ 94	0%	20%	12%	20%
Fixed Income Beta	27% \$ 337	0%	12%	-15%	12%
US Treasuries (1-10)	0% \$ -	0%	0%	0%	0%
US Treasuries (10+)	0% \$ -	0%	16%	16%	16%
Subtotal	27% \$ 337	0%	28%	1%	28%
ST Credit	0% \$ -	0%	16%	16%	16%
ST Gov't / Credit	0% \$ -	0%	0%	0%	0%
IG Corporate Credit (10+)	0% \$ -	0%	0%	0%	0%
Subtotal IG Credit	0% \$ -	0%	16%	16%	16%
Core Plus Fixed Income (IG + HY)	23% \$ 279	33%	0%	-23%	-33%
Core Fixed Income	13% \$ 158	25%	16%	3%	-9%
Subtotal Core	35% \$ 437	58%	16%	-19%	-42%
High Yield & Bank Loans	13% \$ 162	25%	0%	-13%	-25%
High Yield	0%	0%	0%	0%	0%
Bank Loans	0%	0%	10%	10%	10%
Subtotal Non-Investment Grade	13% \$ 162	25%	10%	-3%	-15%
EMD (Hard & Local)	16% \$ 202	17%	0%	-16%	-17%
EMD (Hard Dollar)	0% \$ -	0%	10%	10%	10%
Subtotal EMD	16% \$ 202	17%	10%	-6%	-7%
Total	100% \$ 1,232	100%	100%	0%	0%

- ← Increase Securitized Product Exposure
- ← Reallocate US Treasury Exposure by adding Long Treasury Sleeve
- ← Add Short Term Investment Grade Credit Sleeve
- ← Reduce Higher Risk Core+ Exposure; Move to Core
- ← Reduce Non-Investment Grade Exposure; Move to Bank Loans Only
- ← Reduce EMD & Move to Hard Dollar Only

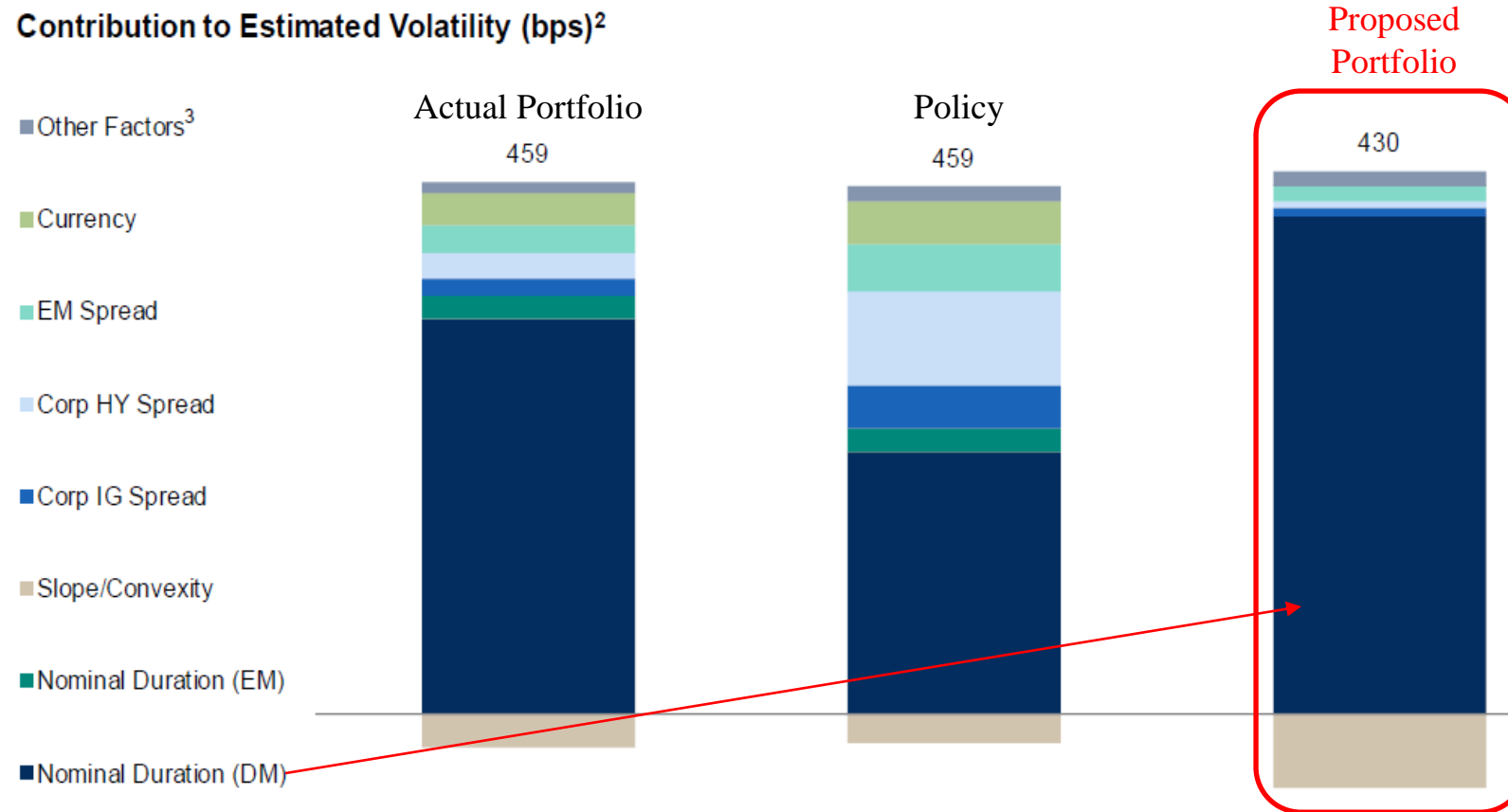
Further De-Risking the Fixed Income Portfolio

Strategic Review: Fixed Income Portfolio Characteristics

Portfolio Characteristic Estimates	Actual (A)	Policy (B)	Proposed (C)	Change: Actual to Proposed (C-A)	Change: Policy to Proposed (C-B)	
10-year Return	5.30	5.65	5.21	(0.09)	(0.44)	← Lower Returns are the “cost” of de-risking
Volatility	4.59	4.59	4.30	(0.29)	(0.29)	← Reduced Volatility & Drawdown Potential
CVaR (95%)	5.55	5.63	4.41	(1.14)	(1.22)	
Sharpe Ratio	0.31	0.36	0.34	0.03	(0.02)	
Equity Beta vs S&P 500	0.10	0.16	0.06	(0.04)	(0.10)	← Improved Equity Diversification
Duration	5.58	4.95	5.88	0.30	0.93	

Strategic Review: Additional Risk Metrics

Risk decomposition of the fixed income portfolios



Developed Markets Duration is Primary Factor Risk

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. Strategic Review: Model Portfolios & Key Metrics
- 5. Strategic Review: Benchmarks**
6. Strategic Review: Implementation Guidelines
7. Summary
8. Appendix

Strategic Review: Benchmarks

- KCERA staff proposes updating the benchmarks to align them with the proposed fixed income asset allocation.
- Proposed Fixed Income Benchmarks

Mandate	Benchmark
<u>Investment Grade</u>	
Core Fixed Income	Bloomberg US Agg Total Return Value Unhedged USD
Short Term Credit	Bloomberg US Corporate Credit 1-3 Year Index
<u>Non-Investment Grade Credit</u>	
Bank Loans	S&P LSTA Leverage Loan Index
<u>Treasuries</u>	
Fixed Income Beta	57% ICE BofAML US Treasury 10+; 43% ICE BofAML 7-10 Year US Treasury Index
US Treasuries (10+)	
<u>Securitized Products</u>	
	50% Bloomberg Non-Agency CMBS Index, 33.33% Bloomberg ABS Index, 16.67% JPM CLOIE AA Index
<u>Emerging Markets Debt</u>	
	JPM EMBI Global Diversified

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. Strategic Review: Model Portfolios & Key Metrics
5. Strategic Review: Benchmarks
- 6. Strategic Review: Implementation Guidelines**
7. Summary
8. Appendix

Strategic Review: Implementation Guidelines

- Given the complexity and amount of fund movements involved in the proposed portfolio realignment, implementation of the changes from the Strategic Review would take place at a measured pace.
- Manager Searches
 - Initiate searches for new mandates: Core, Credit, US Treasury, EMD (Hard Currency), Securitized Products and Bank Loan.
 - At a measured pace, recommendations will be brought to the Investment Committee and Board of Retirement for review & approval.
- Funding New Mandates
 - Work with transition manager to determine an efficient & cost-effective funding plan.
 - Depending on timing of onboarding of new managers, funding of mandates may be run in parallel.
- Other
 - To minimize the costs of the realignment, in-kind transfers and arms-length crossing trades within managers may be considered.

Portfolio Realignment to Occur at a Measured Pace

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. Strategic Review: Model Portfolios & Key Metrics
5. Strategic Review: Benchmarks
6. Strategic Review: Implementation Guidelines
- 7. Summary**
8. Appendix

Summary

- Portfolio Asset Allocation
 - Proposed portfolio proposed on p. 11
- Fixed Income Benchmarks
 - Benchmarks as proposed on p. 15

Proposed Portfolio and Updated Fixed Income Benchmarks
are included in Total Plan Asset Liability Study

Agenda

1. Background/Objectives
2. Executive Summary
3. Strategic Review: Model Input Overview
4. Strategic Review: Model Portfolios & Key Metrics
5. Strategic Review: Benchmarks
6. Strategic Review: Implementation Guidelines
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Appendix: Verus Capital Markets Assumptions

Asset Class	Index Proxy	Ten-Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
		Geometric	Arithmetic					
Fixed Income								
Cash	30 Day T-Bills	3.30%	3.30%	1.20%	-	-	-	-
U.S. TIPS	Bloomberg U.S. TIPS 5-10	4.10%	4.30%	5.60%	0.14	0.18	0.06	0.08
U.S. Treasury	Bloomberg Treasury 7-10 Year	3.80%	4.00%	7.10%	0.07	0.1	-0.02	0.01
Long U.S. Treasury	Bloomberg Treasury 20+ Year	3.80%	4.60%	13.20%	0.04	0.10	(0.01)	0.05
Global Sovereign ex U.S.	Bloomberg Global Treasury ex U.S.	2.20%	2.70%	10.00%	-0.11	-0.06	-0.47	-0.44
Global Aggregate	Bloomberg Global Aggregate	3.00%	3.20%	6.70%	-0.05	-0.01	-0.3	-0.28
Core Fixed Income	Bloomberg U.S. Aggregate Bond	4.30%	4.40%	4.60%	0.22	0.24	0.05	0.07
Core Plus Fixed Income	Bloomberg U.S. Universal	4.60%	4.70%	4.60%	0.28	0.3	0.17	0.14
Short-Term Gov't/Credit	Bloomberg U.S. Gov't/Credit 1-3 Year	3.90%	4.00%	3.70%	0.16	0.19	0.11	0.11
Short-Term Credit	Bloomberg Credit 1-3 Year	4.30%	4.40%	3.70%	0.27	0.3	0.4	0.4
Long-Term Credit	Bloomberg Long U.S. Credit	5.30%	5.90%	11.00%	0.18	0.24	0.11	0.16
High Yield Corp. Credit	Bloomberg U.S. Corporate High Yield	6.40%	7.00%	11.20%	0.28	0.33	0.44	0.47
Bank Loans	S&P/LSTA Leveraged Loan	6.80%	7.20%	9.20%	0.38	0.42	0.53	0.54
Global Credit	Bloomberg Global Credit	4.50%	4.80%	7.90%	0.15	0.19	0	0.03
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	8.90%	9.40%	10.70%	0.52	0.57	0.05	0.09
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	7.00%	7.70%	12.30%	0.3	0.36	-0.28	-0.23
Private Credit	S&P LSTA Leveraged Loan Index	8.20%	9.00%	13.00%	0.38	0.44	-	-
Private Credit (Direct Lending - Unlevered)	S&P LSTA Leveraged Loan Index	6.80%	7.20%	9.20%	0.38	0.42	-	-
Private Credit (Direct Lending - Levered)	S&P LSTA Leveraged Loan Index	9.10%	10.10%	15.30%	0.38	0.44	-	-
Private Credit (Credit Opportunities)	S&P LSTA Leveraged Loan Index	8.50%	9.40%	13.80%	0.38	0.44	-	-
Private Credit (Junior Capital / Mezzanine)	S&P LSTA Leveraged Loan Index	9.00%	10.00%	15.10%	0.38	0.44	-	-
Private Credit (Distressed)	S&P LSTA Leveraged Loan Index	9.10%	12.70%	29.10%	0.2	0.32	-	-

As of 11/2022. Source: Verus.

Appendix: PIMCO Capital Markets Assumptions

Sector	Proxy	Estimated Return ¹	Estimated Volatility ²	Equity Beta vs. S&P500	Duration	Actual Fixed Income	Policy Fixed Income	Proposed
Short Duration (Liquidity)	ICE US 1M T-Bill Index	3.0%	0.1%	0.00	0.08	-	-	-
Securitized	Securitized (Custom Sec. Benchmark)*	5.3%	3.4%	0.09	2.89	7.6%	-	20.0%
Fixed Income Beta	ICE US Treasury 7-10Yr Index	3.9%	6.2%	-0.05	7.42	27.4%	-	12.0%
US Treasuries (1-10)	ICE US Treasury 1-10Yr Index	3.6%	3.1%	-0.01	3.68	-	-	-
US Treasuries (10+)	ICE US Treasury 10+Yr Index	4.4%	11.0%	-0.15	15.37	-	-	16.0%
TIPS	ICE US TIPS 5-10Yr Index	4.1%	6.1%	0.13	6.78	-	-	-
ST Credit	BBG US Corp. 1-3Yr Index	4.2%	1.7%	0.03	1.85	-	-	16.0%
ST Gov't / Credit	BBG US Govt/Credit 1-3Yr Index	3.5%	1.7%	0.01	1.86	-	-	-
IG Corporate Credit (10+)	BBG US Long Credit Index	5.3%	10.5%	0.26	12.21	-	-	-
Core Plus Fixed Income (IG + HY)	BBG US Universal Index	4.4%	4.6%	0.05	5.97	22.7%	33.3%	-
Core Fixed Income (IG, Passive)	BBG US Aggregate Index (Passive)	4.3%	4.8%	0.02	6.22	12.8%	-	-
Core Fixed Income (IG, Active)	BBG US Aggregate Index (Active)	4.3%	4.9%	0.02	6.22	-	25.0%	16.0%
High Yield	BBG US High Yield Index	5.4%	6.8%	0.35	3.38	6.6%	12.5%	-
Bank Loans	S&P LSTA Leveraged Loan Index	5.6%	6.1%	0.32	0.12	6.6%	12.5%	10.0%
Global Sovereign ex US (USD-H)	JPM GBI Global Index (USDH)	3.9%	4.0%	-0.01	7.15	-	-	-
EMD (Hard & Local)	EMD Hard and Local Benchmark	5.9%	8.1%	0.30	5.78	16.4%	16.7%	-
EMD (Hard Dollar)	JPM EMBI Index	5.9%	7.4%	0.29	6.47	-	-	10.0%
Total						100.0%	100.0%	100.0%



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



AUGUST 2023

Asset-Liability Study

Kern County Employees' Retirement Association

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Appendix 38

***Past performance is no guarantee of future results.** This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other “forward-looking statements.” No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Verus Advisory Inc. and Verus Investors, LLC (“Verus”) file a single form ADV under the United States Investment Advisors Act of 1940, as amended. Additional information about Verus Advisory, Inc. and Verus Investors, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. Verus – also known as Verus Advisory™ or Verus Investors™.*

Introduction

Session objectives

- Evaluate risk and return characteristics of KCERA's current policy portfolio and alternative asset mixes within an asset-liability framework
- Recommend adjustments to the strategic asset allocation as appropriate

Asset-liability process overview

Key
Inputs:

- **Current financial position**
- **Expected plan liabilities and cash flows contributions**
- **Capital market assumptions**

Analytical
Modelling
Tools:

MPI
Risk and Return Analysis

**Winklevoss
Technologies
ProVal**
Stochastic Modelling

**MSCI
BarraOne**
*Stress Testing and Risk
Analysis*

Decision
factors:

Funded status

**Return
expectations**

**Sensitivity
Analysis**

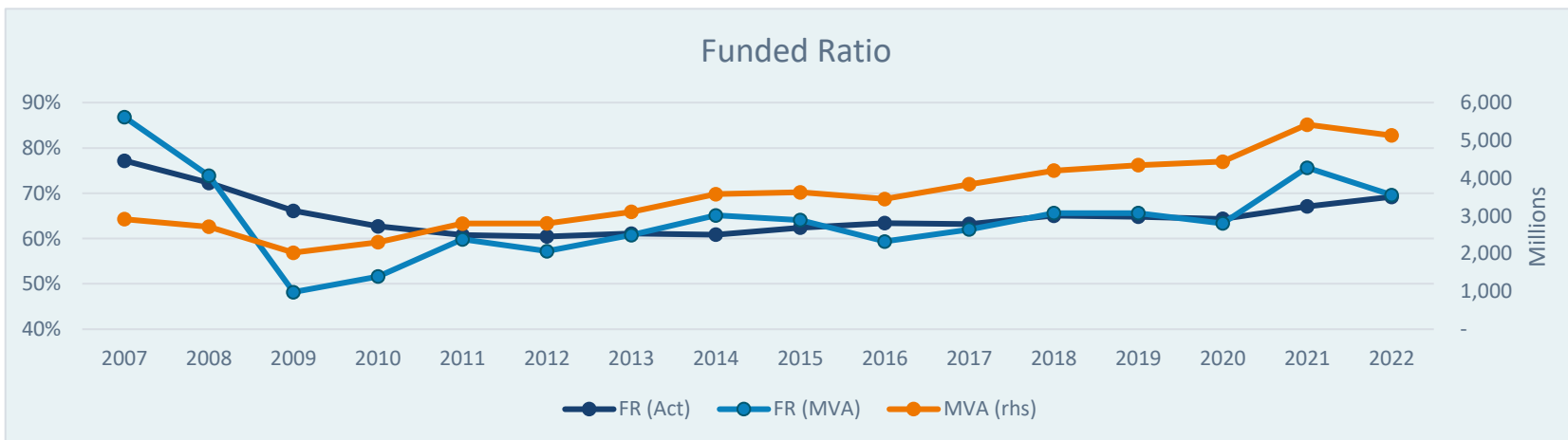
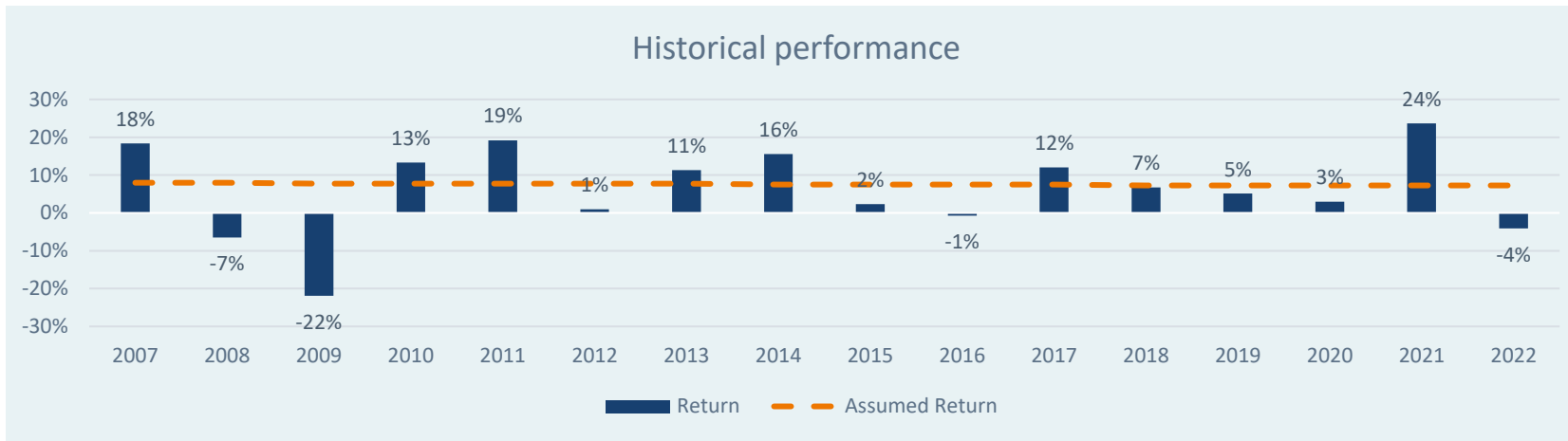
**Scenario
analysis**

Stress tests

**Liquidity
coverage**

Setting the stage – historical experience

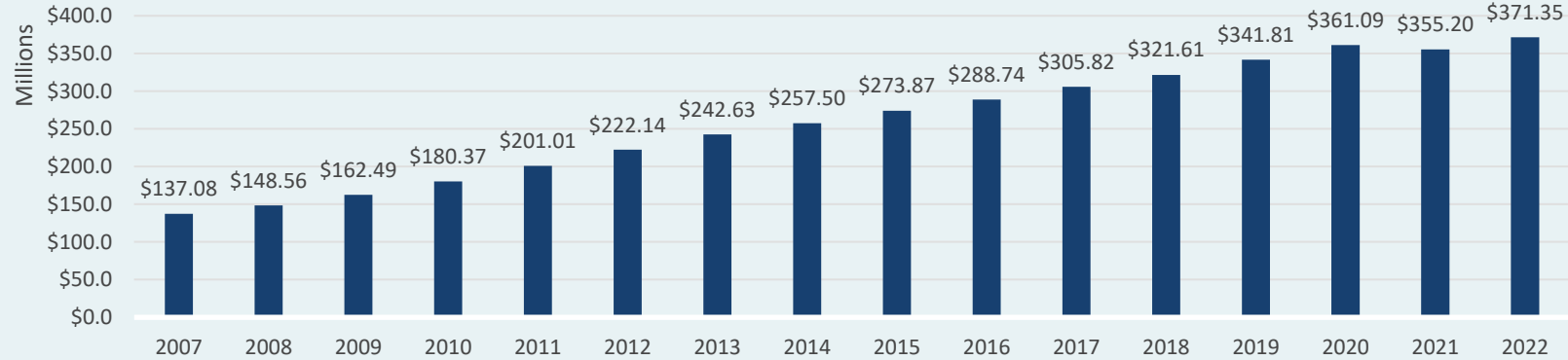
Returns and funding



Despite turbulent markets and choppy investment performance, assets have more than doubled since the Global Financial Crisis, and funding status has meaningfully improved.

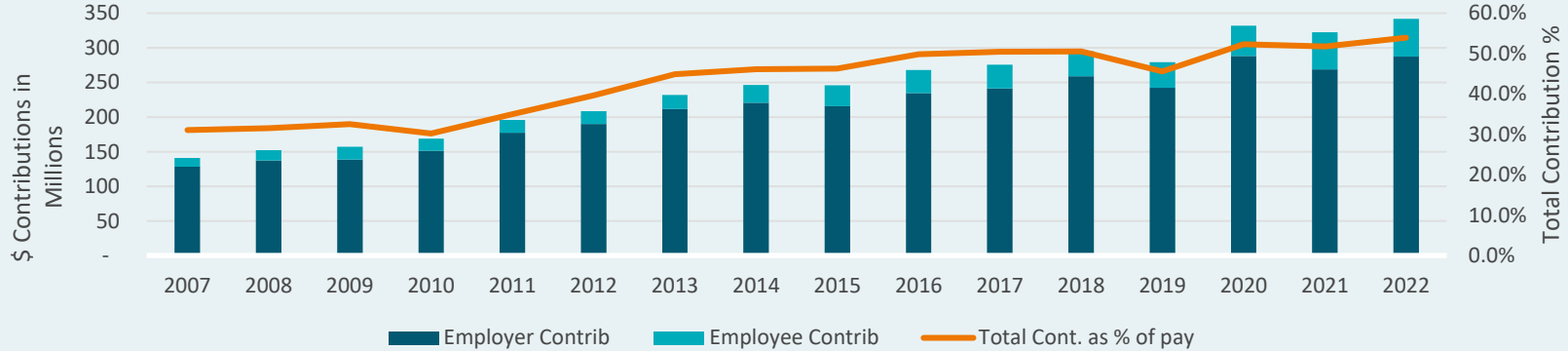
Benefit payments and contributions

BEFITS PAID (IN MILLIONS)



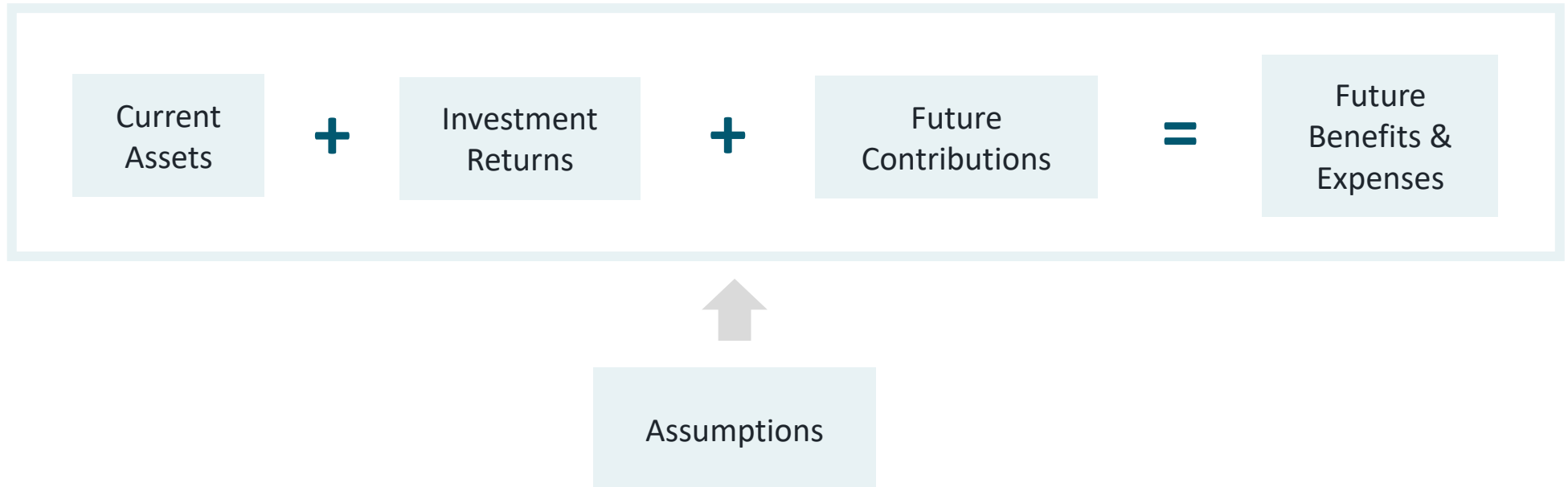
Aggregate benefits and contributions have increased steadily over time.

ANNUAL CONTRIBUTIONS



Deterministic forecasts (set-value variables)

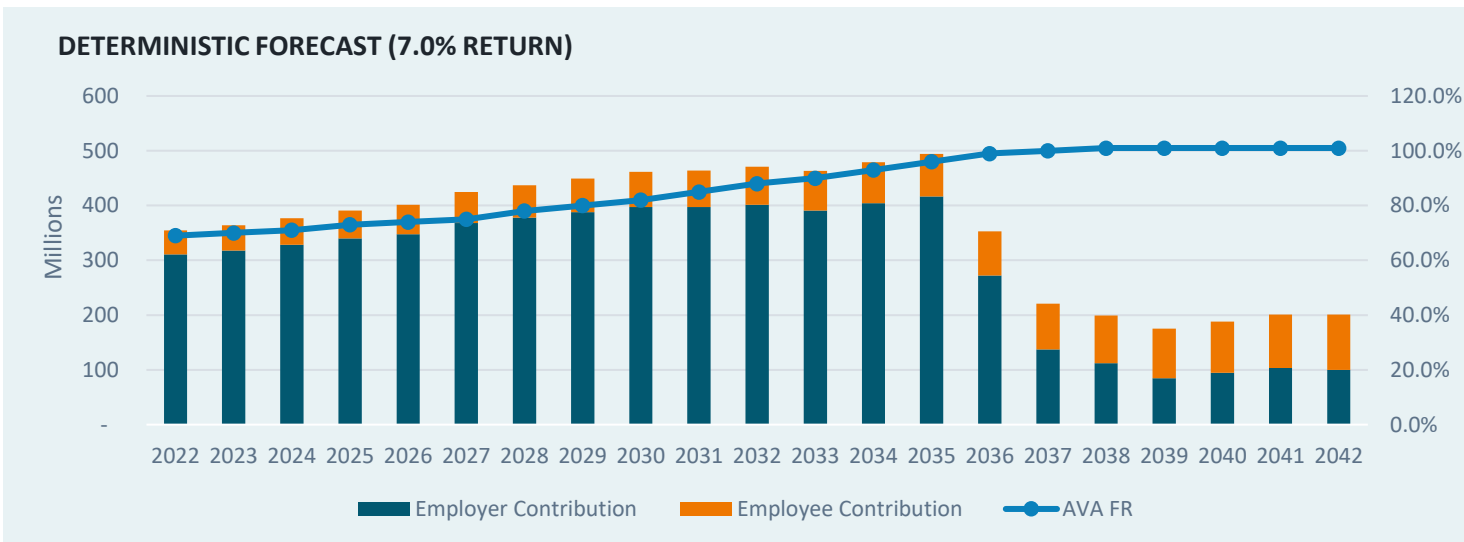
The pension equation



The pension equation in action



Under the current funding policy, the Plan will require total investment returns of approx. \$7.7 billion to become fully funded by 2037.

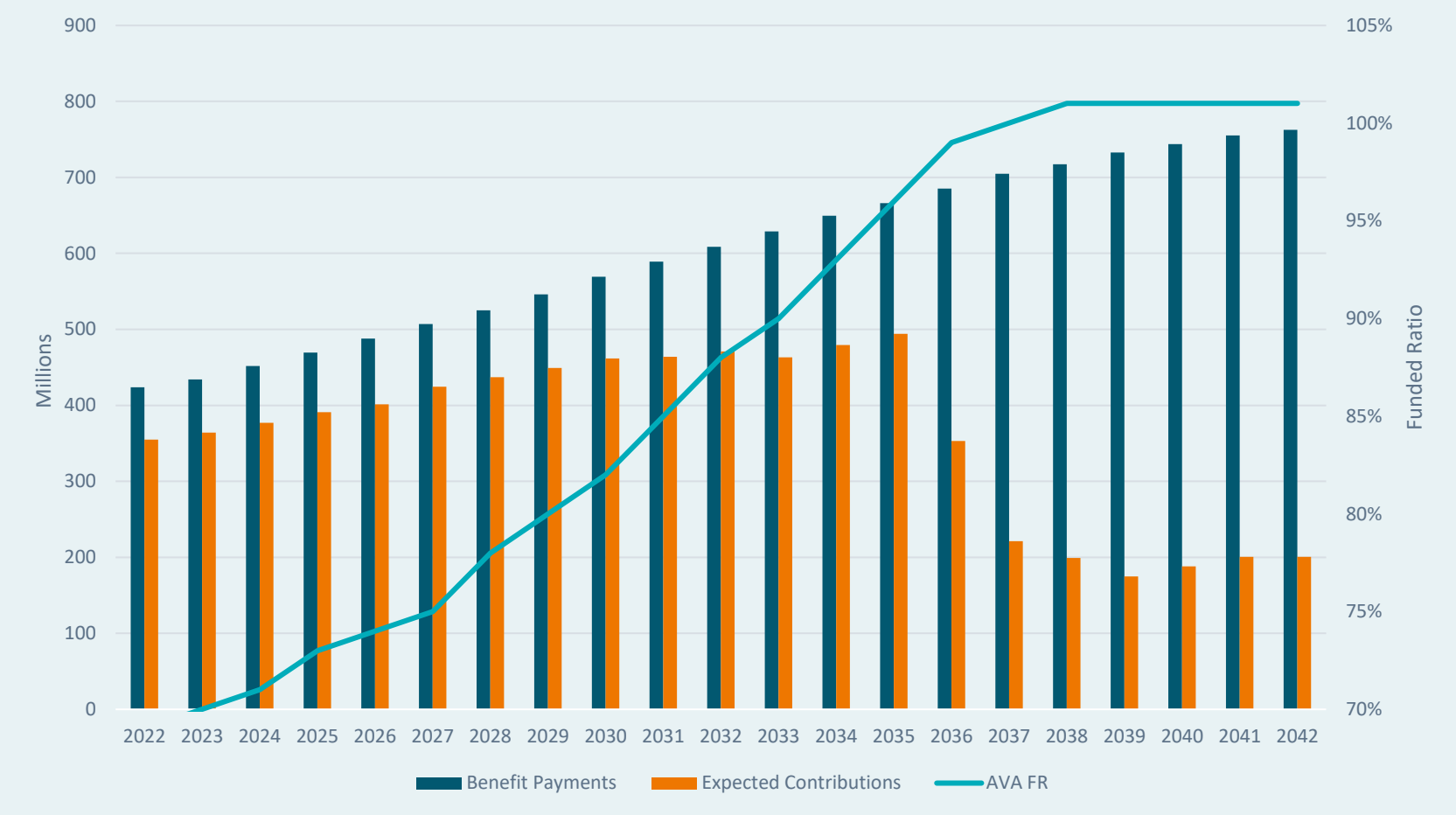


Assuming the current discount rate of 7.0%, contributions will rise steadily until the Plan is fully funded and will then decrease substantially

15-year outlook starts with 2023 expected assets

Funded status projection

Aggregate deterministic projection (7.0% discount rate and return)

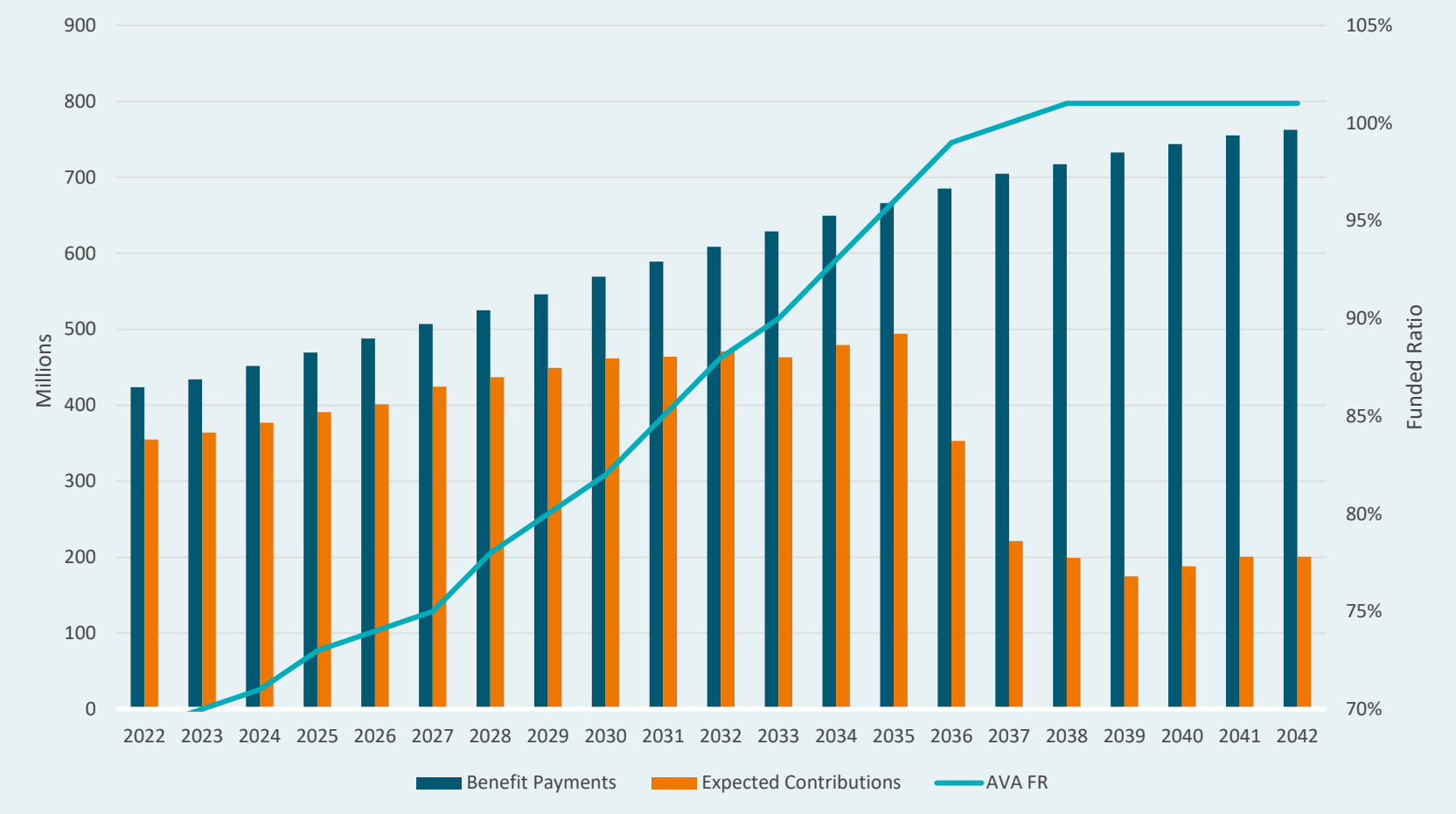


On a deterministic basis the Plan's funded status is expected to reach 100% in 2037

Assumes stated return in each projection year. Assumes discount rate is equal to projected return. AVA FR=funded ratio using actuarial value of assets. Data reflects actuarial values. Assumes current contribution rates in projections (employer contributions are normal cost + contribution to unfunded actuarial accrued liability (UAAL)).

Funded status projection (cont'd)

Aggregate deterministic projection (6.75% return)



The plan can still achieve fully funded status in 2037 by earning a 6.75% return rather than 7.0%, but this would increase contributions by about \$290mm over the projected period.

Assumes stated return in each projection year. Assumes discount rate is equal to projected return. AVA FR=funded ratio using actuarial value of assets, Data reflects actuarial values. Assumes current contribution rates in projections (employer contributions are normal cost + contribution to unfunded actuarial accrued liability (UAAL)).

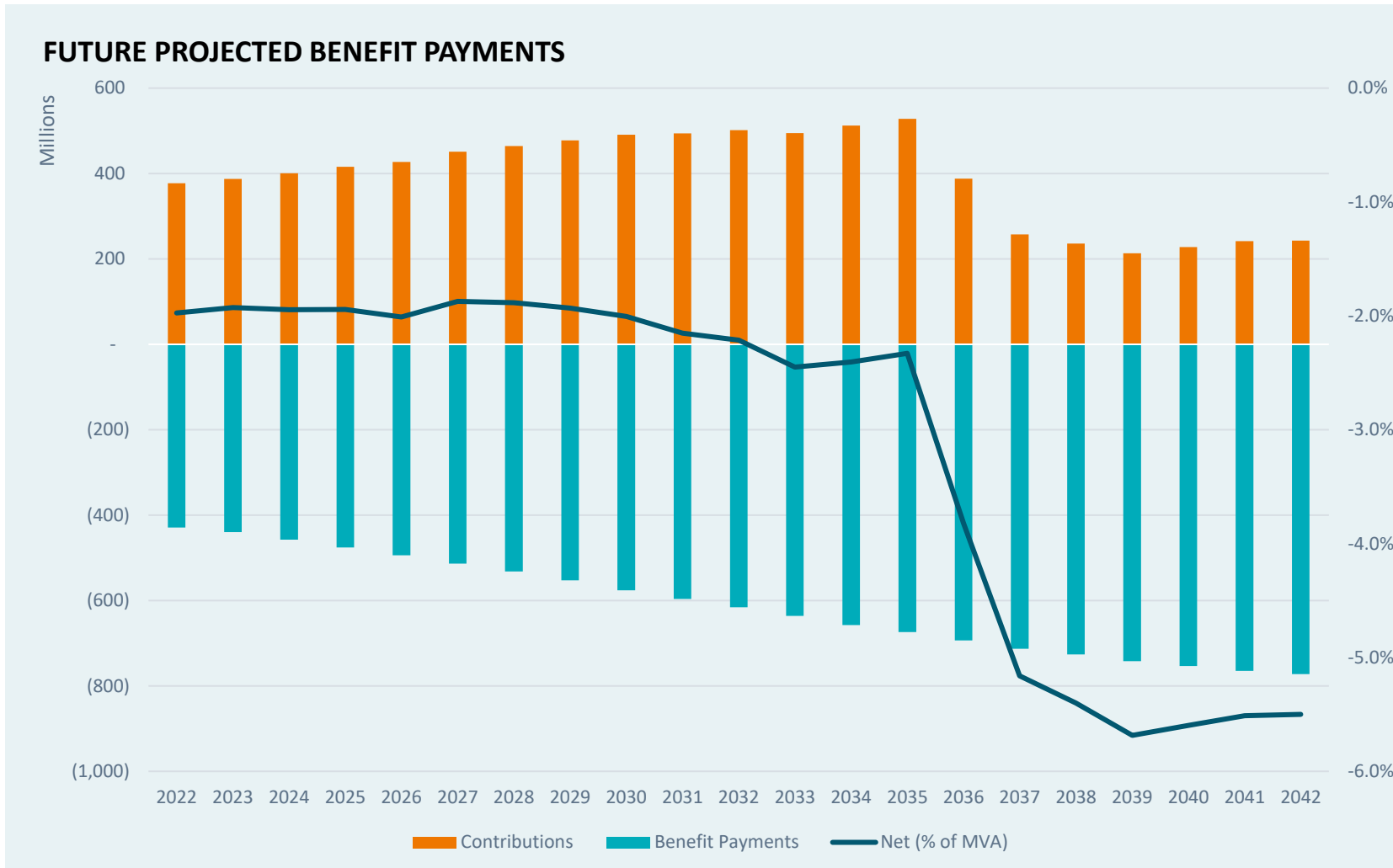
Funded status heat map

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
6.0% return	69%	70%	71%	72%	72%	73%	75%	76%	78%	80%	82%
6.25% return	69%	70%	71%	73%	72%	74%	76%	77%	79%	81%	83%
6.50%return	69%	70%	71%	73%	73%	74%	76%	78%	80%	83%	85%
6.75% return	69%	70%	71%	73%	73%	75%	77%	79%	81%	84%	86%
Baseline (7.0%)	69%	70%	71%	73%	74%	75%	78%	80%	82%	85%	88%
7.25% return	69%	70%	72%	74%	74%	76%	78%	81%	84%	86%	89%
7.50% return	69%	70%	72%	74%	74%	77%	79%	82%	85%	88%	91%
7.75% return	69%	70%	72%	74%	75%	77%	80%	83%	86%	89%	92%
8.0% return	69%	70%	72%	74%	75%	78%	81%	84%	87%	90%	94%

KCERA’s funded status is highly sensitive to variation in the investment return.

Funded ratio measured using actuarial market values.

Liability and contribution projections

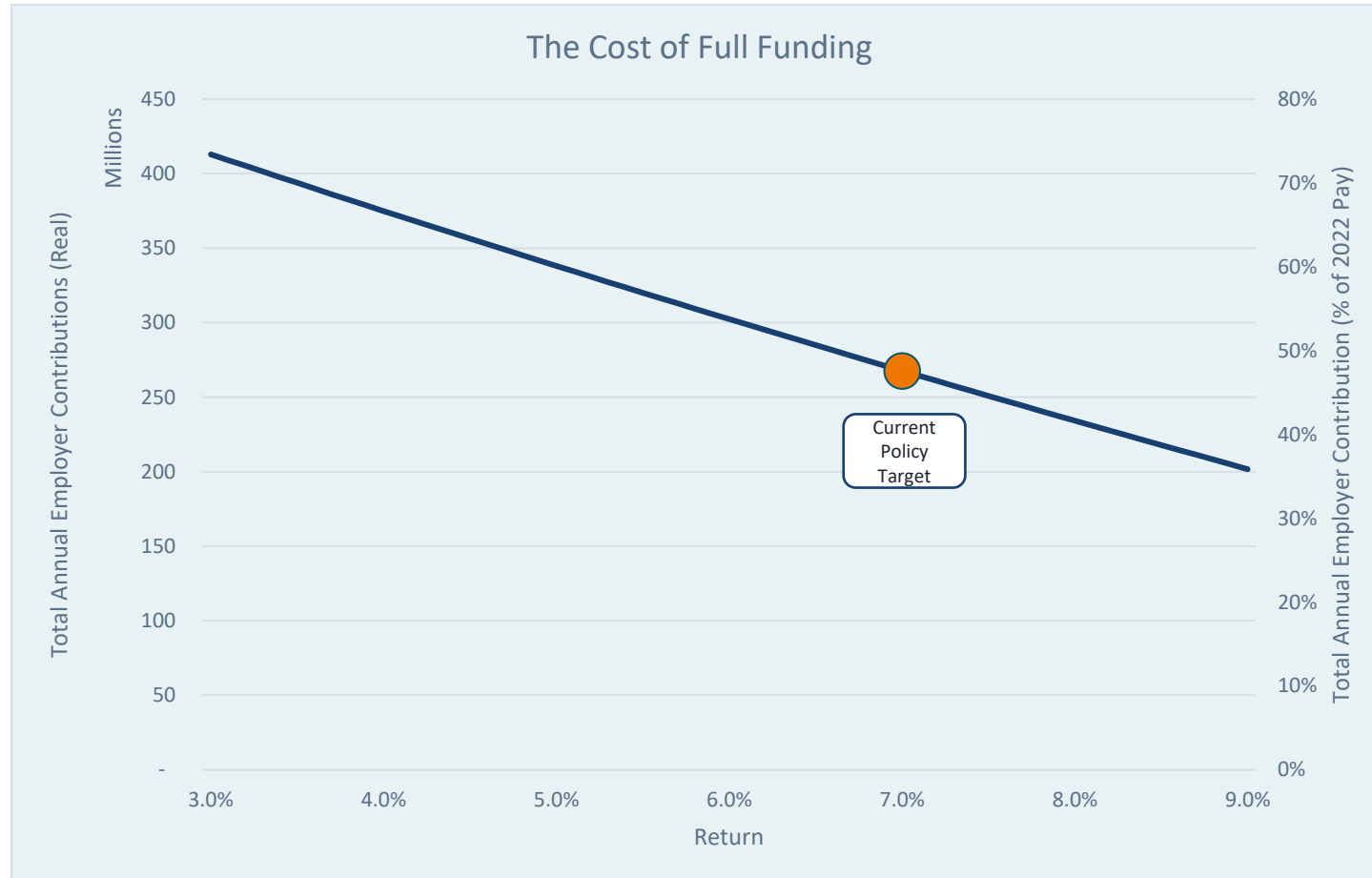


Once the plan reaches fully funded status, employer contributions are expected to decline.

Assumes stated return in each projection year. Assumes discount rate is equal to projected return. AVA FR=funded ratio using actuarial value of assets, Data reflects actuarial values. Assumes current contribution rates in projections (employer contributions are normal cost + contribution to unfunded actuarial accrued liability (UAAL)).

Getting to fully funded: investment returns vs. contributions

THE COST OF FULL FUNDING



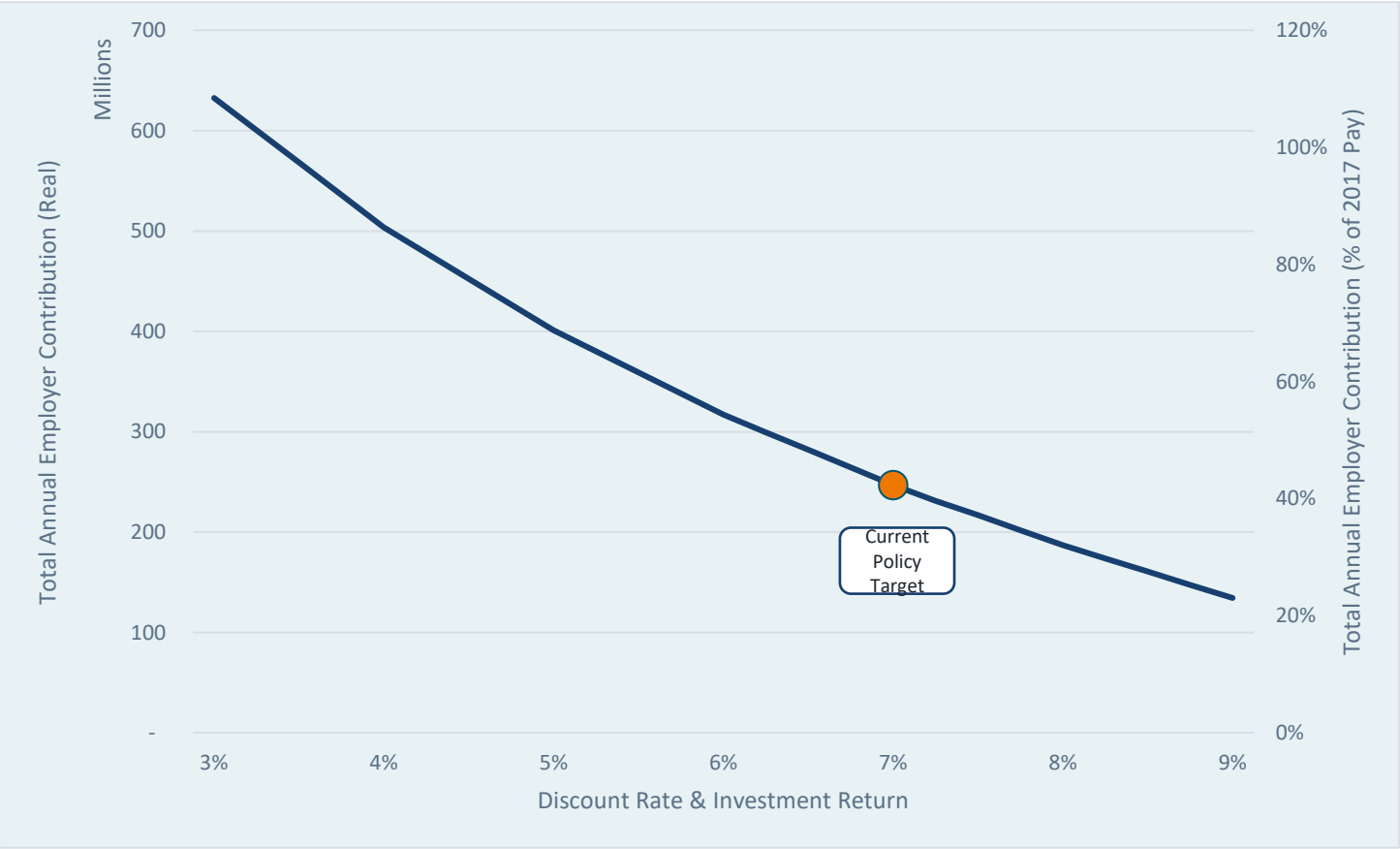
There is a relationship between the contributions the plan makes and the return which it must attain to achieve its goals.

The Annual Required Contribution (ARC) contribution plan will (if our projections of the current policy are correct), increase contributions in line with this chart.

Contributions reflected in this graph are displayed as an annual cost in real terms via the inflation assumption.. Assumes all other assumptions (mortality, disability, plan growth, etc.) are met exactly.

Cost of de-risking

THE COST OF DE-RISKING

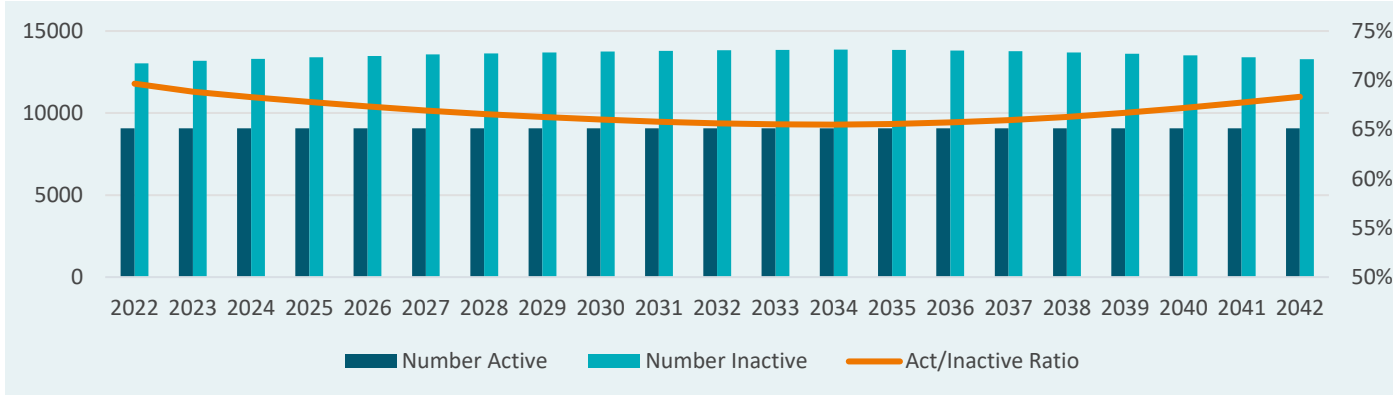


Assuming the current funding policy, a 1% change in the discount rate results in a change of roughly \$70mm in total real contributions through 2037.

Contributions reflected in this graph are displayed as an annual cost in real terms via the inflation assumption. Data displayed in this chart assumes investment returns equal the discount rate for the entire modeling period and all other assumptions (mortality, disability, plan growth, etc.) are met exactly.

Impact of plan demographics

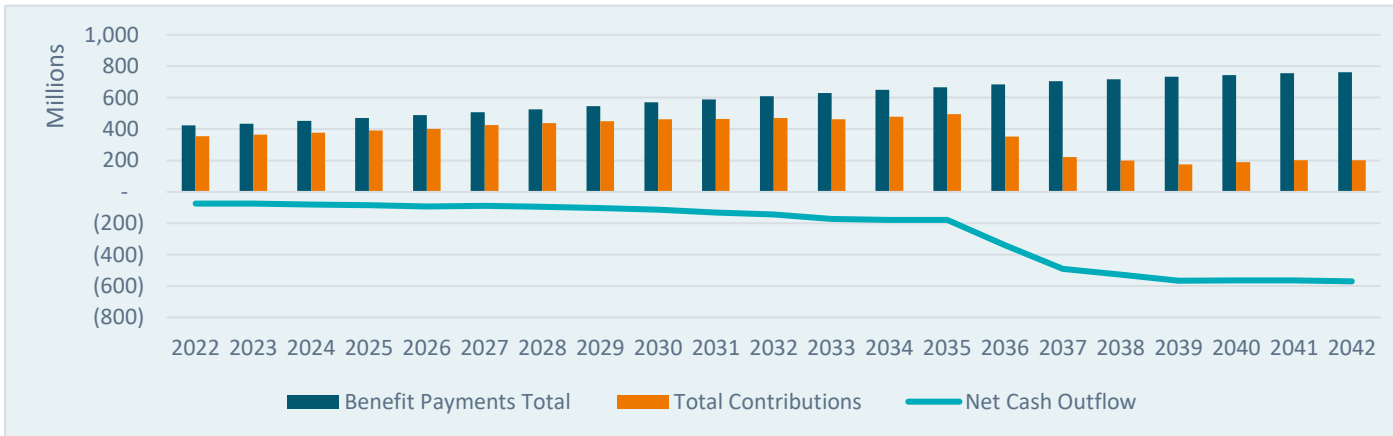
ACTIVE TO INACTIVE RATIO



Inactive count includes retirees, beneficiaries, and terminated vested members.

Assuming no plan growth, the proportion of active members to retirees declines steadily over the next 15 years then increases marginally.

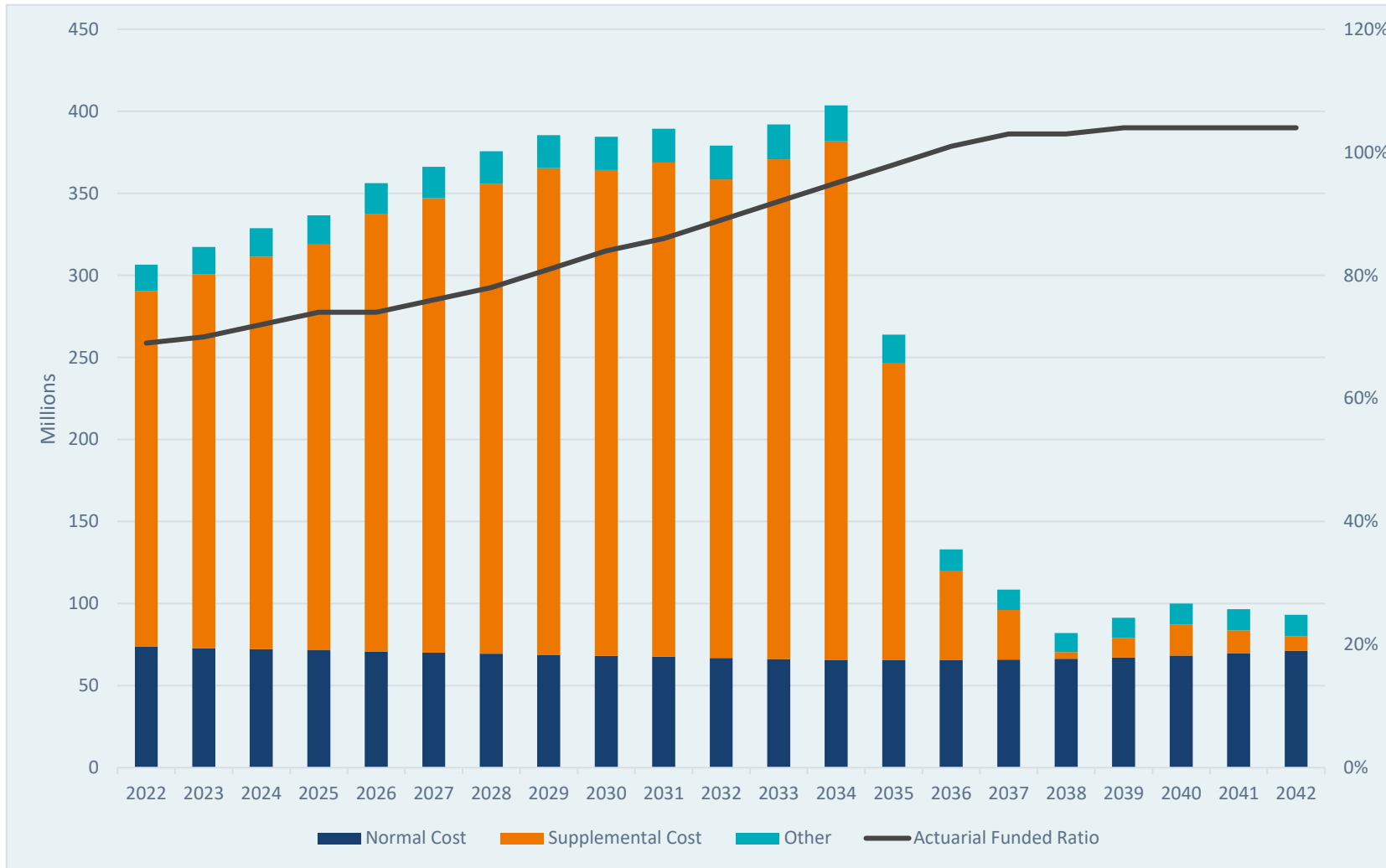
BENEFIT PAYMENTS, CONTRIBUTIONS, AND OUTFLOW



Includes employer and employee contributions projected at a return of 7.0%.

As plan funding improves and the pool grows larger, there is a greater reliance on investments to meet cashflow needs.

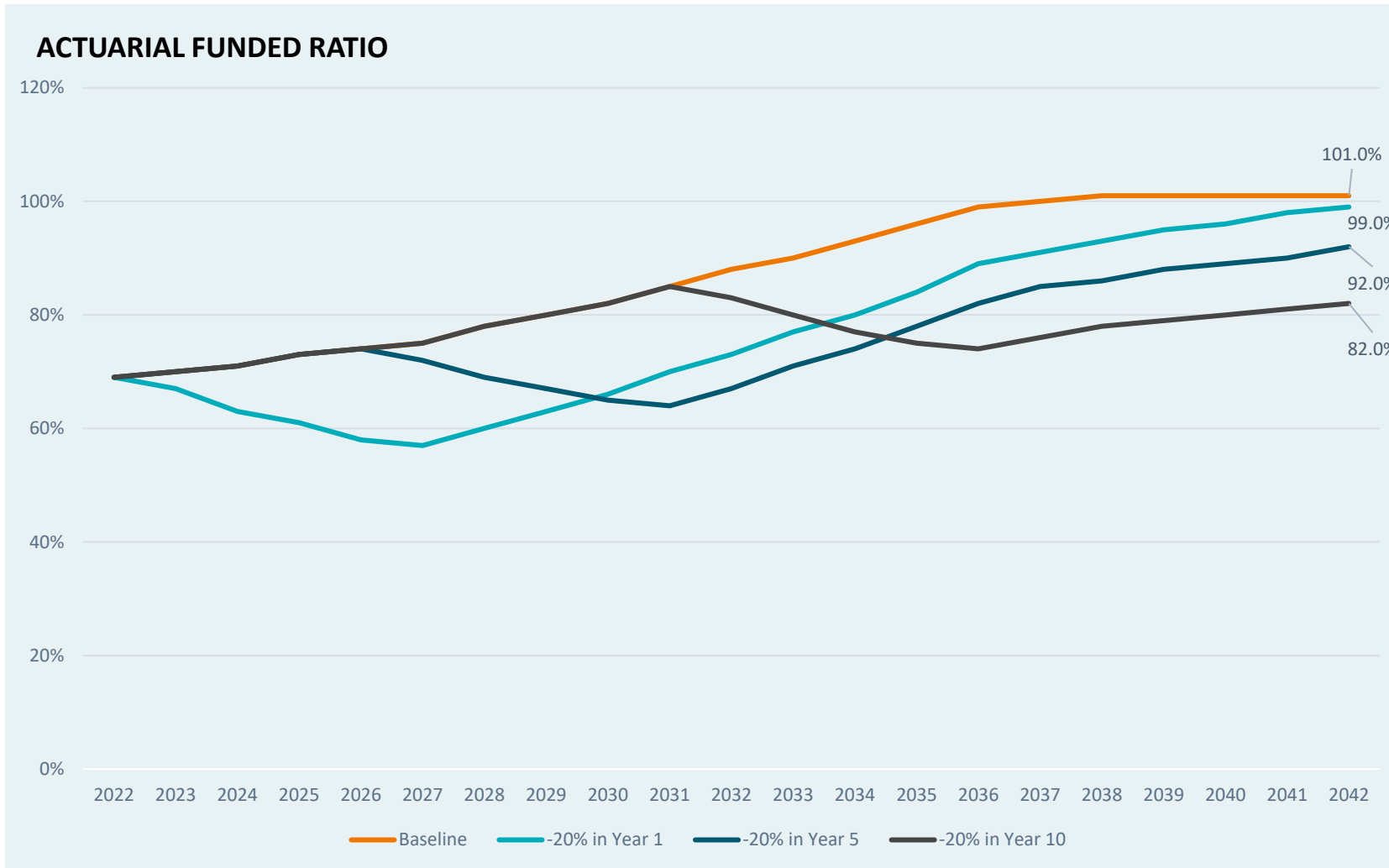
Projected employer contributions



Once funded status approaches 100%, the employer contributions related to the unfunded actuarial accrued liability (UAAL) decline

Employer contributions are composed of normal cost, supplemental cost, admin expenses, and interest on contributions. The label "Other" includes admin expenses and interest on contributions.

Impact of drawdowns

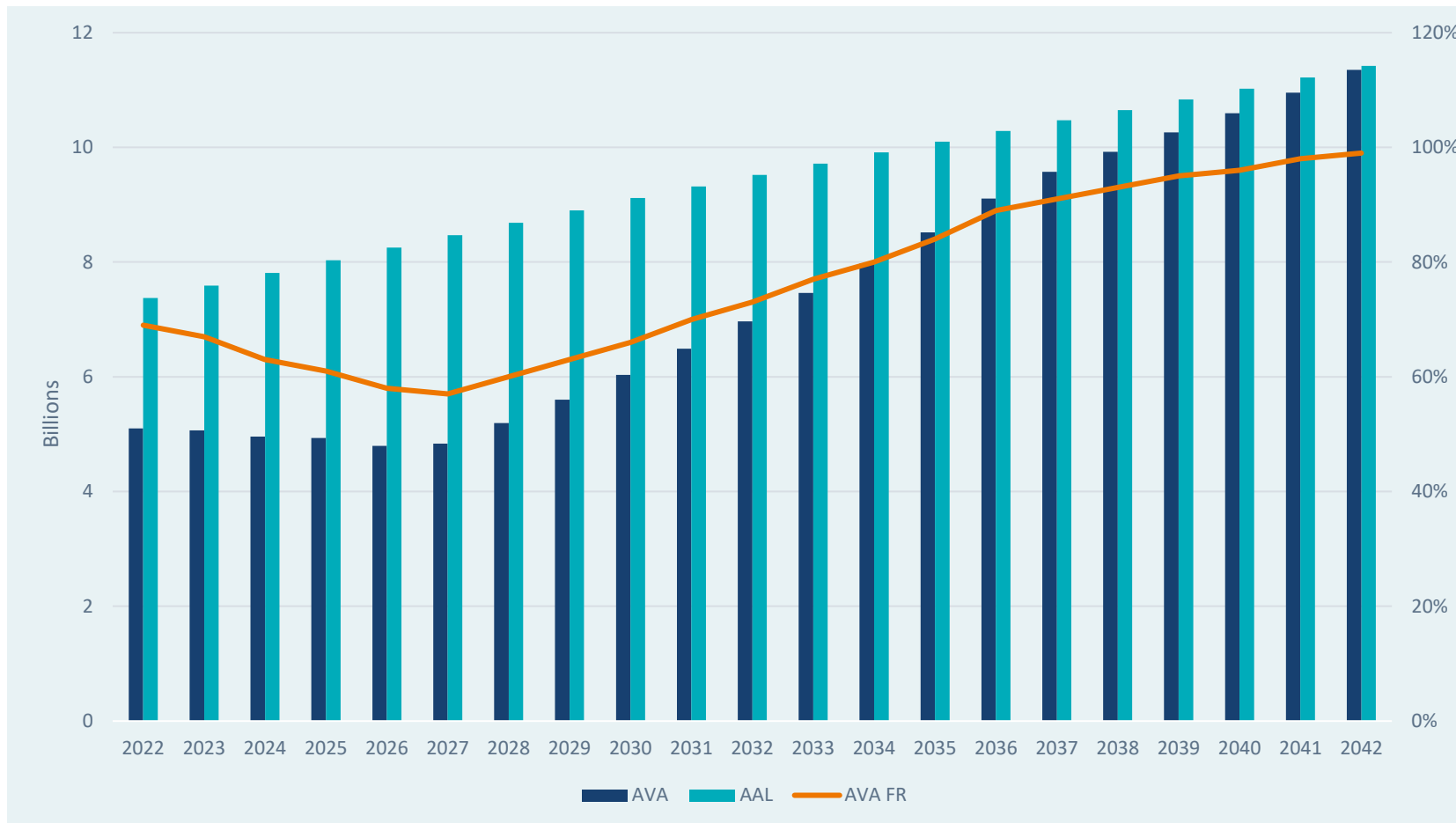


A 20% drawdown this year has a materially different impact than a 20% drawdown in year 10

Baseline scenario assumes a 7.0% return.

Immediate 20% drawdown projection

Agg. deterministic projection (-20% Yr 1, 7.0% Thereafter)

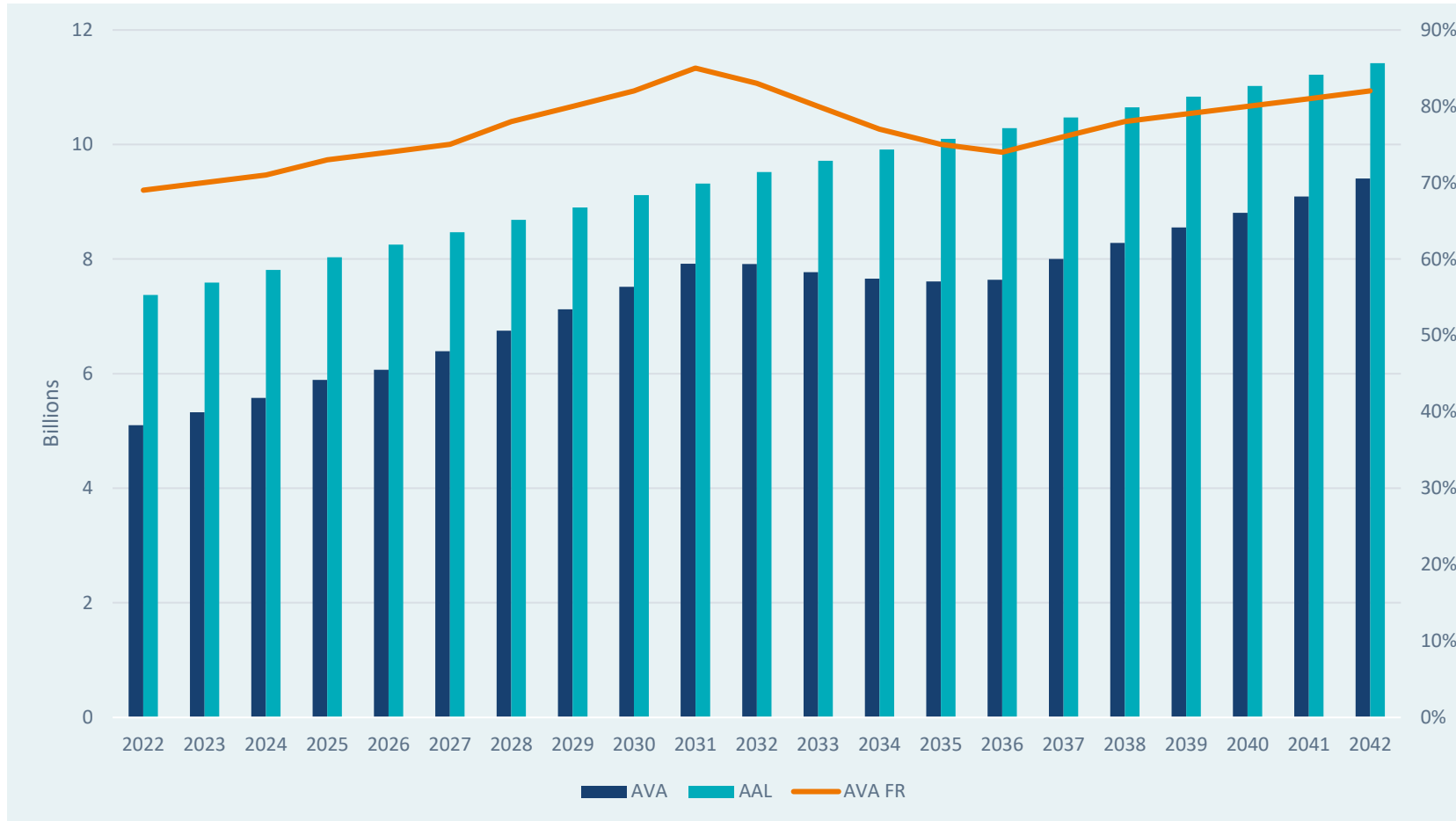


A 20% drawdown in year 1 extends fully funded status from 2037 to beyond 2042.

Assumes -20% return in year 1 and stated return in each projection year thereafter. Assumes discount rate is equal to projected return. AVA FR=funded ratio using actuarial value of assets

Delayed 20% drawdown projection

Agg. deterministic projection (-20% Yr 10, 7.0% Thereafter)

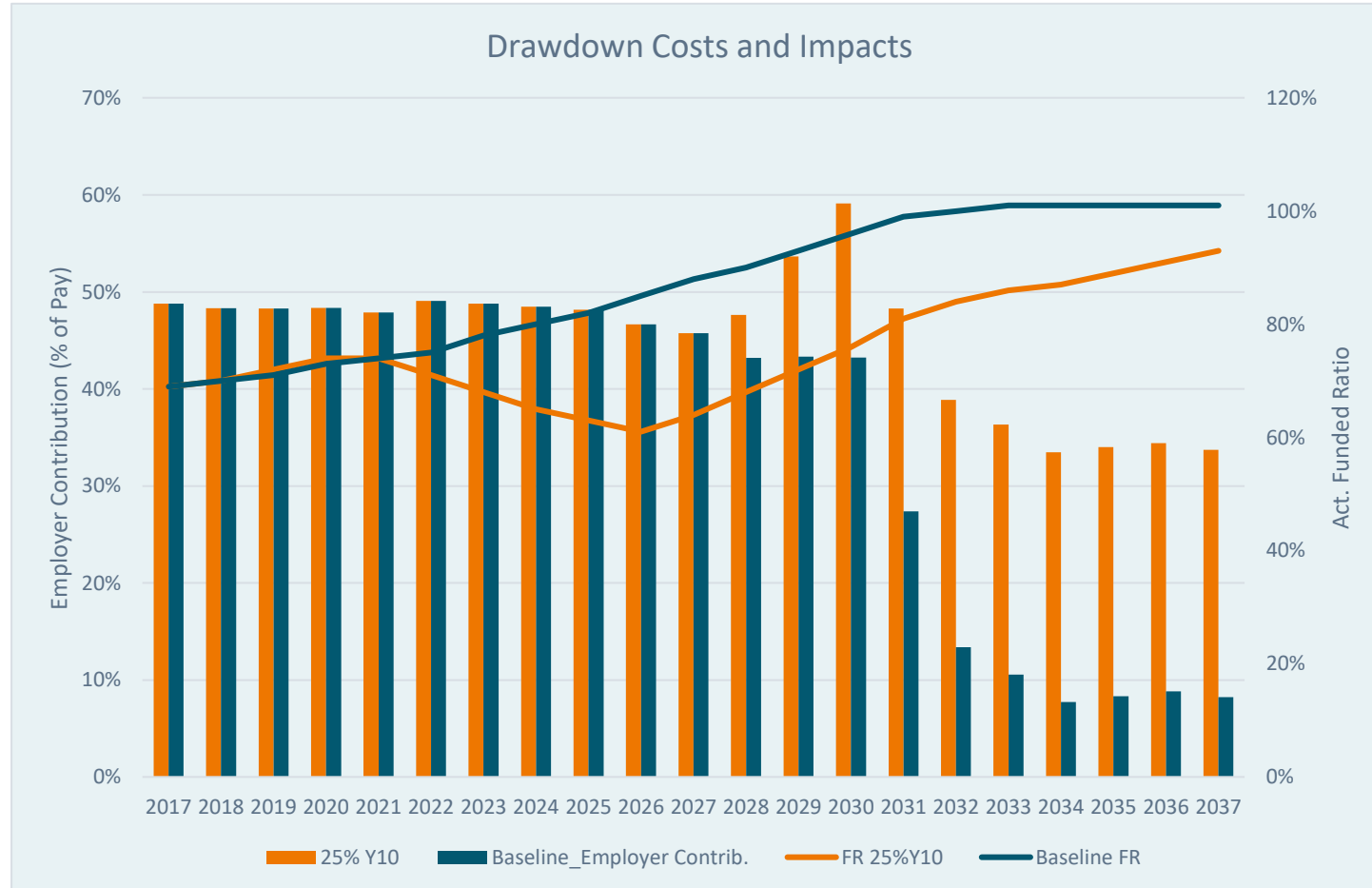


A 20% drawdown in year 10 extends fully funded status out past the 20-year projection.

Assumes -20% return in year 1 and stated return in each projection year thereafter. Assumes discount rate is equal to projected return. AVA FR=funded ratio using actuarial value of assets
 KCERA benefits are more expensive relative to payroll and contribution rate. Assumes current contribution rates in projections.

Drawdown and funding policy

IMPACT OF 25% DRAWDOWN ON CONTRIBUTIONS (7.0% INVESTMENT RETURN OTHERWISE)



A significant drawdown may require an adjustment to the current funding policy.

Assumes a year-to-year return of 7.0% before and after the one-year drawdown of 25%. Assumes stated return in each projection year. Assumes discount rate is equal to projected return. AVA FR=funded ratio using actuarial value of assets, Data reflects actuarial values. Assumes current contribution rates in projections (employer contributions are normal cost + contribution to (UAAL)).

Stochastic forecasts (random-value variables)

Alternative portfolios for consideration

	Current Dec 2022	Policy Apr 2022	Recommended Mix	2023 CMA's (10 Yr)			Verus			
				80-20	70-30	60-40	Return (g)	Return (a)	Standard Deviation	Sharpe Ratio (a)
Global Equity	31.3	37.0	33.0	80.0	70.0	60.0	7.4	8.7	17.1	0.32
Total Equity	31	37	33	80	70	60				
CORE	15	14	15	20	30	40				
Core Fixed Income	3.1	6.0	4.0	0.0	0.0	0.0	4.3	4.4	4.6	0.24
Core Plus Fixed Income	5.5	8.0	0.0	20.0	30.0	40.0	4.6	4.7	4.6	0.28
US Treasury	6.7	0.0	3.0	0.0	0.0	0.0	3.8	4.0	7.1	0.10
US Long Treasury	0.0	0.0	4.0	0.0	0.0	0.0	3.8	4.6	13.2	0.10
Investment Grade Credit	0.0	0.0	4.0	0.0	0.0	0.0	4.3	4.4	3.7	0.30
CREDIT	9	10	10	0	0	0				
High Yield Corp. Credit	3.2	6.0	0.0	0.0	0.0	0.0	6.4	7.0	11.2	0.33
Bank Loans	0.0	0.0	2.5	0.0	0.0	0.0	6.8	7.2	9.2	0.42
Emerging Market Debt (Hard)	2.0	2.0	2.5	0.0	0.0	0.0	8.9	9.4	10.7	0.57
Emerging Market Debt (Local)	2.0	2.0	0.0	0.0	0.0	0.0	7.0	7.7	12.3	0.36
Securitized Credit	1.8	0.0	5.0	0.0	0.0	0.0	5.2	5.3	3.4	0.58
Total Fixed Income	24	24	25	20	30	40				
Commodities	3.9	4.0	4.0	0.0	0.0	0.0	5.7	6.9	16.3	0.22
Core Real Estate	6.9	5.0	5.0	0.0	0.0	0.0	5.8	6.5	12.6	0.25
Value Add Real Estate	2.3	5.0	5.0	0.0	0.0	0.0	7.8	8.9	15.5	0.36
Midstream	5.8	5.0	5.0	0.0	0.0	0.0	6.2	10.1	30.1	0.23
Total Real Assets	19	19	19	0	0	0				
Hedge Fund	15.9	18.0	18.0	0.0	0.0	0.0	4.6	4.9	7.7	0.21
Private Equity	2.8	5.0	5.0	0.0	0.0	0.0	9.2	12.1	25.8	0.34
Private Credit ¹	4.7	5.0	8.0	0.0	0.0	0.0				
Opportunistic ²	3.3	0.0	0.0	0.0	0.0	0.0				
Total Non-Public Investments	27	28	31	0	0	0				
Cash	-1.2	-8.0	-8.0	0.0	0.0	0.0	3.3	3.3	1.2	-
Total Allocation	100	100	100	100	100	100				

Mean Variance Analysis

Forecast 10 Year Return	6.9	7.2	7.3	7.0	6.8	6.5
Standard Deviation	11.4	12.8	12.0	14.4	12.9	11.4
Return/Std. Deviation	0.6	0.6	0.6	0.5	0.5	0.6
1st percentile ret. 1 year	-16.2	-18.5	-16.7	-21.5	-19.1	-16.8
Sharpe Ratio	0.36	0.36	0.37	0.31	0.32	0.33

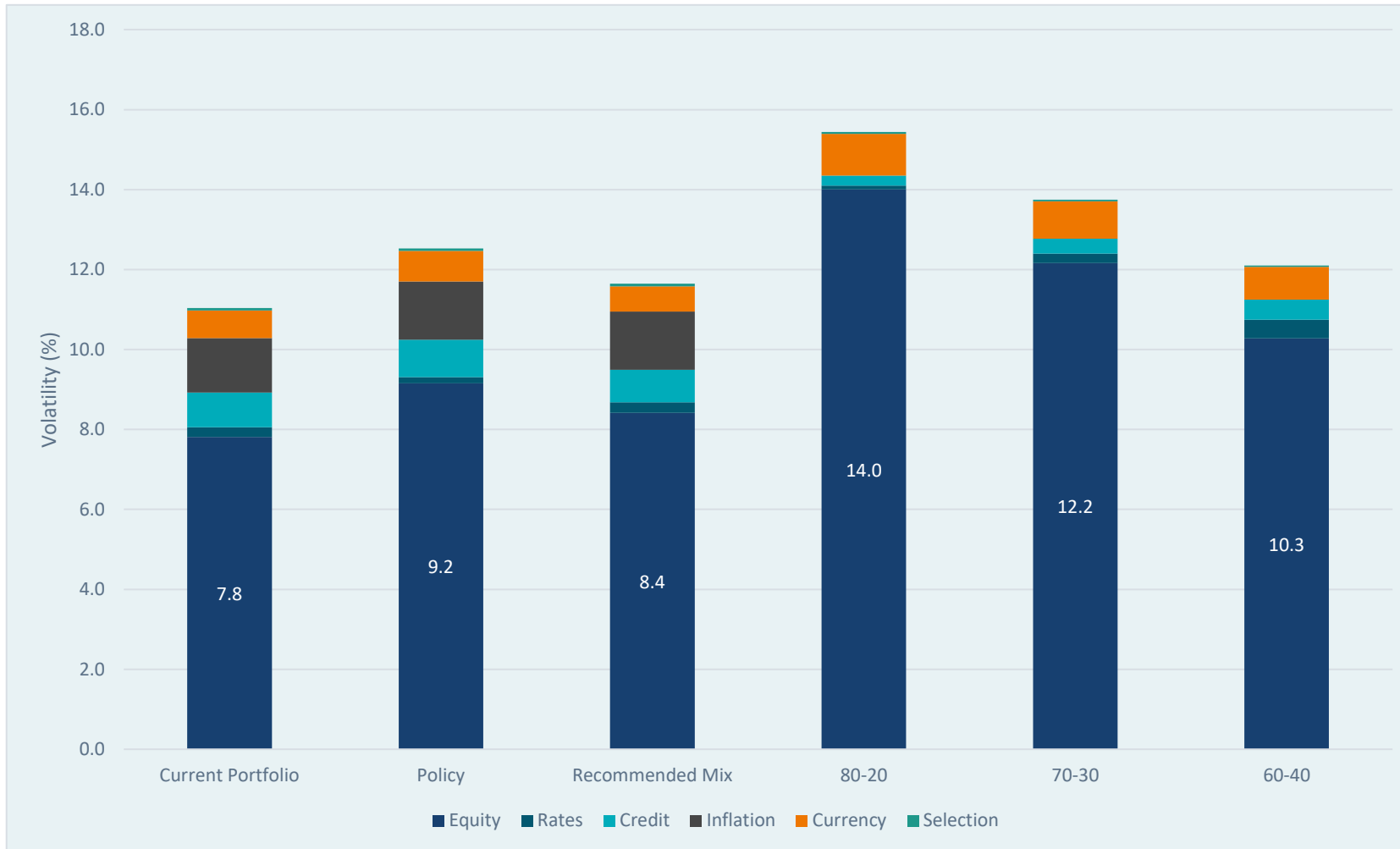
Source: Verus/MPI; Current Portfolio as of 12/31/22

¹ The Private Credit allocation is modeled using a mix of Direct Lending, Credit Opps., and Distressed CMAs.

² The Opportunistic allocation is modeled in the Current Portfolio mix using a mix of Private Credit and Global Equity CMAs to align with estimated portfolio betas.

Risk decomposition

RISK FACTOR DECOMPOSITION



Majority of risk in portfolio is sourced from equity factors.

Source: MSCI BarraOne

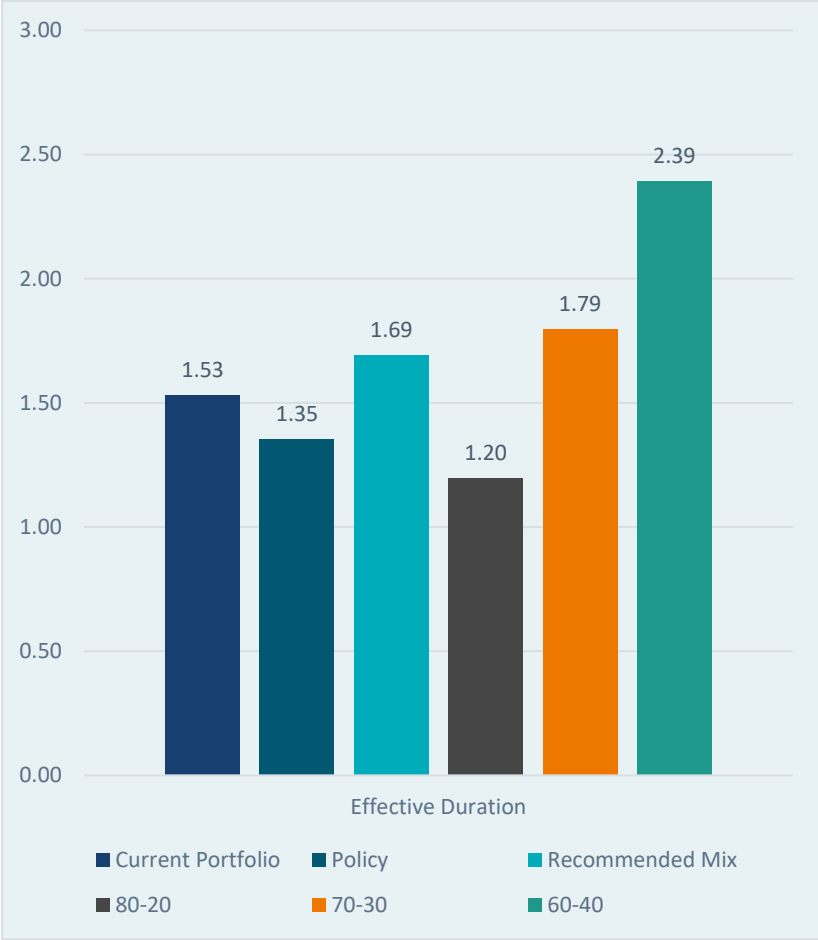
Note: Selection Risk is the risk attributable to unassigned factors

Sources of risk

EQUITY BETA



PORTFOLIO EFFECTIVE DURATION (YEARS)

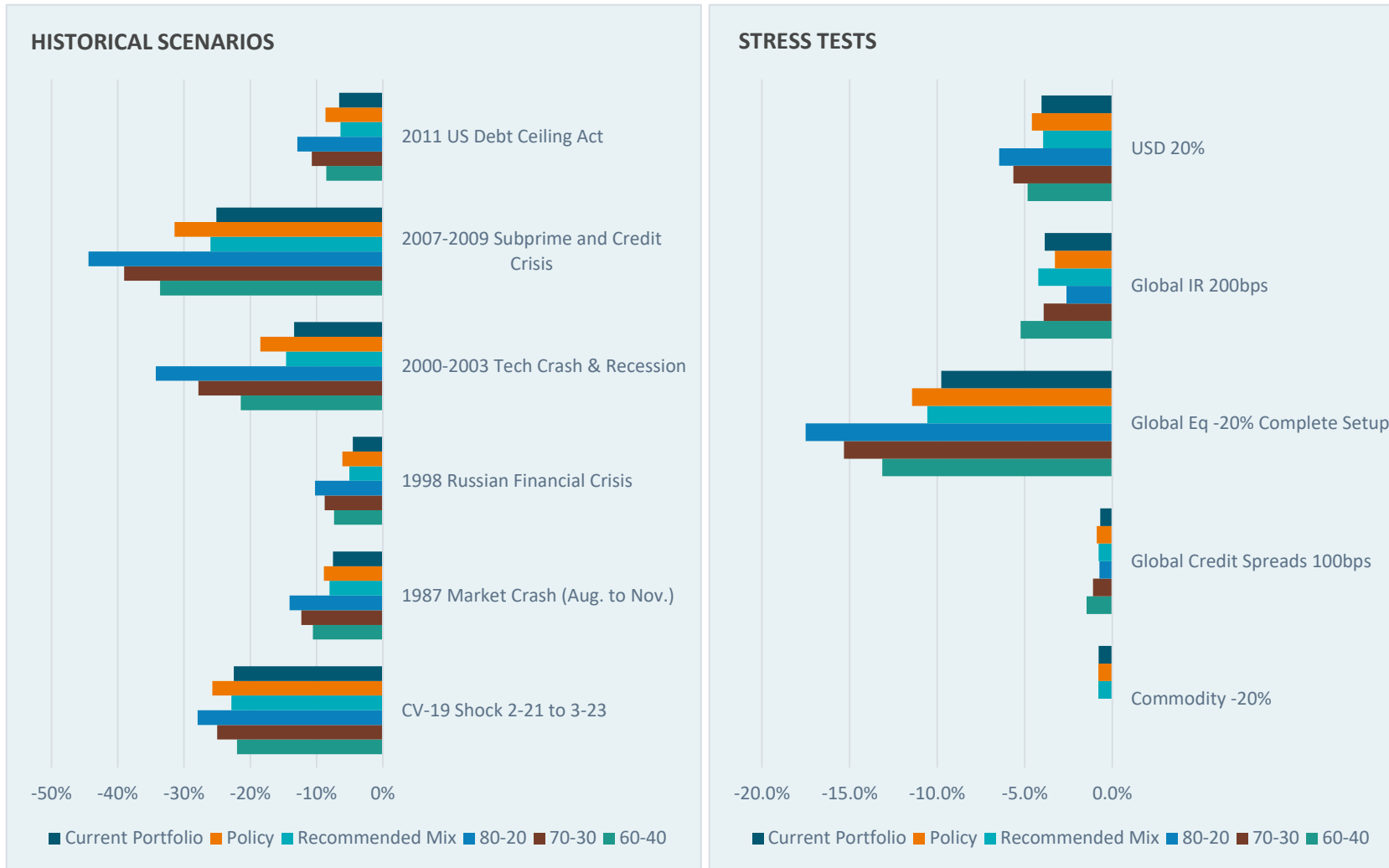


Equity beta measures the sensitivity to the risks of the broad equity market.

Duration measures the sensitivity of the portfolio to a change in interest rates.

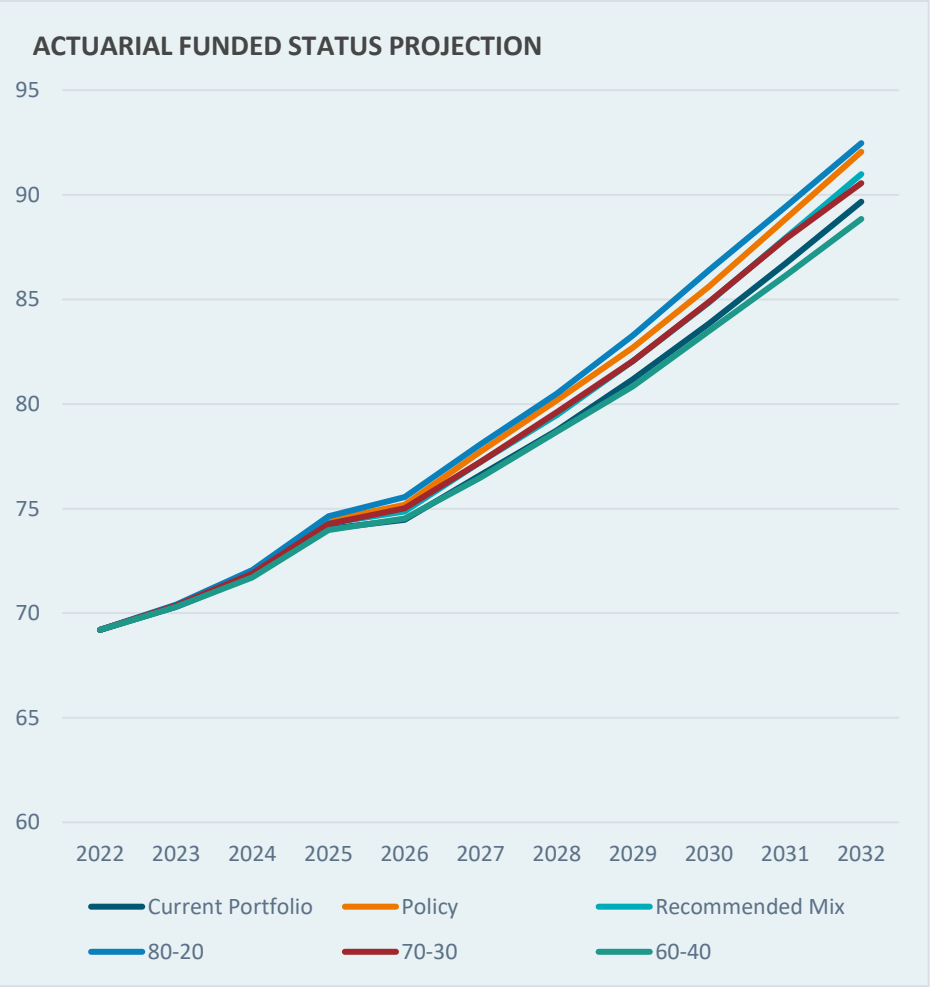
Source: MSCI BarraOne

Scenario analysis and stress tests

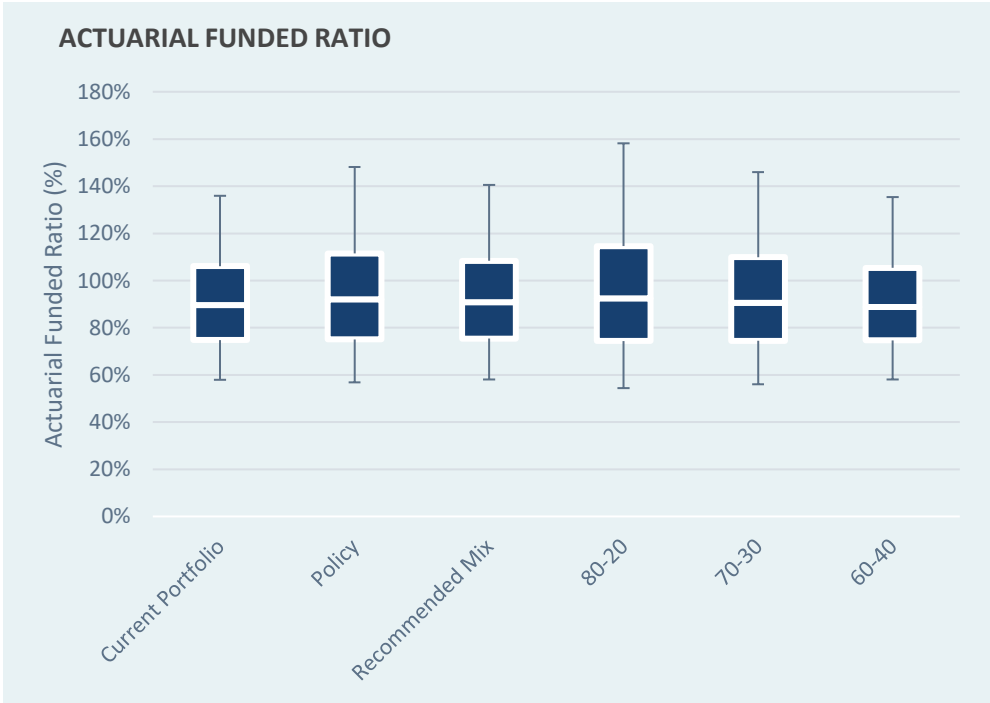


Source: MSCI BARRA

Funded ratio projections

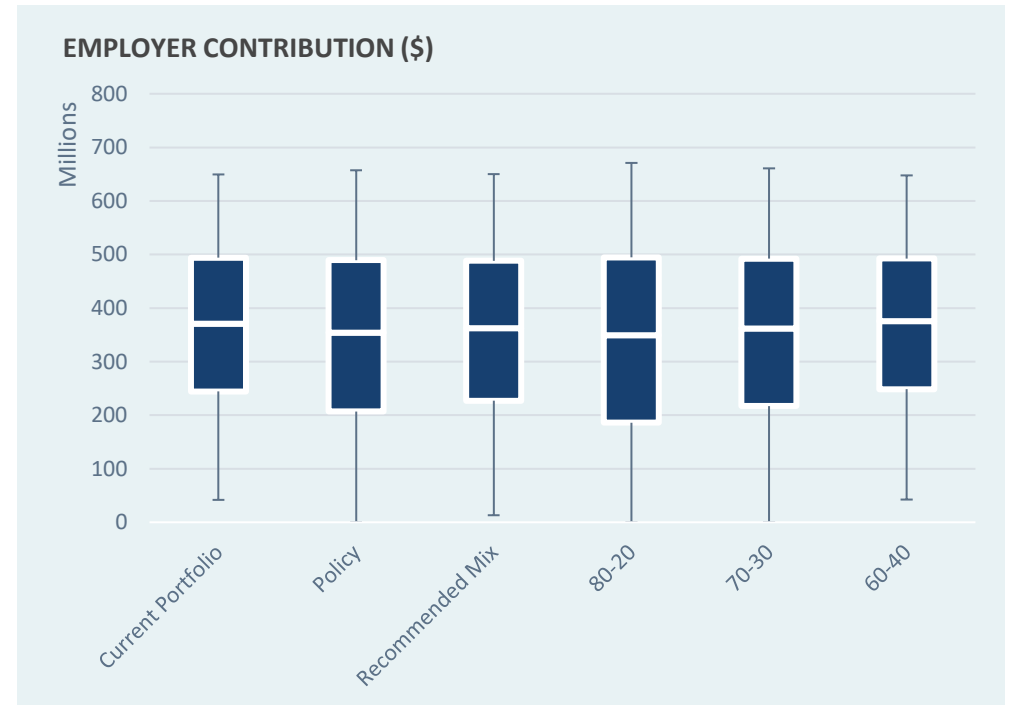
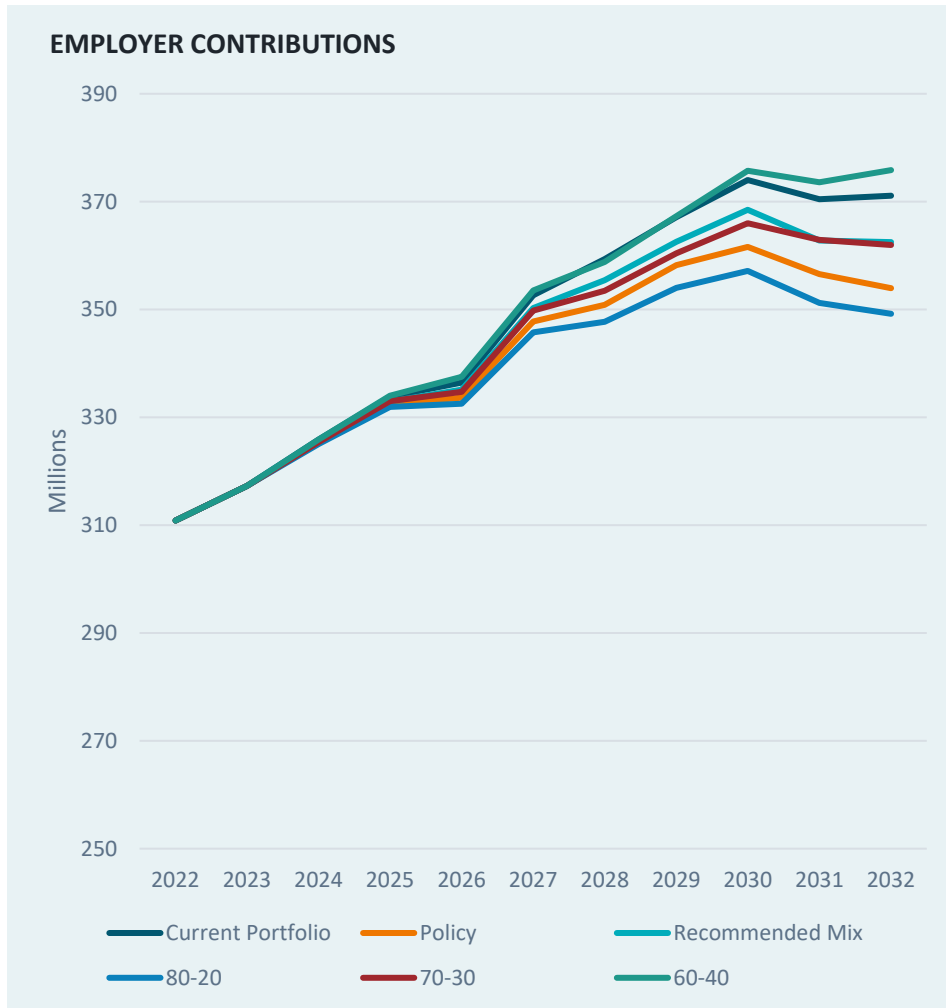


Source: ProVal. Based on a 5,000-independent monte-carlo simulations.



	Current Portfolio	Policy	Recommended Mix	80-20	70-30	60-40
Best Case (95%)	135.9%	148.1%	141.1%	158.2%	146.0%	135.5%
Median Outcome (50%)	89.7%	92.1%	91.0%	92.5%	90.6%	88.9%
Worst Case (5%)	58.0%	56.9%	58.0%	54.4%	56.1%	58.1%

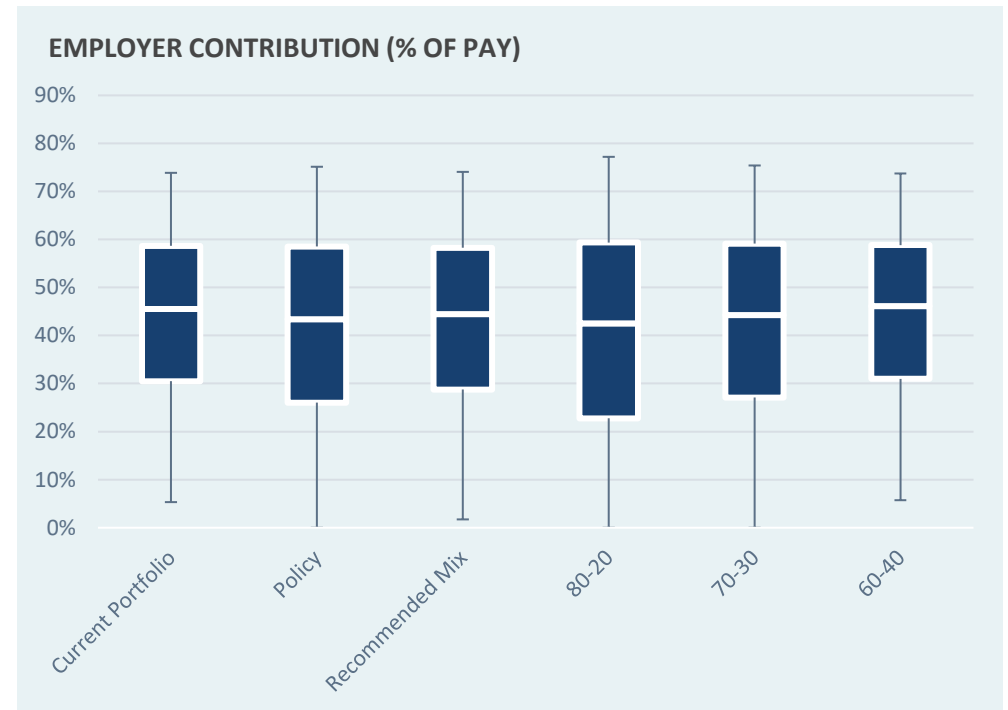
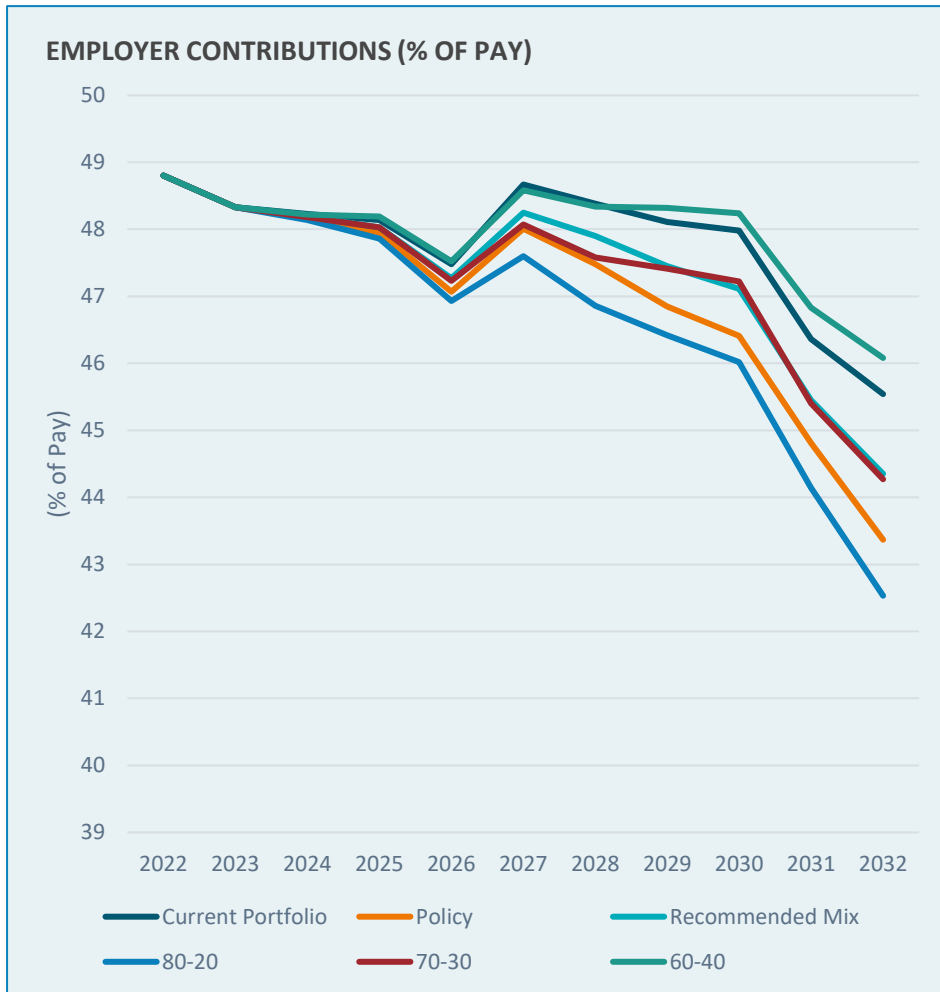
Employer contribution projections



	Current Portfolio	Policy	Recommended Mix	80-20	70-30	60-40
Worst Case (95%)	649	657	651	671	661	648
Median Outcome (50%)	371	354	362	349	362	376
Best Case (5%)	42	0	11	0	0	43

Source: ProVal. Based on a 5,000-independent monte-carlo simulations.

Employer contribution (% Pay) projections



	Current Portfolio	Policy	Recommended Mix	80-20	70-30	60-40
Worst Case (95%)	73.9%	75.1%	74.2%	77.2%	75.4%	73.7%
Median Outcome (50%)	45.5%	43.4%	44.4%	42.5%	44.3%	46.1%
Best Case (5%)	5.3%	0.0%	1.3%	0.0%	0.0%	5.7%

Source: ProVal. Based on a 5,000-independent monte-carlo simulations.

Liquidity assessment

Liquidity should be managed to reasonably ensure the fund can meet its obligations during periods of market dislocations

To gauge the health of KCERA's current liquidity position we leverage a cash-flow based analysis that is rooted in the Basel 3 banking regulation framework.

Determining the “right” liquidity coverage ratio (LCR)

- There is no “right” LCR but a value less than 1 means there is insufficient liquidity to meet cash flow needs.
- The target LCR is impacted by several variables:
 - Access to external sources of liquidity (i.e. line of credit)
 - Projected cash flows into/out of the portfolio and the volatility of those cash flows
 - Overall risk tolerance

Maintaining an LCR above 1 would imply there is sufficient liquidity to meet benefit, expense, and capital call obligations

Liquidity coverage ratio (LCR)

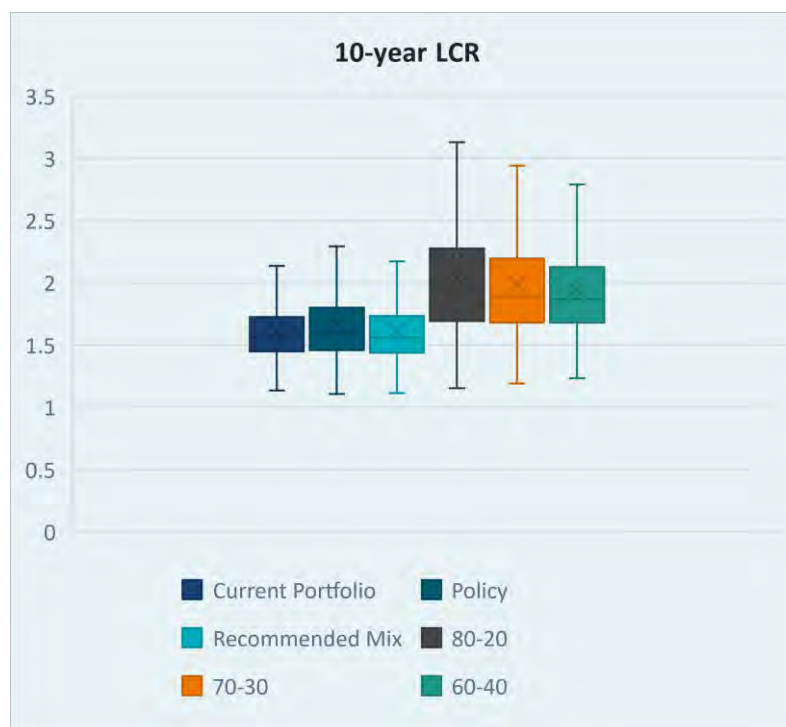
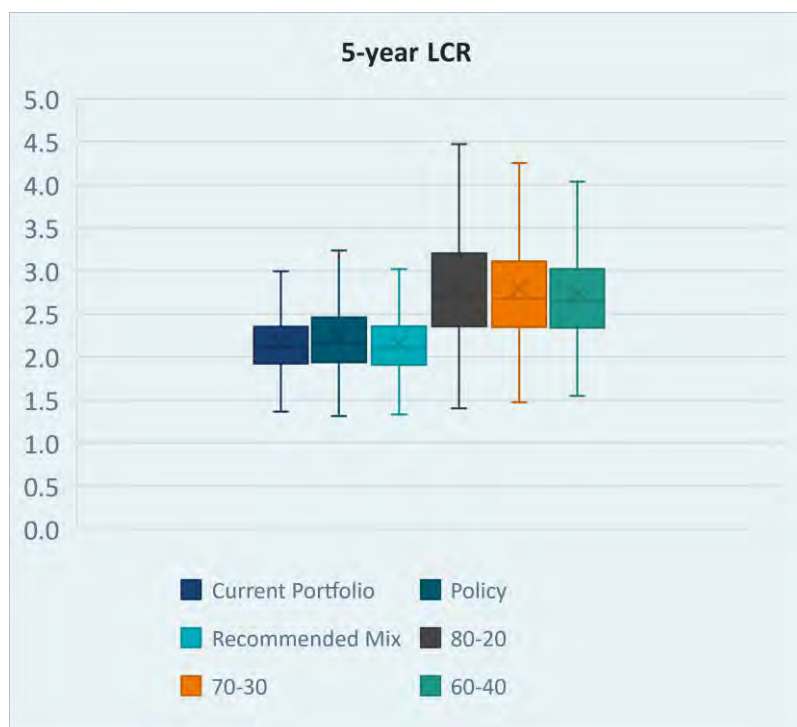
Do you need to sell illiquid assets to cover cash outflows in the next 5 years?

$$\text{Liquidity Coverage Ratio (LCR)} = \frac{\begin{array}{l} \text{Liquid Financial Assets (normal market condition)} \\ \Sigma(\text{Distributions from Illiquid Assets}) \\ \Sigma(\text{Gifts/Contributions}) \\ \Sigma(\text{Investment Income}) \end{array}}{\begin{array}{l} \Sigma(\text{Spending Policy}) \\ \Sigma(\text{Capital Calls for Illiquid Assets}) \\ \Sigma(\text{Plan Expenses}) \end{array}}$$

LCR Value	Implication
<1	The plan will need to sell illiquid assets to cover cash flows
1	The plan has sufficient liquidity to cover all cash flows
>1	The plan will not be required to sell illiquid assets to cover liquidity needs

Liquidity coverage analysis

- Verus analyzed KCERA's liquidity risk through a liquidity coverage ratio (LCR) framework.
- In the LCR analysis, the Plan's liquid assets are summed with expected cash inflow and then divided by expected cash outflow.
- The Plan is expected to have sufficient liquidity to make benefit payments over the next 10 years (even in extreme market conditions).



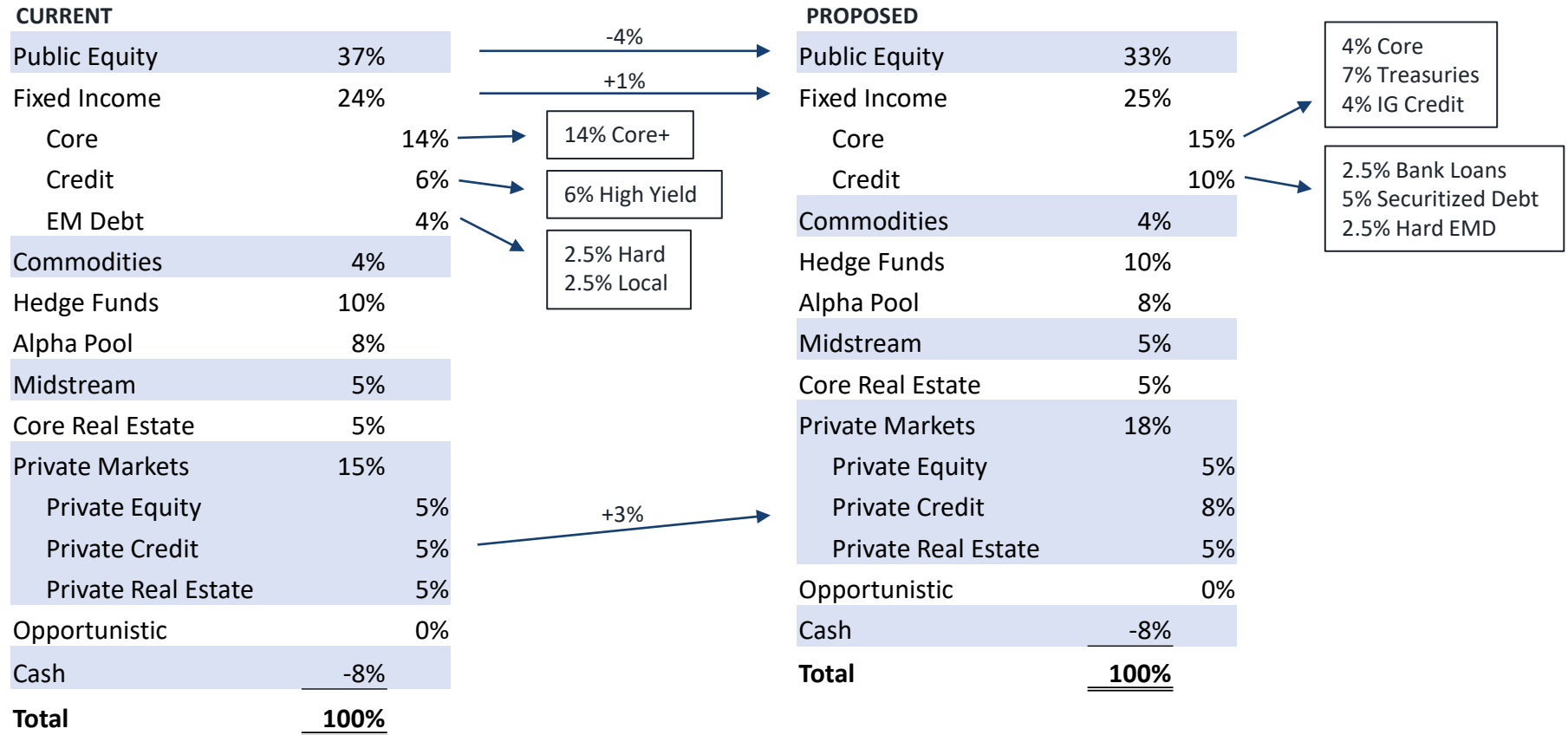
An LCR greater than 1 indicates the Plan should have sufficient liquid assets to cover all cash outflows.

Heat map

	Current Portfolio	Policy	Recommended Mix	80-20	70-30	60-40
Risk/Return Metrics						
Expected Return	6.9%	7.2%	7.3%	7.0%	6.8%	6.5%
% chance of meeting 7.0%	50%	51%	51%	50%	49%	48%
Volatility	11.4%	12.8%	12.0%	14.4%	12.9%	11.4%
Sharpe Ratio	0.36	0.36	0.37	0.31	0.32	0.33
VaR (95% confidence)	-10.0%	-11.7%	-10.6%	-14.0%	-12.3%	-10.5%
2007-2009 Drawdown (Simulation)	-25.1%	-31.4%	-25.8%	-44.4%	-39.0%	-33.6%
1st Percentile (1 Year)	-16.2%	-18.5%	-16.7%	-21.5%	-19.1%	-16.8%
Other Key Metrics (Expected Yr. 10)						
\$MM Contributions - Employer	\$371	\$354	\$362	\$349	\$362	\$376
% of Pay Cont. - Employer	45.5%	43.4%	44.4%	42.5%	44.3%	46.1%
Funded Ratio	89.7%	92.1%	91.0%	92.5%	90.6%	88.9%
Risk Factors						
Portfolio Complexity	med	med	med	low	low	low
Leverage	med	med	med	low	low	low
Peer Risk	low	low	low	med	low	low
Headline Risk	med	med	med	med	low	low
Liquidity Risk	med	med	med	low	low	low
Tail Risk	med	med	med	high	high	med
Equity Risk Allocation	med	med	med	high	high	high

Source: MPI, Barra, ProVal

Proposed policy allocation adjustments



Proposed policy benchmark adjustments

Asset Class	Current Benchmark	Proposed Benchmark
Public Equity	MSCI ACWI IMI (Net)	No Change
Fixed Income	Allocation-Weighted Blend: Bloomberg US Aggregate, Ice BofA ML HY Master II, JPM EMBIGD, JPM GBI-EMGD	Allocation-Weighted Blend: Bloomberg US Aggregate, US Treas. 10+ Year, Bloomberg Credit 1-3 Year, Morningstar LTSA US Levered Loan, Bloomberg Securitized MBS/ABS/CMBS Index, JPM EMBIG Diversified
Commodities	Bloomberg Commodity Index	No Change
Hedge Funds	3-Month T-bills + 400 basis points and 25% MSCI ACWI (Net)	No Change
Alpha Pool	3-Month T-bills + 400 basis points	No Change
Midstream	Alerian Midstream Energy Index	No Change
Core Real Estate	NCREIF – Open End Diversified Core Equity	No Change
Private Equity	Actual time-weighted Private Equity return	No Change
Private Credit	Actual time-weighted Private Credit return	No Change
Private Real Estate	Actual time-weighted Private Real Estate returns	No Change
Opportunistic investments	Assumed Rate of Return + 300 bps	No Change
Cash	3-Month T-bill	No Change

Appendix

CMA Methodology

CORE INPUTS

- We use a fundamental building block approach based on several inputs, including historical data and academic research to create asset class return forecasts.
- For most asset classes, we use the long-term historical volatility after adjusting for autocorrelation.
- Correlations between asset classes are calculated based on the last 10 years. For illiquid assets, such as private equity and private real estate, we use BarraOne correlation estimates.

Asset	Return Methodology	Volatility Methodology*
Inflation	25% weight to the University of Michigan Survey 5-10 year ahead inflation expectation and the Survey of Professional Forecasters (Fed Survey), and the remaining 50% to the market's expectation for inflation as observed through the 10-year TIPS breakeven rate	-
Cash	75% * current federal funds rate + 25% * U.S. 10-year Treasury yield	Long-term volatility
Bonds	Nominal bonds: current yield; Real bonds: real yield + inflation forecast	Long-term volatility
International Bonds	Current yield	Long-term volatility
Credit	Current option-adjusted spread + U.S. 10-year Treasury – effective default rate	Long-term volatility
International Credit	Current option-adjusted spread + foreign 10-year Treasury – effective default rate	Long-term volatility
Private Credit	Levered gross return (LIBOR + spread + original issuance discounts) – management fees – carried interest	Estimated volatility
Equity	Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change	Long-term volatility
Intl Developed Equity	Current yield + real earnings growth (historical average) + inflation on earnings (intl. inflation forecast) + expected P/E change	Long-term volatility
Private Equity	US large cap domestic equity forecast * 1.85 beta adjustment	1.2 * Long-term volatility of U.S. small cap
Commodities	Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)	Long-term volatility
Hedge Funds	Return coming from traditional betas + 15-year historical idiosyncratic return	Long-term volatility
Core Real Estate	Cap rate + real income growth – capex + inflation forecast	65% of REIT volatility
REITs	Core real estate	Long-term volatility
Value-Add Real Estate	Core real estate + 2%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Opportunistic Real Estate	Core real estate + 3%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Infrastructure	Current yield + real income growth + inflation on earnings (inflation forecast)	Long-term volatility
Risk Parity	Expected Sharpe Ratio * target volatility + cash rate	Target volatility

*Long-term historical volatility data is adjusted for autocorrelation (see Appendix)

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
		Geometric	Arithmetic					
Equities								
U.S. Large	S&P 500	6.5%	7.6%	15.6%	0.21	0.28	0.76	0.79
U.S. Small	Russell 2000	5.4%	7.5%	21.5%	0.10	0.20	0.42	0.49
International Developed	MSCI EAFE	9.1%	10.5%	17.8%	0.33	0.40	0.21	0.27
International Small	MSCI EAFE Small Cap	9.2%	11.3%	22.1%	0.27	0.36	0.29	0.36
Emerging Markets	MSCI EM	8.5%	11.2%	25.2%	0.21	0.31	0.02	0.10
Global Equity	MSCI ACWI	7.4%	8.7%	17.1%	0.23	0.32	0.47	0.52
Global Equity ex-US	MSCI ACWI ex-US	9.0%	10.7%	19.9%	0.29	0.37	0.16	0.23
Private Equity	CA U.S. Private Equity	9.2%	12.1%	25.8%	0.23	0.34	-	-
Private Equity Direct	CA U.S. Private Equity	10.2%	13.0%	25.8%	0.27	0.38	-	-
Private Equity (FoF)	CA U.S. Private Equity	8.2%	11.1%	25.8%	0.19	0.30	-	-
Fixed Income								
Cash	30 Day T-Bills	3.3%	3.3%	1.2%	-	-	-	-
U.S. TIPS	Bloomberg U.S. TIPS 5-10	4.1%	4.3%	5.6%	0.14	0.18	0.06	0.08
U.S. Treasury	Bloomberg Treasury 7-10 Year	3.8%	4.0%	7.1%	0.07	0.10	(0.02)	0.01
Long U.S. Treasury	Bloomberg Treasury 20+ Year	3.8%	4.6%	13.2%	0.04	0.10	(0.01)	0.05
Global Sovereign ex U.S.	Bloomberg Global Treasury ex U.S.	2.2%	2.7%	10.0%	(0.11)	(0.06)	(0.47)	(0.44)
Global Aggregate	Bloomberg Global Aggregate	3.0%	3.2%	6.7%	(0.05)	(0.01)	(0.30)	(0.28)
Core Fixed Income	Bloomberg U.S. Aggregate Bond	4.3%	4.4%	4.6%	0.22	0.24	0.05	0.07
Core Plus Fixed Income	Bloomberg U.S. Universal	4.6%	4.7%	4.6%	0.28	0.30	0.17	0.14
Short-Term Gov't/Credit	Bloomberg U.S. Gov't/Credit 1-3 Year	3.9%	4.0%	3.7%	0.16	0.19	0.11	0.11
Short-Term Credit	Bloomberg Credit 1-3 Year	4.3%	4.4%	3.7%	0.27	0.30	0.40	0.40
Long-Term Credit	Bloomberg Long U.S. Credit	5.3%	5.9%	11.0%	0.18	0.24	0.11	0.16
High Yield Corp. Credit	Bloomberg U.S. Corporate High Yield	6.4%	7.0%	11.2%	0.28	0.33	0.44	0.47
Bank Loans	S&P/LSTA Leveraged Loan	6.8%	7.2%	9.2%	0.38	0.42	0.53	0.54
Global Credit	Bloomberg Global Credit	4.5%	4.8%	7.9%	0.15	0.19	0.00	0.03
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	8.9%	9.4%	10.7%	0.52	0.57	0.05	0.09
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	7.0%	7.7%	12.3%	0.30	0.36	(0.28)	(0.23)
Private Credit	S&P LSTA Leveraged Loan Index	8.2%	9.0%	13.0%	0.38	0.44	-	-
Private Credit (Direct Lending - Unlevered)	S&P LSTA Leveraged Loan Index	6.8%	7.2%	9.2%	0.38	0.42	-	-
Private Credit (Direct Lending - Levered)	S&P LSTA Leveraged Loan Index	9.1%	10.1%	15.3%	0.38	0.44	-	-
Private Credit (Credit Opportunities)	S&P LSTA Leveraged Loan Index	8.5%	9.4%	13.8%	0.38	0.44	-	-
Private Credit (Junior Capital / Mezzanine)	S&P LSTA Leveraged Loan Index	9.0%	10.0%	15.1%	0.38	0.44	-	-
Private Credit (Distressed)	S&P LSTA Leveraged Loan Index	9.1%	12.7%	29.1%	0.20	0.32	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
		Geometric	Arithmetic					
Other								
Commodities	Bloomberg Commodity	5.7%	6.9%	16.3%	0.15	0.22	(0.20)	(0.13)
Hedge Funds	HFRI Fund Weighted Composite	4.6%	4.9%	7.7%	0.17	0.21	0.70	0.71
Hedge Fund of Funds	HFRI Fund of Funds Composite	3.6%	3.9%	7.7%	0.04	0.08	-	-
Hedge Funds (Equity Style)	Custom HFRI Benchmark Mix*	7.4%	8.4%	14.6%	0.28	0.35	-	-
Hedge Funds (Credit Style)	Custom HFRI Benchmark Mix*	7.1%	7.5%	9.8%	0.39	0.43	-	-
Hedge Funds (Asymmetric Style)	Custom HFRI Benchmark Mix*	4.8%	4.9%	4.8%	0.31	0.33	-	-
Real Estate Debt	Bloomberg CMBS IG	5.2%	5.5%	7.5%	0.25	0.29	0.26	0.28
Core Real Estate	NCREIF Property	5.8%	6.5%	12.6%	0.20	0.25	1.94	1.87
Value-Add Real Estate	NCREIF Property + 200bps	7.8%	8.9%	15.5%	0.29	0.36	-	-
Opportunistic Real Estate	NCREIF Property + 300bps	8.8%	10.8%	21.3%	0.26	0.35	-	-
REITs	Wilshire REIT	5.8%	7.5%	19.4%	0.13	0.22	0.32	0.40
Global Infrastructure	S&P Global Infrastructure	7.8%	9.1%	17.3%	0.26	0.34	0.28	0.35
Risk Parity**	S&P Risk Parity 10% Vol Index	8.3%	8.8%	10.0%	0.50	0.55	-	-
Currency Beta	MSCI Currency Factor Index	1.6%	1.7%	3.4%	(0.49)	(0.46)	0.20	0.21
Inflation		2.5%	-	-	-	-	-	-

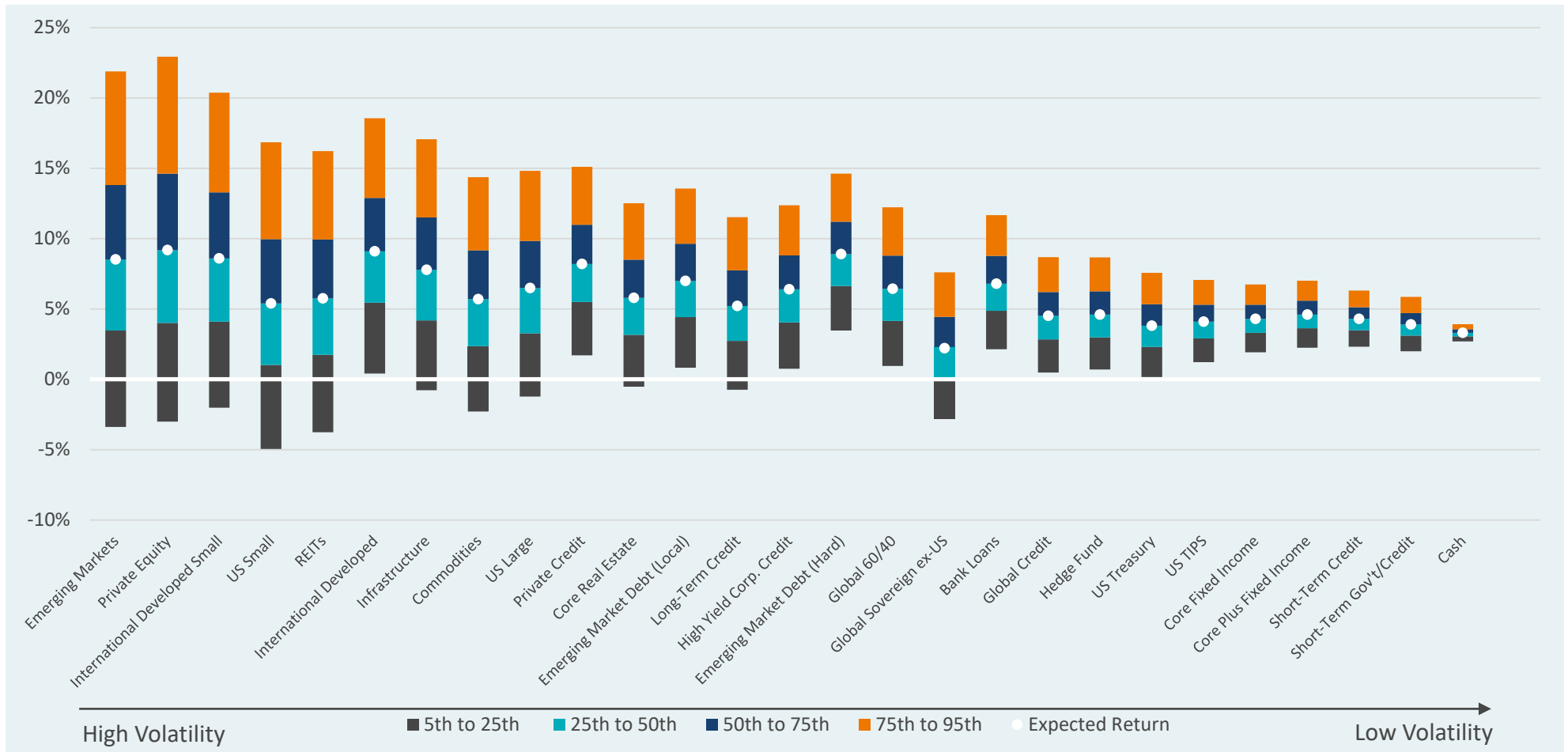
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*To represent hedge fund styles, we use a combination of HFRI benchmarks: Equity Style = 33% HFRI Fundamental Growth, 33% HFRI Fundamental Value, 33% HFRI Activist. Credit Style = 20% HFRI Distressed/Restructuring, 20% HFRI Credit Arbitrage, 20% HFRI Fixed Income-Corporate, 20% HFRI Fixed Income-Convertible Arbitrage, 20% HFRI Fixed Income-Asset Backed. Asymmetric Style = 50% HFRI Relative Value, 50% HFRI Macro

**The Risk Parity forecast shown here assumes a 10% target volatility strategy. We recommend customizing this forecast to the target volatility specifications of the risk parity strategy that an investor wishes to model. Please speak with your Verus consultant for customization needs.

Range of likely 10-year outcomes

10-YEAR RETURN 90% CONFIDENCE INTERVAL



Source: Verus, MPI

Correlation assumptions

	Cash	US Large	US Small	Intl Large	Intl Small	EM	Global Equity	PE	US TIPS	US Treasury	Global Sovereign ex-US	US Core	Core Plus	Short-Term Gov't/Credit	Short-Term Credit	Long-Term Credit	US HY	Bank Loans	Global Credit	EMD USD	EMD Local	Commodities	Hedge Funds	Real Estate	REITs	Infrastructure	Risk Parity	Currency Beta		
Cash	1.0																													
US Large	-0.2	1.0																												
US Small	-0.2	0.9	1.0																											
Intl Large	-0.2	0.9	0.8	1.0																										
Intl Small	-0.3	0.9	0.8	1.0	1.0																									
EM	-0.2	0.7	0.6	0.8	0.8	1.0																								
Global Equity	-0.2	1.0	0.9	1.0	0.9	0.8	1.0																							
PE	-0.2	0.7	0.6	0.6	0.6	0.6	0.7	1.0																						
US TIPS	0.0	0.4	0.3	0.4	0.4	0.4	0.4	0.2	1.0																					
US Treasury	0.2	0.0	-0.1	0.0	0.0	0.0	0.0	-0.2	0.8	1.0																				
Global Sovereign ex-US	0.1	0.0	-0.2	-0.1	-0.1	0.0	-0.1	-0.2	0.7	0.9	1.0																			
US Core	0.0	0.3	0.2	0.4	0.4	0.5	0.4	0.1	0.7	0.6	0.5	1.0																		
Core Plus	0.1	0.3	0.2	0.3	0.3	0.3	0.3	0.0	0.8	0.9	0.9	0.7	1.0																	
Short-Term Gov't/Credit	0.0	0.4	0.3	0.4	0.4	0.4	0.4	0.1	0.9	0.8	0.8	0.7	1.0	1.0																
Short-Term Credit	0.2	0.1	0.1	0.2	0.2	0.2	0.2	-0.1	0.7	0.8	0.6	0.6	0.8	0.8	1.0															
Long-Term Credit	0.0	0.4	0.4	0.5	0.5	0.5	0.5	0.0	0.7	0.5	0.4	0.6	0.8	0.8	0.8	1.0														
US HY	0.0	0.5	0.4	0.5	0.5	0.5	0.5	0.1	0.7	0.6	0.7	0.6	0.8	0.9	0.6	0.7	1.0													
Bank Loans	-0.2	0.8	0.8	0.8	0.8	0.7	0.8	0.5	0.5	0.1	0.1	0.5	0.4	0.6	0.3	0.7	0.6	1.0												
Global Credit	-0.3	0.6	0.7	0.6	0.7	0.6	0.7	0.5	0.3	-0.2	-0.2	0.2	0.1	0.3	0.0	0.5	0.4	0.8	1.0											
EMD USD	-0.1	0.6	0.5	0.7	0.7	0.7	0.7	0.4	0.6	0.3	0.3	0.6	0.6	0.7	0.4	0.7	0.7	0.8	0.7	1.0										
EMD Local	0.0	0.5	0.4	0.7	0.6	0.8	0.6	0.4	0.5	0.2	0.1	0.6	0.4	0.5	0.3	0.5	0.5	0.7	0.5	0.8	1.0									
Commodities	-0.2	0.4	0.4	0.5	0.5	0.5	0.5	0.3	0.2	-0.3	-0.3	0.2	-0.1	0.0	-0.1	0.2	0.1	0.5	0.5	0.3	0.4	1.0								
Hedge Funds	-0.2	0.8	0.9	0.9	0.9	0.8	0.9	0.6	0.3	-0.2	-0.2	0.3	0.1	0.3	0.0	0.5	0.4	0.8	0.8	0.7	0.6	0.5	1.0							
Real Estate	-0.2	0.6	0.5	0.5	0.5	0.4	0.6	0.4	0.2	-0.1	-0.1	0.2	0.0	0.1	-0.1	0.1	-0.1	0.4	0.4	0.4	0.4	0.3	0.5	1.0						
REITs	-0.2	0.7	0.6	0.6	0.6	0.5	0.7	0.5	0.6	0.3	0.3	0.4	0.5	0.5	0.2	0.5	0.6	0.6	0.5	0.6	0.5	0.3	0.6	0.7	1.0					
Infrastructure	-0.2	0.8	0.7	0.8	0.8	0.7	0.8	0.7	0.5	0.1	0.0	0.5	0.3	0.5	0.2	0.5	0.6	0.8	0.7	0.7	0.7	0.5	0.8	0.3	0.7	1.0				
Risk Parity	-0.2	0.7	0.7	0.8	0.7	0.7	0.8	0.4	0.6	0.1	0.1	0.4	0.4	0.5	0.2	0.6	0.6	0.8	0.7	0.8	0.6	0.6	0.8	0.4	0.7	0.8	1.0			
Currency Beta	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	1.0	

Note: as of 9/30/22 - Correlation assumptions are based on the last ten years. Private Equity and Real Estate correlations are especially difficult to model – we have therefore used BarraOne correlation data to strengthen these correlation estimates.

KCERA actuarial snapshot

Actuarial value of assets was \$5.1 billion at 6/30/2022

Actuarial funded ratio (6/30/2022)	<p style="text-align: right;">69.2%</p>
Asset valuation method	<p>Market value of assets (MVA) less unrecognized returns in each of the last five years. Unrecognized returns are equal to the difference between the actual market return and the expected return on a market value basis and are recognized semi-annually over a five-year period. The AVA cannot be less than 50% of MVA, nor greater than 150% of MVA. The Actuarial Value of Assets (AVA) is reduced by the value of the non-valuation reserves.</p>
Investment rate of return*	<p style="text-align: right;">7.0%</p>
Payroll growth	<p>Inflation of 2.75% per year plus “across the board” real salary increases of 0.50% per year.</p>
COLA	<p>CPI increase of 2.75% each year. Retiree COLA increases due to CPI are assumed to be 2.5% per year</p>

*7.0%; net of investment expenses. Based on the change from 7.25% to 7.0% adopted by the Board in June 2023. The expected investment expenses represent about 0.40% of the Market Value of Assets

Glossary

Active management – The process of constructing a portfolio with the goal of generating a return on investment that is greater than the general market would otherwise provide. Asset-liability studies exclude the potential gains/losses from active management.

Actuarial expected return – A pension fund portfolio’s actuarial expected return is the rate used to discount future benefits to determine plan liabilities and is designed to be a reasonable expectation of the future rate of return on the pension plan’s assets. Also known as the actuarial assumed rate and the discount rate.

Actuarial liability – The present value of benefits earned to date plus the present value of benefits that will result from future increases in salary and service already earned.

Asset allocation – Asset allocation is the process by which an investor aims to balance risk and reward according to the plan’s goals, risk tolerance and investment horizon. Assets are allocated between asset classes that have different levels of risk and return and behave differently from one another to provide diversification.

Asset/liability analysis – A study that analyzes the future relationships between assets, liabilities, benefits and funding. A projection model previews how liabilities and required contributions react in various capital market environments, relying on assumptions regarding markets, plan membership, inflation, and various assumptions made by the plan’s actuary.

Contributions – Employer and employee contributions into the system are determined by the plan’s annual actuarial valuation and are updated regularly to ensure that contribution rates are sufficient to fund the plan. Actuarial valuations are based on the benefit formulas for the employee groups covered.

Glossary (cont'd)

Correlation – A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help optimize the benefits of diversification when constructing an investment portfolio.

Diversification – Diversification is a form of risk management whereby a variety of investments that are uncorrelated are combined in a portfolio with the goal of providing the highest return for a given level of risk. Diversification also mitigates unsystematic (company specific) risk.

Downside risk (drawdown risk) – A measure of volatility, or risk, focusing on downside or negative performance time periods. Drawdown risk is a subset of downside risk that measures peak to trough declines and is defined as the negative half of standard deviation.

Funded ratio (funded status) – A measurement of the funded status of the system. The funded ratio is calculated by dividing the valuation assets by the actuarial accrued liability. For example, a funded ratio of 90% indicates that assets are 10% less than liabilities.

Normal cost – Represents the portion of the cost of projected benefits allocated to the current plan year.

Peer risk – Peer risk refers to having a plan portfolio that looks different from the average pension plan. Peer risk is most often highlighted during periods of underperformance versus average plans.

Glossary (cont'd)

Standard deviation – A measure of volatility, or risk. Measures risk by indicating how far from the average, or mean, return one is likely to fall in any given time period. The rules of statistics dictate that you will fall within 1 standard deviation of the mean 2/3 of the time and within 2 standard deviations 95% of the time. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Volatility – A statistical measure of the dispersion of returns for a security, index or portfolio. Generally speaking, the higher the volatility, the riskier the investment. Volatility is most commonly measured using standard deviation (defined above).

Notices & disclosures

Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other “forward-looking statements.” No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Additional information about Verus Advisory, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

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ALTERNATIVE INVESTMENTS RECORDS

EXEMPT FROM PUBLIC DISCLOSURE

(CA Gov. Code §7928.710)

(CA Gov. Code §7922.000)

(CA Gov. Code §54957.5)

DO NOT REPRODUCE

DO NOT DISTRIBUTE

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Kern County Employees' Retirement Association (KCERA)

2023-2026 Strategic Plan

Compiled and presented by:
Julie Becker and Benita Falls Harper, Aon





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Message from Dominic D. Brown, Chief Executive Officer

As Chief Executive Officer, it is my pleasure to issue the 2023-2026 Strategic Plan on behalf of the Kern County Employees' Retirement Association (KCERA).

The Strategic Plan outlines a set of initiatives that guide KCERA in the pursuit of our mission. The five goals of our framework will guide us as we focus on particular areas of diligence and process improvement for the upcoming period.

Over the past year, we faced numerous challenges including the implementation of the *Alameda* Decision and emerging from the COVID-19 pandemic.

Some of last year's accomplishments we are most proud of include:

- Created new Communications Manager position and hired a new employee to lead efforts to enhance education and communication for members and stakeholders
- Grew investment unit to four investment professionals and continued expanding the allocation to private markets
- Developed and presented KCERA's first annual HR Report
- Conducted a full evaluation of the merits of KCERA Property, Inc. and took action to dissolve it
- Made significant progress on backlog of Disability claims and streamlined process for future member filings
- Completed implementation of the *Alameda* Decision
- Revamped the SRBR program to simplify and enhance benefits in a sustainable manner

As we move into a new fiscal year, we are keeping our core values at the forefront of everything we do. Key components like stewardship, communication, and fiduciary duty are critical to providing our members with excellent customer service and financial security.

We will look for opportunities to constantly improve in every area to provide our members with exceptional retirement-related services in a cost-effective manner. I look forward to leading our hard-working staff on behalf of Trustees in service to our members and stakeholders in the upcoming year.

Respectfully submitted,



Dominic D. Brown
Chief Executive Officer



KCERA's Mission

All the strategies and action plans in the strategic plan should support KCERA's mission:

KCERA's mission is to prudently administer retirement benefits, invest the assets of the Association, and provide quality membership services to eligible public employees, retirees, and their beneficiaries.

KCERA's Vision *(one to be incorporated)*

- *To administer benefits accurately and reliably as a trusted public pension that values excellence in member service.
- *To provide excellence and expertise in public pension management.
- *To be a trusted public pension accurately administering benefits and providing superior customer service to our members.



Strategic Framework

Themes

KCERA Strategic Management Program revolves around five key themes. Working in concert with each theme is a central goal. In this report, specific long-term objectives further define each goal that help to guide annual business planning.

The five themes are¹:

1. Member and Stakeholder Communication
2. Member Service Delivery
3. Technology
4. Governance
5. Investments

¹ The numbered themes are not listed by order of importance or priority.



Theme 1: Member and Stakeholder Communication

Goal

Equal Access to Communication

With today's rapidly evolving technology landscape, not all members and retirees have agile access to online communication. Differing levels of operating systems and knowledge of programming can stymie user friendliness. KCERA's goal is for all members and retirees to have equal access to KCERA communication.

- Ensure communication is disseminated in multiple formats.
 - Work to make electronic communication more available, e.g., think beyond the portal.
 - Partner in facilitating members' and retirees' ability to gain aptitude in accessing electronic communication.

Goal

Educate Membership and Stakeholders

- Economic and political events dramatically affect pension funding levels. KCERA's goal is to demystify the pension funding process and provide transparency to the funding algorithm. Demonstrate the methodology of funding and ensure membership is aware of the actuarial method to determine funding goals, as well as the current funded status.
- Provide targeted communications to targeted audiences (i.e., active members/retirees, etc.) on various topics.

Goal

Knowledge of existing benefits and application processes



- KCERA seeks to widely distribute benefit and form information in a user-friendly format.
- Provide education on membership benefits and application processes through various communication channels.
- Build library of instructional YouTube videos.
- Divide existing retirement seminar instruction into smaller segments, approximately three minutes each.



Theme 2: Member Service Delivery

Goal

Staff training

Best governance practices dictate that staff maintain an up-to-date knowledge of pension information and trends, as well as understanding practices of their peer groups.

- Critical to benefit processing is the ability to efficiently process disability claims.
- Build and maintain quality customer service.
- Explore alternate and innovative ways to educate membership.

Goal

There is a need to increase the time spent with the plan sponsor, including setting aside a dedicated time to be present onsite with the plan sponsor.

- Reach out to plan sponsor departments.
- Set up series of counseling appointments and engage in targeted communication.

Goal

Satisfaction surveys

- Evaluate conducting member/retiree satisfaction surveys for future direction and insight.
- Conduct follow up with membership after submission of retirement application and other benefit applications for feedback on process.



Theme 3: Technology

Goal

Cybersecurity continues to be an integral part of public pension processing with the safeguarding of member and retiree information a paramount goal.

- Education to staff, members and retirees of possible cyber perils and best practice.
- Review of any needed internal and external controls.
- Continue Board training, including reports of attempted breaches and penetration testing.



Theme 4: Governance

Goal

As new members take a seat at the Board room table, or as current members take on the role of Board/Committee Chair, it is vital that they understand their fiduciary duties, as well as the operating constructs of KCERA.

- Further develop and enhance training curriculum for Board members

Goal

Seek to maintain talented Staff to provide the best quality service.

- Have a retention focused philosophy.
- Maintain a succession plan.

Goal

As part of retention, a positive work environment along with competitive compensation is key.

- Adopt a compensation philosophy policy.

Goal

Staying current with current laws and tracking proposed legislation remains a priority.

- Communicate to Board potential impact of new regulations and decisions.

Goal

The administrative budget is a significant budget which mandates continued accountability.



- Seek to maintain oversight and accuracy in budgeting process.

Goal

Developing and further building out investment team will provide confidence in the investment program.

- Less reliance on external consultants with more internal staff involvement and collaboration with consultants.
- Monitoring the correlation between an increase to internalized investment responsibility (less reliance on external consultants) with the creation of additional work for legal and accounting staff.



Theme 5: Investments

Goal

An Asset Liability Study remains a priority.

- Present timely results to Board with supporting information.

Goal

Board delegation assists KCERA in maximizing all investment opportunities.

- Maintain a flexible and opportunistic approach, e.g., private market delegation.
- Establish an annual plan on or about every February to review discretion given to investment staff.
- Utilize existing monitoring to regulate discretionary investment authority.

Goal

Recession-proof the portfolio.

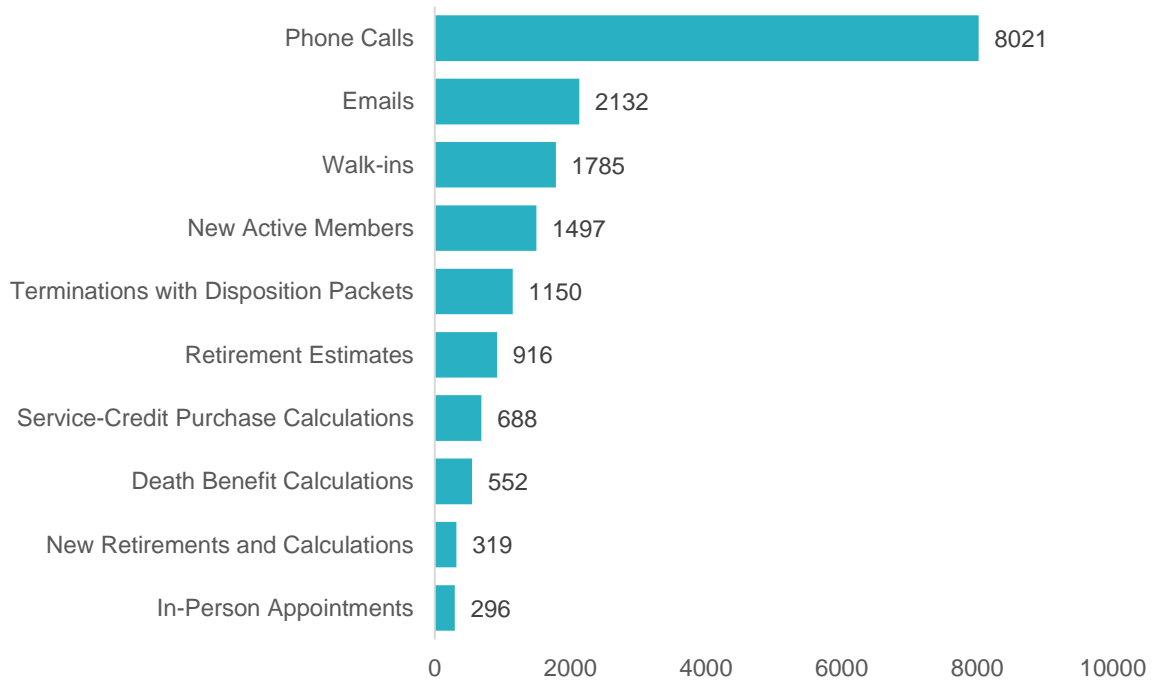
- Regularly examine Risk Tolerance – strategic asset allocation.
- Sustain a tactical portfolio.
- Minimize fees where possible to do so effectively.



Appendix

Appendix A: Benefits

2022 Member Services Operations Activities (Count)



Source: 2022 Board of Retirement Meeting Agendas
 Note: July Board of Retirement Meeting Agenda not available



9,015

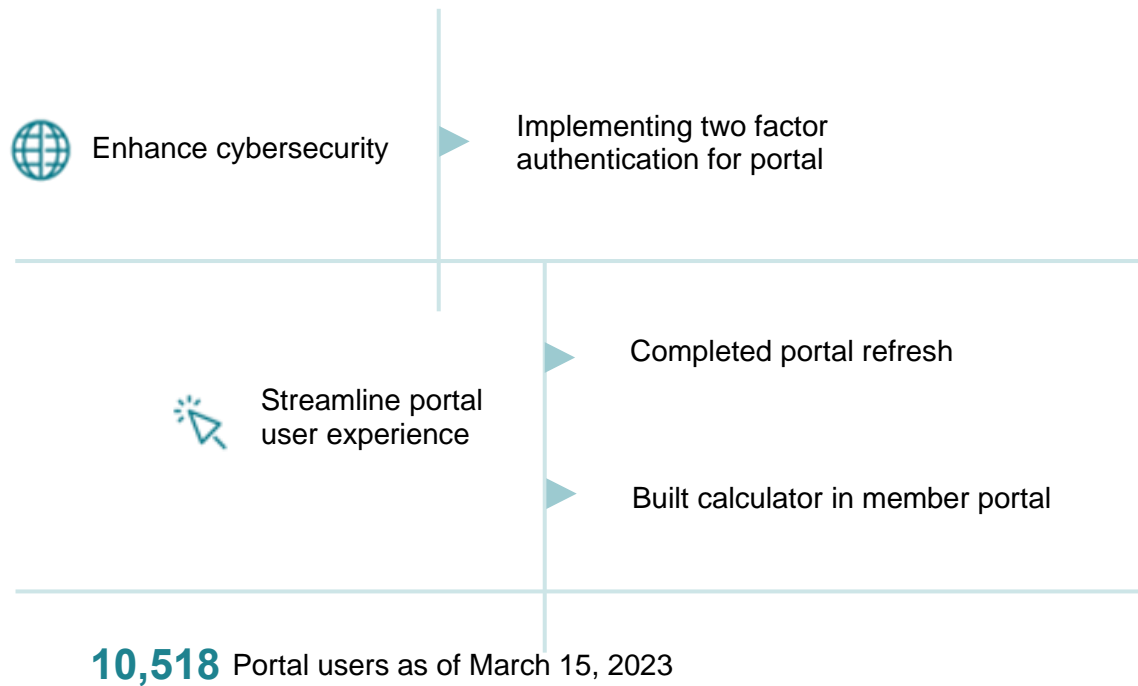
Retirees and beneficiaries
 as of June 30, 2022

\$30.7 million

FY 2022 average aggregate
 monthly benefit payments,
 excluding SRBR benefits

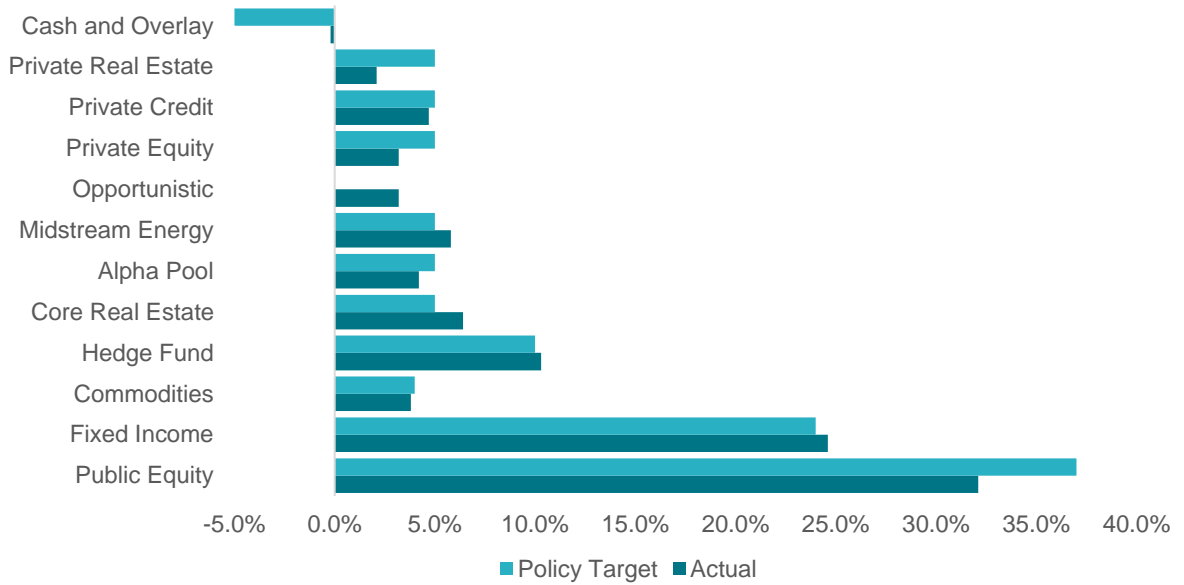


Appendix B: Technology



Appendix C: Investments

Asset Allocation; Actual vs Policy Target



Source: 23-04-12 Board of Retirement agenda

Note: As of March 31, 2023.



\$5.4 billion
Investment Assets



4.5%
FY 2022 net of fees return



Date: August 9, 2023
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer *Dominic D. Brown*
Subject: **Trustee Education Policy**

Introduction

This memo describes proposed changes and updates to the Trustee Education Policy recommended for approval by the Administrative Committee on June 21, 2023. While most changes reflect updates to current practices, Staff is recommending two new additions to the policy.

Proposed Policy Edits

Updated Material. The proposed changes list mandated and additional training topics that fulfill trustee education requirements. Staff has also removed references to outdated material and updated the list of digital resources available to Trustees.

New Material. Staff has added specific education requirements to the new trustee orientation program. Specifically, the proposed changes to the policy add the education topics listed in Appendix A and require new trustees to complete the curriculum within the first 45 days of their first term. The proposed policy changes also include an orientation session for trustees newly appointed to a chair or vice-chair position.

Based on the above, Staff recommends your Board approve the proposed updates.



TRUSTEE EDUCATION POLICY

INTRODUCTION

- 1) This policy is intended to comply with §31522.8 of the County Employees Retirement Law of 1937 (the Act) and addresses certain educational requirements contained in said statute. In addition, this policy sets out further policy guidelines established by the Board concerning the education of KCERA trustees.
- 2) ~~Effective January 1, 2013, t~~rustees are required by statute to undergo a minimum of 24 hours of trustee education within the first two years of assuming office and for every subsequent two-year period the trustee continues to hold membership on the Board. (§31522.8).

a) Mandated Training Topics:

- i) Ethics Training – Government Code §§ 53234, 53235 and 53235.1 require that trustees receive two hours of ethics training no later than one year after your first day of service as a trustee, and once every two years, thereafter.
- ii) Sexual Harassment Prevention Training - Government Code § 53237 et seq., requires trustees of the Board of Retirement receive two hours of sexual harassment prevention training and education within six (6) months of assumption of their position and every two years thereafter.
- iii) New Trustee Orientation – See Orientation Program section

b) Additional Training Topics – Fiduciary responsibilities:

- ~~2) Appropriate topics for trustee education may include, but are not limited to, the following (§31522.8):~~
- ~~c) Fiduciary responsibilities~~
- ~~d) Ethics~~
- ~~e) i) Pension fund i~~ investments and investment program management
- ~~f) ii) Actuarial matters~~
- ~~g) Pension funding~~
- ~~h) iii) Benefits administration~~
- ~~i) iv) Disability evaluations~~

~~j)v) Fair hearings~~ Due Process considerations

~~k)vi) Pension fund governance~~

~~New trustee orientation~~

DEFINITIONS

- 3) “External Education Programs” shall refer to education sessions sponsored by third parties and may include conferences, workshops, seminars, courses, and other similar events that take place in a physical location such as a hotel, conference center, or academic institution.

DETERMINING QUALIFYING EDUCATION

- 4) By statute, education seminars sponsored by the state or national public pension fund organizations, and seminars sponsored by accredited academic institutions shall be deemed to meet trustee education requirements.
- 5) ~~As provided for in the applicable statute,~~ External Education Programs sponsored by entities other than the state or national public fund organizations or accredited academic institutions may also be deemed by the Board to meet the statutory trustee education requirements.
- 6) Other types of educational activities the Board may determine meet the statutory trustee education requirements include but are not limited to:
- a) In-house continuing education sessions delivered by KCERA management, staff, advisors, or other external experts.
 - b) In-house new trustee orientation sessions delivered by KCERA management, staff, advisors, or other external experts.
 - c) On-line or computer-based education programs, such as webinars.
 - d) Academic or self-study programs based on academic or professional reading materials, journals, books, textbooks, etc.
 - e) Credits earned from educational activities required to maintain a trustee’s related professional designation.
- 7) Any educational activity undertaken by a trustee that requires the expenditure of KCERA funds shall require Board approval. Any activity so approved shall be deemed to meet trustee education requirements. The Chief Executive Officer shall include a

~~recommendation as to the maximum~~ supporting documentation indicating number of qualifying hours associated with the activity in the Board ~~packet~~ agenda materials.

- 8) With respect to in-house education, and any education activities undertaken by trustees that do not require expenditure of KCERA funds (e.g. free External Education Programs, and certain self-study programs and on-line education programs), the Chair and Chief Executive Officer shall together determine if such education may count towards meeting a trustee's education requirements as well as the number of hours that may be credited.
- 9) The Board and Management shall continually seek to identify appropriate External Education Programs. Programs ~~currently~~ recommended for trustees' consideration include:
 - a) The semi-annual Conference of the State Association of County Retirement Systems (SACRS);
 - b) Public Pension Investment Management Program, offered by SACRS;
 - c) The General Assembly and Trustee Roundtables of California Association of Public Retirement Systems (CALAPRS);
 - ~~d) The International Foundation for Employee Benefit Plans (IFEBP) Annual Conferences and Trustee accreditation programs;~~
 - e)d) CALAPRS "Principles of Pension Management Governance for Trustees";
and
 - f)e) CALAPRS "Advanced Principles of Pension Governance for Trustees".
- 10) Management shall inform the Board of appropriate on-line education and other External Education Programs for trustees' consideration.
- 11) Trustees are especially encouraged to attend appropriate on-line education programs, such as webinars, as the Board believes such programs may represent an effective and low-cost means of obtaining education.
- 12) In approving trustee attendance at External Education Programs, the Board shall give preference ~~to~~ events that are within close proximity to Kern County, and that are sponsored by academic institutions or pension industry associations (such as SACRS, CALAPRS and the National Conference on Public Employee Retirement Systems) as distinct from programs sponsored by for-profit entities.

- 13) Trustees may request Board approval to attend External Education Programs not identified by Management. When doing so, trustees shall provide supporting background information about such Programs.
- 14) In addition to, and consistent with, the statutory requirements set out in paragraph 2 above, Trustees shall endeavor to attend:
- a) At least one External Education Program annually.
 - b) One intensive, multi-day External Education Program of an academic nature and classroom-format every two years.
 - c) All dedicated annual in-house planning and educational initiatives organized by Management with input from the Board, as well as any additional in-house educational briefings or presentations.
 - d) ~~Education related to the mandates of trustees' assigned committees.~~

ORIENTATION PROGRAMS

15) New Trustee Orientation

- a) The Chief Executive Officer shall develop a formal orientation program for new trustees, the aim of which shall be to ensure that new trustees are in a position to contribute fully to board and committee deliberations and effectively carry out their fiduciary duties as soon as possible upon joining the Board. If more than one new trustee requires orientation, the orientation sessions may take place in a group setting rather than one-on-one. Existing trustees may also attend orientation sessions for education credit. Furthermore, orientation need not may take place in either a single session, but rather in or multiple sessions, based on the needs and preferences of the trustees in question.
- b) Prior to their first meeting of the Board, new trustees shall endeavor to attend a meeting of the Board or a standing committee as an observer.
- a)c) As part of the orientation, new trustees shall, within 45 days following their election or appointment to the Board:
 - i) Be assigned a trustee mentor by the Chair;
 - ii) Be briefed on the contents of the KCERA Trustee ~~Handbook~~ resources by Chief Executive Officer;
 - iii) Be introduced to all members of Management ~~and staff~~;
 - iv) Be provided a tour of the KCERA offices by Management;

- v) ~~Be briefed-informed~~ by the Chair and/or the Chief Executive Officer ~~on-about~~ upcoming Board matters before the Board;
- vi) ~~Be briefed on their fiduciary duties by legal counsel~~ Receive education on topics listed in Appendix A by the Chief Legal Officer; and
- ~~vi)vii)~~ Receive education related to investment matters by the Chief Investment Officer; and
- ~~vii)viii)~~ Receive other relevant information and documentation from Management or the Chair.

~~b)d)~~ Within six months of joining the Board, the Chief Executive Officer shall hold a follow-up discussion with each new trustee to address any questions they may have regarding their positions and duties. Additionally, nNew trustees shall also meet separately with the Chief Operations Officer, Chief Investment Officer, and Chief Legal Officerall Division Management to learn about their respective regarding the functional areas within KCERA.

~~e)e)~~ During the course of their first year on the Board, new trustees shall endeavor to attend the CALAPRS Principles of Pension Management for Trustees program. New trustees shall also meet separately with the Chief Operations Officer, Chief Investment Officer, and Chief Legal Officer to learn about their respective functional areas within KCERA.

~~15)1)~~ Prior to their first meeting of the Board, new trustees shall endeavor to attend a meeting of the Board or a standing committee as an observer.

16) Trustee Resources

~~A KCERA Trustee Handbook and other relevant materials shall be provided to each new trustee including, at a minimum:~~New Trustees shall be provided with access to the following resources:

- a) Board Governance – Charters & Policies
- b) Education Sessions
- c) General KCERA/Board Information
- d) KCERA Operational Policies & Procedures
- e) Legal
 - i) Brown Act
 - ii) CERL
 - iii) IRS Model Tax Regulations
 - iv) KCERA's BOR CERL Regulations
 - v) Annual CLO Memos; and

f) Trustee Education Reports & Calendar

- ~~a) The '37 Act, the Brown Act, and the By-laws;~~
- ~~a) List of '37 Act provisions adopted applicable to KCERA;~~
- ~~a) Most recent Plan Member handbook;~~
- ~~a) Copies of KCERA board policies;~~
- ~~a) Most recent actuarial valuation and financial statements;~~
- ~~a) Most recent asset/liability study;~~
- ~~a) Most recent quarterly investment performance report;~~
- ~~a) Most recent business plan and Operating Budget;~~
- ~~a) Organizational chart;~~
- ~~a) Names and phone numbers of other trustees and the Chief Executive Officer;~~
- ~~a) Listing of current committee assignments;~~
- ~~a) Listing of service providers;~~
- ~~a) List of recommended External Education Programs; and~~
- ~~a) Copies of other KCERA publications/brochures deemed relevant and appropriate by Management.~~

~~17) Management shall review and update the Trustee Handbook as needed.~~Chair and Vice-Chair Orientation

~~16) Newly appointed chairs and vice-chairs of the Board, committees, and ad hoc committees (if any) shall receive training on issues related to their roles and responsibilities.~~

Reporting and Disclosure

~~18) All trustees attending an External Education Program shall complete and submit to the Chief Executive Officer an estimate of Trustee education hours earned ~~Education Program Attendance Report~~. Similarly, trustees seeking credit towards the statutory education requirement by attending an on-line education program, such as webinars, shall also ~~complete and~~ submit estimate of Trustee education hours earned ~~an Education Program Attendance Report~~.~~

~~18)~~

19) Management shall maintain a record of trustee compliance with this policy and shall file a semi-annual report with the Board regarding such compliance.

20) Consistent with §31522.8 of the Act, this policy and an annual report on trustee compliance shall be placed on the KCERA website.

POLICY REVIEW AND HISTORY

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

22) The policy was:

a) Adopted by the Board on September 27, 2000;

b) Amended on June 23, 2004; July 13, 2005; September 26, 2007; June 15, 2011; December 12, 2012; April 10, 2013; April 13, 2016; February 10, 2021; August 11, 2021; and April 13, 2022; and August 9, 2023.-

DRAFT

APPENDIX A

BOARD OF RETIREMENT ORIENTATION CURRICULUM

New trustee orientation shall cover the following topics:

- Communications Policy
- Attorney-Client Privilege
- Code of Conduct
- Fiduciary duties
- Service Provider Evaluation Policy
- Gifts/ Travel
- Brown Act
- Disabilities

DRAFT

TRUSTEE EDUCATION POLICY

INTRODUCTION

- 1) This policy is intended to comply with §31522.8 of the County Employees Retirement Law of 1937 (the Act) and addresses certain educational requirements contained in said statute. In addition, this policy sets out further policy guidelines established by the Board concerning the education of KCERA trustees.
- 2) Trustees are required by statute to undergo a minimum of 24 hours of trustee education within the first two years of assuming office and for every subsequent two-year period the trustee continues to hold membership on the Board. (§31522.8).
 - a) Mandated Training Topics:
 - i) Ethics Training – Government Code §§ 53234, 53235 and 53235.1 require that trustees receive two hours of ethics training no later than one year after your first day of service as a trustee, and once every two years, thereafter.
 - ii) Sexual Harassment Prevention Training - Government Code § 53237 et seq., requires trustees of the Board of Retirement receive two hours of sexual harassment prevention training and education within six (6) months of assumption of their position and every two years thereafter.
 - iii) New Trustee Orientation – See Orientation Program section
 - b) Additional Training Topics – Fiduciary responsibilities:
 - i) Investments and investment program management
 - ii) Actuarial matters
 - iii) Benefits administration
 - iv) Disability evaluations
 - v) Due Process considerations
 - vi) Pension fund governance

DEFINITIONS

- 3) “External Education Programs” shall refer to education sessions sponsored by third parties and may include conferences, workshops, seminars, courses, and other

similar events that take place in a physical location such as a hotel, conference center, or academic institution.

DETERMINING QUALIFYING EDUCATION

- 4) By statute, education seminars sponsored by the state or national public pension fund organizations, and seminars sponsored by accredited academic institutions shall be deemed to meet trustee education requirements.
- 5) External Education Programs sponsored by entities other than the state or national public fund organizations or accredited academic institutions may also be deemed by the Board to meet the statutory trustee education requirements.
- 6) Other types of educational activities the Board may determine meet the statutory trustee education requirements include but are not limited to:
 - a) In-house continuing education sessions delivered by KCERA management, staff, advisors, or other external experts.
 - b) In-house new trustee orientation sessions delivered by KCERA management, staff, advisors, or other external experts.
 - c) On-line or computer-based education programs, such as webinars.
 - d) Academic or self-study programs based on academic or professional reading materials, journals, books, textbooks, etc.
 - e) Credits earned from educational activities required to maintain a trustee's related professional designation.
- 7) Any educational activity undertaken by a trustee that requires the expenditure of KCERA funds shall require Board approval. Any activity so approved shall be deemed to meet trustee education requirements. The Chief Executive Officer shall include supporting documentation indicating number of qualifying hours associated with the activity in the Board agenda materials.
- 8) With respect to in-house education, and any education activities undertaken by trustees that do not require expenditure of KCERA funds (e.g. free External Education Programs, and certain self-study programs and on-line education programs), the Chair and Chief Executive Officer shall together determine if such education may count towards meeting a trustee's education requirements as well as the number of hours that may be credited.

- 9) The Board and Management shall continually seek to identify appropriate External Education Programs. Programs recommended for trustees' consideration include:
 - a) The semi-annual Conference of the State Association of County Retirement Systems (SACRS);
 - b) Public Pension Investment Management Program, offered by SACRS;
 - c) The General Assembly and Trustee Roundtables of California Association of Public Retirement Systems (CALAPRS);
 - d) CALAPRS "Principles of Pension Governance for Trustees"; and
 - e) CALAPRS "Advanced Principles of Pension Governance for Trustees".
- 10) Management shall inform the Board of appropriate on-line education and other External Education Programs for trustees' consideration.
- 11) Trustees are especially encouraged to attend appropriate on-line education programs, such as webinars, as the Board believes such programs may represent an effective and low-cost means of obtaining education.
- 12) In approving trustee attendance at External Education Programs, the Board shall give preference to events that are within close proximity to Kern County, and that are sponsored by academic institutions or pension industry associations (such as SACRS, CALAPRS and the National Conference on Public Employee Retirement Systems) as distinct from programs sponsored by for-profit entities.
- 13) Trustees may request Board approval to attend External Education Programs not identified by Management. When doing so, trustees shall provide supporting background information about such Programs.
- 14) In addition to, and consistent with, the statutory requirements set out in paragraph 2 above, Trustees shall endeavor to attend:
 - a) At least one External Education Program annually.
 - b) One intensive, multi-day External Education Program of an academic nature and classroom-format every two years.
 - c) All dedicated annual in-house planning and educational initiatives organized by Management with input from the Board, as well as any additional in-house educational briefings or presentations.

ORIENTATION PROGRAMS

15) New Trustee Orientation

- a) The Chief Executive Officer shall develop a formal orientation program for new trustees, the aim of which shall be to ensure that new trustees are in a position to contribute fully to board and committee deliberations and effectively carry out their fiduciary duties as soon as possible upon joining the Board. If more than one new trustee requires orientation, the orientation sessions may take place in a group setting rather than one-on-one. Existing trustees may also attend orientation sessions for education credit. Orientation may take place in either a single session or multiple sessions.
- b) Prior to their first meeting of the Board, new trustees shall endeavor to attend a meeting of the Board or a standing committee as an observer.
- c) As part of the orientation, new trustees shall, within 45 days following their election or appointment to the Board:
 - i) Be assigned a trustee mentor by the Chair;
 - ii) Be briefed on the contents of the KCERA Trustee resources by Chief Executive Officer;
 - iii) Be introduced to all members of Management;
 - iv) Be provided a tour of the KCERA offices by Management;
 - v) Be informed by the Chair and/or the Chief Executive Officer about upcoming Board matters;
 - vi) Receive education on topics listed in Appendix A by the Chief Legal Officer;
 - vii) Receive education related to investment matters by the Chief Investment Officer; and
 - viii) Receive other relevant information and documentation from Management or the Chair.
- d) Within six months of joining the Board, the Chief Executive Officer shall hold a follow-up discussion with each new trustee to address any questions regarding their position and duties. Additionally, new trustees shall also meet separately with the Chief Operations Officer and all Division Management regarding the functional areas within KCERA.
- e) During the course of their first year on the Board, new trustees shall endeavor to attend the CALAPRS Principles of Pension Management for Trustees program.

16) Trustee Resources

New Trustees shall be provided with access to the following resources:

- a) Board Governance – Charters & Policies
- b) Education Sessions
- c) General KCERA/Board Information
- d) KCERA Operational Policies & Procedures
- e) Legal
 - i) Brown Act
 - ii) CERL
 - iii) IRS Model Tax Regulations
 - iv) KCERA's BOR CERL Regulations
 - v) Annual CLO Memos; and
- f) Trustee Education Reports & Calendar

17) Chair and Vice-Chair Orientation

Newly appointed chairs and vice-chairs of the Board, committees, and ad hoc committees (if any) shall receive training on issues related to their roles and responsibilities.

Reporting and Disclosure

18) All trustees attending an External Education Program shall complete and submit to the Chief Executive Officer an estimate of Trustee education hours earned. Similarly, trustees seeking credit towards the statutory education requirement by attending an on-line education program, such as webinars, shall also submit estimate of Trustee education hours earned.

19) Management shall maintain a record of trustee compliance with this policy and shall file a semi-annual report with the Board regarding such compliance.

20) Consistent with §31522.8 of the Act, this policy and an annual report on trustee compliance shall be placed on the KCERA website.

POLICY REVIEW AND HISTORY

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

22) The policy was:

- a) Adopted by the Board on September 27, 2000;
- b) Amended on June 23, 2004; July 13, 2005; September 26, 2007; June 15, 2011; December 12, 2012; April 10, 2013; April 13, 2016; February 10, 2021; August 11, 2021; April 13, 2022; and August 9, 2023.

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PROPOSED



Member Wellness Audits

Presented by:

Matthew Henry, CFE – Chief Operations Officer

Angela Kruger – Chief Financial Officer

Jennifer Zahry – Chief Legal Officer

August 9, 2023

Member Wellness Audits

Additional Procedures to Continue being Good Stewards of Members' Retirement Funds



What are we addressing?

The risk of paying out member benefits past the allowable period. Example – after a member or beneficiary has passed. If KCERA is not notified of a member's passing, payments will continue, and collection of those overpayments can be difficult.



Who would be affected?

Higher risk members in categories such as geography or age. The geography challenge has to do with information sharing from other state agencies. Caregivers looking after aging members may not know to contact KCERA after passing of member.



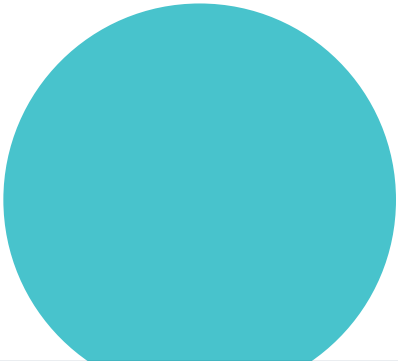
How?

Depending on the category the member is in, KCERA would send correspondence to the member requesting confirmation they are receiving their benefit payments.

Member Wellness Audits

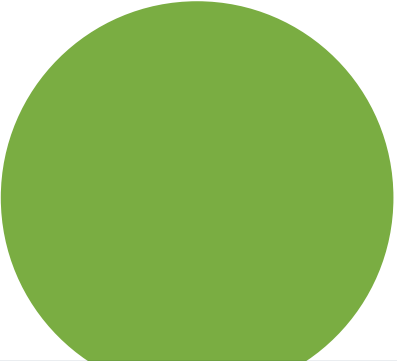
What Are Other Systems Doing?

These audits are being conducted by pension organizations around the nation. They select certain portions of the retiree population and conduct specific procedures for verification of life/wellness. These are some examples of KCERA populations that would fall under similar criteria.



Member Groups

- ✓ Members/beneficiaries living abroad
- ✓ Members over certain ages
- ✓ Members that have been receiving benefits greater than actuarial estimates



Monthly Funds at Risk

\$ 46,152
\$690,382
\$151,900

What are KCERA's current practices?

01



External Resources

02



Internal Resources

External Resources

- Federal
 - Prior to 2011 the Social Security Administration (SSA) shared their death data with others
 - SSA has limited the death data they share with states
- State/Local
 - States have limited death data they share with the federal government
- Contractors (main resource)
 - Can get limited amounts of data from federal, state, and local agencies





Internal Resources

- Staff
 - Search local newspapers
 - Search social media
 - Conduct wellness audits

Wellness Audit Risks



Mitigating risk with wellness audits:

- Benefits paid to deceased person
- Collection of overpayments from deceased member's family
- Benefits are paid to unauthorized persons
- Unauthorized changes to member account
- Identity theft
- Locating beneficiaries



Areas of Risk

Risk by Category



Geographic

Retirees/Beneficiaries

- ✓ 13 residing outside of the US
- ✓ 1,868 residing outside of CA
- ✓ 1,682 residing in CA
- ✓ 5,560 residing in Kern County



Population

Retirees/Beneficiaries

- ✓ 258 over the age of 90
- ✓ 8 over the age of 100
- ✓ 80 in pay over 40 years



Monthly Benefits

- ✓ Over 90 - \$680,000
- ✓ Foreign residents - \$46,000
- ✓ Outside of California - \$6,790,000
- ✓ In pay over 40 years - \$152,000

Geographic Risk

- ❖ KCERA has more than 1,800 members or beneficiaries currently receiving benefits outside of California and the US. The risk to KCERA is we are not notified in a timely manner when a member has passed away and payments continue.

Age Risk

- ❖ KCERA has 258 members or beneficiaries in an age group where caregivers or family members may not know to notify KCERA of a payee passing away. KCERA staff will need to update the payment information for a beneficiary or may need to stop the payment for those without a beneficiary.

Other methods used to address Risk

- ❑ KCERA Power of Attorney
- ❑ Family Reporting Deaths
- ❑ Banking Changes

Power of Attorney

- Review Process –
 - KCERA-specific Power of Attorney
 - Personal Power of Attorney
- Mitigation of Wellness Risks
 - Known point of contact
 - Awareness of benefit
 - Legal ability to direct benefit
- Issues that remain
 - Utilization
 - Maintenance – ex. age of appointed agent
 - No ability to act after death of member



Questions?



Chief Executive Officer's Report

Presented by: Dominic D. Brown, CPA, CFE

August 2023



Office Update

- Response to Referral:
 - KPI
 - Compensation Policy & Study
 - Investment Delegation
- Staffing
 - Recruitments: Deputy/Senior Deputy Chief Legal Officer, Member Services Specialist
 - Kern County Salary Adjustments
- Member Outreach: New Employee Orientation, Kern County Career Expo



Office Update (cont'd)

- Solar Update
- Death Audit Project
- “Wellness Audit” Letters
 - PBI Data Breach (MOVEit)
- Disability Update
- Internet Service Provider Update



Operations Activity

- Member Services
 - 27 new retirements and calculations
 - 51 death benefit calculations
 - 62 service-credit purchase calculations
 - 87 retirement estimates
 - 99 new active members
 - 88 terminations with disposition packets
 - 17 in-person appointments
 - 140 walk-ins
 - 651 phone calls
 - 189 emails
- Accounting & Reporting
 - Service Purchases – 90 days
 - Exceptions & Warnings in CPAS
- Information Technology
 - Retro Split Project
 - 2-Factor Authentication for Portal



Upcoming Events

- Finance Committee – No meetings currently scheduled
- Administrative Committee – Meeting targeted for late August to discuss Compensation Policy
- Investment Committee – Meeting targeted for early September to discuss various topics
- Board of Retirement – Next regular monthly meeting will be September 13, 2023





CIO REPORT

INVESTMENT
PROGRAM
UPDATE

August 2023

Presented by:

Daryn Miller, CFA

Chief Investment Officer

KERN COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

Rebalancing

JUNE & JULY ACTIVITY

- None

Reporting period covers 06/01/2023 to 07/31/2023

Asset Class	Actual	Policy Target	Adj. Policy Target	Diff. Act. vs. Adj. Pol.
Public Equities	33.1%	37.0%	38.8%	-5.6%
Fixed Income	24.8%	24.0%	26.9%	-2.1%
Core	16.0%	14.0%	16.9%	-1.0%
Credit	4.8%	6.0%	6.0%	-1.2%
Emerging Market Debt	4.0%	4.0%	4.0%	0.0%
Commodities	4.5%	4.0%	4.0%	0.5%
Hedge Funds	10.0%	10.0%	10.0%	0.0%
Alpha Pool	4.1%	5.0%	5.0%	-0.9%
Midstream Energy	5.9%	5.0%	5.0%	0.9%
Core Real Estate	5.6%	5.0%	5.0%	0.6%
Private Real Estate	2.4%	5.0%	2.4%	0.0%
Private Equity	3.3%	5.0%	3.3%	0.0%
Private Credit	4.6%	5.0%	4.6%	0.0%
Opportunistic	3.1%	0.0%	0.0%	3.1%
Cash	-1.5%	-5.0%	-5.0%	3.6%
Total	100.0%	100.0%	100.0%	0.0%

Positioning

ACTUAL VS POLICY TARGET

Key underweight position is **Public Equity**

Public Equity: underweight vs. policy target and adjusted policy target. Underweight is primarily in domestic large cap.

Core Fixed Income: overweight vs. policy target and underweight vs. adjusted policy target.

Core Real Estate: staff is working to reduce overweight; however, the funds have redemption queues and are limiting redemptions.

Private Equity and Private Real Estate: underweights continue to be reallocated to other asset classes where we see better return opportunity than **Public Equity**, including **Midstream**, and **Opportunistic**.

Private Markets: exposure at ~10%; the allocation should reach 15% target around 2026.

**Adjusted Policy Target: see example in the Appendix*



Updates

- Staff continues to evaluate Japan Equities manager and look to bring a recommendation to the Investment Committee's next meeting in September.
- Venn risk analytics system update
 - Contracting was completed on June 30th 2023
 - Staff is working with the Plan's General Consultant, Verus, in gathering data to load into the Venn's total portfolio risk analytics—process should take a few more weeks
 - As of today, staff has used the Venn risk analytics tool in the Japan equity search—staff was able to load return data for a series of different strategies and analyze returns through a number of different lenses. Staff will include some of this analysis in the September recommendation memo



Key Initiatives

Enhancing return while managing risk

- Asset Liability Study
- Fixed Income portfolio review
- Investment Policy Statement review
- Multi-asset research / tactical asset allocation
- Opportunistic investments
- Private Markets
- Japan equity research
- Risk Analytics tool

Investment Committee Meetings

Next meeting September —date TBD

The next IC meeting agenda will include the following items:

- IPS review
- Japan equities recommendation

The last IC meeting was held on August 8th



Appendix

Policy and Adjusted Policy Target Methodology

Asset Class	Actual	Policy Target	Diff. Act. Vs. Pol.	Adj. Target
Public Equities	30.5%	37.0%		38.9%
Fixed Income	23.3%	24.0%		26.3%
Core	13.8%	14.0%		16.8%
Credit	5.7%	6.0%		5.7%
Emerging Market Debt	3.8%	4.0%		3.8%
Commodities	4.7%	4.0%		4.7%
Hedge Funds	10.4%	10.0%		10.4%
Alpha Pool	5.2%	5.0%		5.2%
Midstream Energy	6.7%	5.0%		6.7%
Core Real Estate	7.2%	5.0%		7.2%
Private Real Estate	2.1%	5.0%	-2.9%	5.0%
Private Equity	3.1%	5.0%	-1.9%	5.0%
Private Credit	5.1%	5.0%	0.1%	5.0%
Opportunistic	3.2%	0.0%		3.2%
Cash	-1.5%	-5.0%		-1.5%

Public Equity Adjusted Target

The 1.9% underweight from Private Equity is reallocated to Public Equity

Policy Target of 37% + 1.9% = 38.9%, which is the Adjusted Policy Target

Core Fixed Income Adjusted Target

The 2.8% combined underweight from Private Credit and Real Estate are reallocated to Core Fixed Income

Policy Target of 14% + 2.8% = 16.8%, the Adjusted Policy Target



CLO Report August 2023

Jennifer Esquivel Zahry, Chief Legal Officer

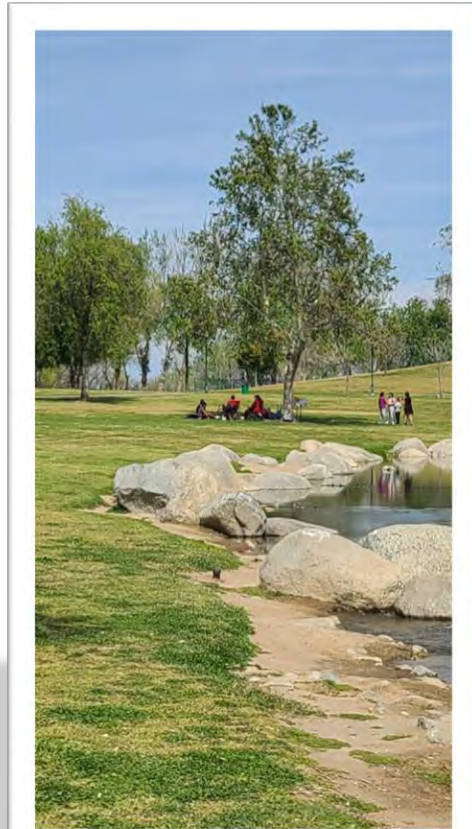
Maggie Peralta-Lee, Senior Paralegal

Irma Chavez, Senior Legal Secretary

Legislative Calendar

- **July 14th** – Legislature Adjourns for recess. Bills must pass out of 2d house before recess.
- **August 14th** – Last Day of Legislature's Recess.
- **September 1st** – Fiscal Deadline - Bills Must Pass out of Senate Appropriations Committee of 2d House
- **September 14th** – Deadline for to Pass any Bills off the floor of the 2d House and obtain concurrence from House of Origin.
- Legislature Adjourns until 1/3/24
- **October 14th** – Governor's last day to sign the bills on his desk.

Legislative Updates



- Disability Retirement Presumptions
 - AB 1020
- Remote Meeting Bills
 - AB 557
 - SB 537
- CERL clean up
 - SB 885



August Calendar

	Pending CLO Review
Operational Contracts	4
Investment/ Custodial Documents	6
Disability Matters	13
Community Property Matters	6
Staff Inquiries	17
Member Inquiries	2
Board/Committee Meetings/Staff Meetings/ Conferences	16
Post-Retirement Employment	2
Probate Matters	3
Special Projects	3



Q2 2023 Metrics

	Completed
Operational Contracts	7
Investment/ Custodial Documents	25
Board Documents	39
Disability Matters	11
Community Property Matters	93
Legal Correspondence	140
Administrative Appeals	2
Board/Committee Meetings/Staff Meetings/ Conferences	68
Post-Retirement Employment	12
Probate Matters	24
Public Records Act Requests	13
Subpoenas	4
Trainings Board Members/ Staff	3



July 7, 2023

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – July 2023**

General Update

We are now over halfway done with the first year of a two-year session. The Legislature is in the midst of the second policy committee deadline, where bills must pass out of policy committee in the second house by July 14. At that point, the Legislature will adjourn for summer recess until August 14.

On June 30, Assemblymember Robert Rivas from Hollister was sworn in as Speaker. He also announced his new leadership team, which includes Assemblymember Aguiar-Curry as Speaker Pro Tempore and Assemblymember Isaac Bryan as Majority Leader. A few committee Chairmanships were moved around given these three Assemblymembers taking on new roles, but it is not anticipated that there will be a large-scale shake-up of Chairmanships this year despite the leadership transition.

Budget Update. The Legislature and Governor reached a final budget agreement in late June, after a series of negotiations that were drawn out over disagreement on the Governor's proposed infrastructure package. The most contentious item was the inclusion of expediting the Delta Tunnels project, which was ultimately removed in the final agreement.

The Legislature passed a series of budget bills and budget trailer bills by the end of June, most of which are pending a signature on the Governor's desk.

Legislation of Interest

SB 885 (Committee on Labor, Public Employment and Retirement). This is the annual committee omnibus bill that contains various cleanup provisions for CalSTRS, CalPERS and CERL systems. The amendments to the CERL make non-substantive, technical changes as well as conform provisions on Required Minimum Distributions to federal law under the SECURE ACT 2.0 by referencing the federal law instead of a specific age.

The bill passed out of the Assembly Public Employment and Retirement Committee, the Assembly Appropriations Committee and off the Assembly Floor. The bill is now back in the Senate for a final concurrence vote.

AB 1020 (Grayson) – CERL Disability Presumptions. This bill would establish several new disability retirement presumptions for various injuries and illnesses in the CERL, similar to provisions that exist in the Labor Code. The bill is sponsored by the California Professional Firefighters. The author and sponsor agreed to technical clarifications proposed by SACRS that were amended into the bill in June. CSAC is opposed to the bill but does not appear to be strongly lobbying against the bill.

The bill passed out of the Senate Public Employment and Retirement Committee and is pending a vote on the Senate Floor.

AB 1637 (Irwin) - Local Government Websites and Email Addresses. This bill requires cities and counties to use a ".gov" or ".ca.gov" domain for websites and email addresses. The bill was recently amended out of the Assembly Appropriations Committee to narrow the bill to cities and counties as well as push out the implementation dates. The previous version of the bill would have applied to all local agencies.

The bill was amended again in late June to push out the implementation date until 2029 after passing out of the Senate Governance and Finance Committee. It is now pending a hearing in the Senate Appropriations Committee.

SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment. Senator Gonzalez reintroduced SB 1173 from the last legislative session. Like last year, this bill applies to CalPERS and CalSTRS and prohibits the retirement systems from renewing or making new investments in fossil fuel companies as well as requiring them to liquidate existing investments by July 1, 2030, among other requirements. The bill was introduced as part of a package of climate legislation.

The bill was made a two-year bill, but the author has committed to continuing to work on the issue in the future.

SB 660 (Alvarado-Gil) - CA Public Retirement System Agency Cost and Liability Panel. This bill would establish the CA Public Retirement System Agency Cost and Liability Panel that would be tasked to determine how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same retirement system or concurrently retires with two or more systems that have entered into a reciprocity agreement. The panel would include a member from the State Association of County Retirement Systems (SACRS).

This bill was held in the Senate Appropriations Committee so it will not move further.

Public Meeting Bills

AB 557 (Hart) - Brown Act Emergency Teleconferencing Sunset Extension. This bill would remove the sunset in current law to allow teleconferencing during certain emergencies as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days.

This bill passed out of two policy committees in the Senate with clarifying amendments and is now on the Senate Floor.

SB 537 (Becker) - Teleconference Flexibilities. This bill would allow expanded teleconference flexibilities for multijurisdictional, cross county legislative bodies if certain requirements are met, along with adding to the list of circumstances where a member is permitted to participate remotely.

This bill passed out of the Senate Governance and Finance Committee in April after being narrowed considerably, including allowing remote participation only if the meeting location is more than 40 miles one way from the member's home, among other requirements that limit the flexibilities in the bill. The new amendments make the bill less useful for many local government entities who previously supported the bill.

We have met with the author's staff and requested amendments to clarify that local retirement systems are covered by the bill, but because the bill was eventually narrowed in scope, it is unlikely the author will accept our language.

The bill is pending a hearing in the Assembly Local Government Committee. This Committee now has a new chair - Assemblymember Juan Carrillo – because Assemblymember Aguiar-Curry became the Speaker Pro Tempore. It remains to be seen how the new Chair views proposed flexibility to the Brown Act. Assemblymember Aguiar-Curry was not open to adding new exemptions or flexibility to the Brown Act.



August 1, 2023

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – August 2023**

General Update

We are approaching the closing weeks of the first year of a two-year session. The Legislature recently wrapped up with the second policy committee deadline in which bills were required to pass out of policy committees in the second house by July 14. The Legislature is now adjourned for summer recess until August 14.

When they return, the Legislature must meet the fiscal committee deadline on September 1, where all fiscal bills must pass out of the Appropriations Committee in the second house in order to keep moving. After that, the Legislature will have two weeks to pass the remaining bills off the floor in the second house and in many cases, the floor of the house of origin for concurrence, before session adjourns on September 14.

After Session adjourns on September 14, the Governor will have until October 14 to sign the bills on his desk. The Legislature will remain on recess until Session reconvenes on January 3.

Legislation of Interest

SB 885 (Committee on Labor, Public Employment and Retirement). This is the annual committee omnibus bill that contains various cleanup provisions for CalSTRS, CalPERS and CERL systems. The amendments to the CERL make non-substantive, technical changes as well as conform provisions on Required Minimum Distributions to federal law under the SECURE ACT 2.0 by referencing the federal law instead of a specific age.

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similar to provisions that exist in the Labor Code. The bill is sponsored by the California Professional Firefighters.

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The bill was amended again in late June to push out the implementation date until 2029 after passing out of the Senate Governance and Finance Committee. It is now on the Suspense File in the Senate Appropriations Committee which we anticipate being heard on August 31.

SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment. Senator Gonzalez reintroduced SB 1173 from the last legislative session. Like last year, this bill applies to CalPERS and CalSTRS and prohibits the retirement systems from renewing or making new investments in fossil fuel companies as well as requiring them to liquidate existing investments by July 1, 2030, among other requirements. The bill was introduced as part of a package of climate legislation.

The bill was made a two-year bill, but the author has committed to continuing to work on the issue in the future.

Public Meeting Bills

AB 557 (Hart) - Brown Act Emergency Teleconferencing Sunset Extension. This bill would remove the sunset in current law to allow teleconferencing during certain emergencies as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days.

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SB 537 (Becker) - Teleconference Flexibilities. This bill would allow expanded teleconference flexibilities for multijurisdictional, cross county legislative bodies if certain requirements are met, along with adding to the list of circumstances where a member is permitted to participate remotely.

This bill passed out of the Senate Governance and Finance Committee in April after being narrowed considerably, including allowing remote participation only if the meeting location is more than 40 miles one way from the member's home, among other requirements that limit the flexibilities in the bill. These amendments made the bill less useful for many local government entities who previously supported the bill.

We have met with the author's staff and requested amendments to clarify that local retirement systems are covered by the bill, but because the bill was eventually narrowed in scope, it is unlikely the author will accept our language.

This bill passed out of the Assembly Local Government Committee on July 12 with amendments that further narrow the scope of the flexibility in the bill, among other changes. The amendment language is not yet in print, but we will share it with the Legislative Committee when it is available.