

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

April 13, 2022

8:31 a.m.

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

ROLL CALL

Present: Adams, Couch, Franey, Gonzalez, Hughes, Kaufman, Kratt, Matthews, Nunneley, Seibly, Whitezell

Absent: Contreras

SALUTE TO FLAG

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.

TRUSTEE DUSTIN CONTRERAS ARRIVED AT 8:32 A.M.

CONSENT MATTERS

- *1. Findings and new Initial Resolution needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – **ADOPTED FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVED 30-DAY RESOLUTION**

Whitezell-Kratt – 9 Ayes

*2. Summary of proceedings of the following meetings:

- March 9, 2022 Board of Retirement
- March 23, 2022 Administrative Committee
- March 30, 2022 Finance Committee
- March 31, 2022 Investment Committee

RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

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

Whitezell-Kratt – 9 Ayes

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

Whitezell-Kratt – 9 Ayes

*5. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending March 31, 2022 – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

*6. Securities Lending Earnings Summary Report for the period February 1-28, 2022 from Deutsche Bank – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

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

Whitezell-Kratt – 9 Ayes

*8. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS Spring Conference, May 10-13, 2022, in Rancho Mirage, California – APPROVED ATTENDANCE OF TRUSTEES JEANINE ADAMS, PHIL FRANNEY, JORDAN KAUFMAN, RICK KRATT AND CHASE NUNNELEY, CHIEF EXECUTIVE OFFICER DOMINIC BROWN, CHIEF OPERATIONS OFFICER MATTHEW HENRY, CHIEF LEGAL OFFICER JENNIFER ZAHRY, ADMINISTRATIVE SERVICES OFFICER AIMEE MORTON, DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS, RETIREMENT INVESTMENT ANALYST JACK BOWMAN AND SENIOR LEGAL SECRETARY IRMA CHAVEZ

Whitezell-Kratt – 9 Ayes

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

Whitezell-Kratt – 9 Ayes

- *10. Non-substantive changes to KCERA Board Policies and Charters – APPROVED PROPOSED CHANGES

Whitezell-Kratt – 9 Ayes

PUBLIC COMMENTS

11. 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

ADMINISTRATIVE MATTERS

12. Presentation regarding *Alameda* Decision Phase 4 presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – ROB GAUSS, ICE MILLER, LLC, HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

HEARD PRESENTATION

13. Presentation regarding issues identified related to implementation of PEPRAs employee contribution rates presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – AUDRA FERGUSON-ALLEN AND ROBERT GAUSS, ICE MILLER LLC, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES JEANINE ADAMS, RICK KRATT AND TRACO MATTHEWS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: PAUL ADAMS HEARD; ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD; GABRIEL GARCIA HEARD; KATHY PRESS HEARD

HEARD PRESENTATION

14. Discussion and appropriate action regarding options related to *Alameda* Decision Phase 4 presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – AUDRA FERGUSON-ALLEN AND ROBERT GAUSS, ICE MILLER LLC, HEARD; MOLLY CALCAGNO, SEGAL, HEARD; CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES JEANINE ADAMS, DAVID COUCH, PHIL FRANNEY, JORDAN KAUFMAN, RICK KRATT, TRACO MATTHEWS AND CHASE NUNNELEY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE JOSEPH HUGHES LEFT AT 9:37 A.M.

TRUSTEE PHIL FRANNEY LEFT AT 10:27 A.M.

PUBLIC COMMENT: ERNIE CANDELARIA HEARD; ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD; LYNN BERMAN HEARD; CHRIS ANGELO HEARD; ELLIS BALDWIN HEARD

SELECTED OPTION 1 AND DIRECTED STAFF TO IMPLEMENT ACCORDINGLY

Kratt-Adams – 6 Ayes; 1 No (Whitezell); 1 Absent (Couch)

Trustee Robb Seibly voted in place of Trustee Phil Franney

TRUSTEE JEANINE ADAMS DISCLOSED A DISQUALIFYING FINANCIAL INTEREST IN ITEM #15 AND RECUSED HERSELF FROM THE MEETING AT 10:44 A.M.

TRUSTEE JUAN GONZALEZ DISCLOSED A DISQUALIFYING FINANCIAL INTEREST IN ITEM #15 AND RECUSED HIMSELF FROM THE MEETING AT 10:46 A.M.

DUE TO THE ABSENCE OF CHAIR JUAN GONZALEZ, VICE-CHAIR TYLER WHITEZELL TOOK OVER AS CHAIR FOR AGENDA ITEM #15 (*Vice-Chair Charter 2*)

15. Discussion and appropriate action regarding options related to PEPPRA Implementation presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – ROBERT GAUSS, ICE MILLER LLC, HEARD; TRUSTEE KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

SELECTED OPTION A AND DIRECTED STAFF TO IMPLEMENT ACCORDINGLY

Kratt-Contreras – 5 Ayes; 1 No (Whitezell); 1 Absent (Couch)

Trustee Dustin Contreras voted in place of Trustee Juan Gonzalez

Trustee Robb Seibly voted in place of Trustee Phil Franney

TRUSTEE JEANINE ADAMS RETURNED TO THE MEETING AT 11:14 A.M.

TRUSTEE JUAN GONZALEZ RETURNED TO THE MEETING AT 11:14 A.M. AND RESUMED AS CHAIR FOR THE DURATION OF THE MEETING

INVESTMENT MATTERS

16. Discussion and appropriate action on the Capital Efficiency Program and annual Strategic Asset Allocation review presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – SCOTT WHALEN, VERUS, HEARD; TRUSTEES JORDAN KAUFMAN AND TRACO MATTHEWS HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED CAPITAL EFFICIENCY PROGRAM CHANGES; APPROVED BENCHMARK CHANGES; AND APPROVED STRATEGIC ASSET ALLOCATION TARGET AND POLICY RANGES

Whitezell-Matthews – 6 Ayes; 2 Absent (Couch, Seibly)

ADMINISTRATIVE MATTERS (continued)

17. Discussion and review of the 2022-2023 Chief Executive Officer Performance Evaluation Criteria presented by Chief Executive Officer Dominic Brown and the Administrative Committee – TRUSTEE JEANINE ADAMS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED THE CHIEF EXECUTIVE OFFICER PERFORMANCE EVALUATION CRITERIA FOR EVALUATION PERIOD OF 2022-2023

Matthews-Kaufman – 6 Ayes; 2 Absent (Couch, Seibly)

18. Discussion and appropriate action on KCERA's voting delegation for the State Association of County Retirement Systems (SACRS) Spring 2022 Conference, presented by Chief Executive Officer Dominic Brown – TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPOINTED TRUSTEE PHIL FRANNEY AS THE VOTING DELEGATE AND CHIEF EXECUTIVE OFFICER DOMINIC BROWN AS ALTERNATE VOTING DELEGATE

Kratt-Adams – 6 Ayes; 2 Absent (Couch, Seibly)

Trustee Robb Seibly voted in place of Trustee Phil Franey

19. Recommended slate of candidates for the State Association of County Retirement Systems (SACRS) Board of Director Elections 2022-2023 – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

DIRECTED VOTING DELEGATE TO VOTE FOR SLATE OF CANDIDATES AS RECOMMENDED BY THE SACRS NOMINATING COMMITTEE

Whitezell-Kratt – 6 Ayes; 2 Absent (Couch, Seibly)

STAFF REPORTS

20. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

TRUSTEE JORDAN KAUFMAN HEARD

21. Report from Chief Investment Officer

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

- MARCH REBALANCING ACTIVITY
- PORTFOLIO POSITIONING AND MARKET UPDATE
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETING

22. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- UPDATE ON EXECUTIVE ORDER N-04-22
- SCOTUS UPDATE: HOUSTON COMMUNITY COLLEGE SYSTEM V. WILSON
- BOARD POLICIES UPDATED WITH NON-SUBSTANTIVE CHANGES
- TRUSTEE EDUCATION AND TRUSTEE TRAVEL POLICY
- SECURE 2.0 UPDATE
- APRIL CALENDAR

COMMITTEE REPORTS

23. Report from Committee Chairs:
- a. Administrative Committee: HUGHES – NONE
 - b. Finance Committee: FRANNEY – NONE
 - c. Investment Committee: KAUFMAN – NEXT MEETING WILL BE LATER IN APRIL
 - d. KCERA Property, Inc.: SEIBLY – NONE

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

RECESS UNTIL 1:30 P.M.

BOARD OF RETIREMENT RECONVENED IN EXECUTIVE SESSION AT 1:35 P.M.

EXECUTIVE SESSION

24. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:
- Jay Winn District Attorney Safety
25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (pursuant to Government Code §54956.9)
- Determination of whether to initiate litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9. (Number of potential cases: one).
26. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title: Chief Executive Officer

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 3:52 P.M.

ROLL CALL

- Present: Adams, Contreras, Couch, Gonzalez, Kaufman, Matthews, Nunneley, Seibly, Whitezell
- Absent: Franey, Hughes, Kratt

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 24 – APPROVED AND ADOPTED PROPOSED FINDINGS AND SUPPLEMENTAL FINDINGS AND RECOMMENDATION OF THE HEARING OFFICER

Kaufman-Whitezell – 8 Ayes*

Trustee Robb Seibly voted in place of Trustee Phil Franey

**Vote was read out as 9 ayes. Upon review, Trustee Dustin Contreras called on and voted during closed session but should not have, as all other eligible voting members were present. Vote is amended to 8-0 (8 ayes) to properly reflect eligible votes.*

ITEM 25 – NO REPORTABLE ACTION

ITEM 26 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

27. 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 – CHAIR JUAN GONZALEZ HEARD; TRUSTEE DUSTIN CONTRERAS HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

REFERRAL TO STAFF TO RESEARCH AN ISSUE RELATED TO VACATION PAYOUT

NEW BUSINESS

28. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
29. ADJOURNED – 3:58 P.M.



Secretary, Board of Retirement



Chair, Board of Retirement