

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

**11125 River Run Boulevard, Bakersfield, California**

**SUMMARY OF PROCEEDINGS**

**Board of Retirement Meeting  
June 12, 2024**

**8:35 a.m.**

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

**ROLL CALL (IN PERSON)**

Present: Contreras, Couch, Duffey, Franey, Gonzalez, Hughes, Kratt, Seibly, Whitezell

Absent: Kaufman, Nunneley, Sanders

**SALUTE TO FLAG – TRUSTEE HUGHES**

**MOMENT OF SILENCE**

NOTE: The vote is displayed in bold below each item. For example, Sanders-Kaufman denotes Trustee John Sanders 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*Items 1 and 2 withdrawn from agenda.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.*

TRUSTEE DUSTIN CONTRERAS DECLARED A POTENTIAL CONFLICT BASED ON PERSONAL KNOWLEDGE OF AND EXPERIENCE WITH THE APPLICANT IN ITEM 3, RECUSED HIMSELF FROM ITEM 3, AND LEFT THE MEETING AT 8:37 A.M.

ITEM NUMBERS FOR CONSENT AGENDA INADVERTENTLY MISSTATED AS ITEMS 3 THROUGH 17, INSTEAD OF 3 THROUGH 18. CONSENT AGENDA ITEM 18 TAKEN UP AFTER ITEM 20

- \*3. Application for service-connected disability pension benefits for Justin Fleeman, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO DENY, WITH PREJUDICE, SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Whitezell – 7 Ayes**

*Trustee Rick Kratt voted in place of Trustee Dustin Contreras per Cal. Gov. Code section 31520.1*

- \*4. Application for service-connected disability pension benefits for Stephen Kauffman, District Attorney (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Whitezell – 7 Ayes**

- \*5. Application for service-connected disability pension benefits for Mark Rodriguez, Fire (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Whitezell – 7 Ayes**

- \*6. Application for service-connected disability pension benefits for Mark Schmidt, Fire (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Kratt-Whitezell – 7 Ayes**

- \*7. Summary of proceedings of the following meetings:

- April 24, 2024 Administrative Committee
- April 26, 2024 Finance Committee
- April 26, 2024 Special Board of Retirement
- April 26, 2024 Investment Committee
- May 1, 2024 Board of Retirement

RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

- \*8. Report from the KCERA office on members retired from service for the month of May 2024 – RATIFIED

**Kratt-Whitezell – 7 Ayes**

- \*9. Report from the KCERA office on deceased retirees for the month of May 2024 – RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

- \*10. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending May 31, 2024 – RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

- \*11. Securities Lending Earnings Summary Report for the period April 30, 2024 from Deutsche Bank – RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

- \*12. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of April 2024 – RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

- \*13. Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFIED

**Kratt-Whitezell – 7 Ayes**

- \*14. KCERA Schedules of Employer Allocations and Pension Amounts by Employer and related notes including independent auditors' report as of and for the year ended June 30, 2023, and Segal's Governmental Accounting Standards Board (GASB 68) Actuarial Valuation based on June 30, 2023 Measurement Date for Employer Reporting as of June 30, 2024 – RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

- \*15. Recommendation from staff and the Finance Committee for actuarial auditor to perform an actuarial audit of the June 30, 2023 Actuarial Valuation and the July 1, 2019 through June 30, 2023 Actuarial Experience Study – ENGAGED CHEIRON TO PERFORM AN ACTUARIAL AUDIT OF THE JUNE 30, 2023 ACTUARIAL VALUATION AND THE JULY 1, 2019 THROUGH JUNE 30, 2023 ACTUARIAL EXPERIENCE STUDY; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Kratt-Whitezell – 7 Ayes**

- \*16. Agreement for Governance Consulting Services with Aon – RECEIVED AND FILED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Kratt-Whitezell – 7 Ayes**

- \*17. Invitation from NAPPA for Deputy Chief Legal Officer Kristen McDonald to attend the NAPPA Annual Conference, June 24-28, 2024, in Fort Lauderdale, FL – RECEIVED AND FILED

**Kratt-Whitezell – 7 Ayes**

TRUSTEE DUSTIN CONTRERAS RETURNED TO THE MEETING AT 8:39 A.M., FOLLOWING THE CONCLUSION OF CONSENT AGENDA

ITEMS 19 AND 20 HEARD OUT OF ORDER FOR THE REASON STATED ABOVE

**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. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Investment Director, Cambridge Associates<sup>1</sup>, Senior Investment Officer Geoff Nolan, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE TYLER WHITEZELL HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

TRUSTEE JOHN SANDERS ARRIVED AT 8:47 A.M.

APPROVED UP TO \$45MM COMMITMENT TO QUANTUM CAPITAL SOLUTIONS II AND UP TO \$10MM COMMITMENT TO QUANTUM CAPITAL SOLUTIONS II-C; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Kratt-Couch – 8 Ayes**

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<sup>1</sup> 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.

**CONSENT MATTERS (CONTINUED)**

- \*18. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS UC Berkeley Program, July 14-17, 2024, in Berkeley, California – APPROVED ATTENDANCE OF TRUSTEES DEON DUFFEY AND JORDAN KAUFMAN

**Hughes-Kratt – 7 Ayes**

*Trustee John Sanders not called to vote for additional consent item*

**INVESTMENT MATTERS (CONTINUED)**

21. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Managing Director, Cambridge Associates<sup>2</sup>, Senior Investment Officer Geoff Nolan, and the Investment Committee – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE TYLER WHITEZELL HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

APPROVED UP TO \$25MM COMMITMENT TO CASTLELAKE AVIATION V STABLE YIELD; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Couch-Kratt – 8 Ayes**

22. Presentation on the 2H 2023 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 Associates<sup>3</sup>, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Geoff Nolan – KELLY JENSEN, KEIRSTEN LAWTON, AND MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

**Whitezell-Couch – 8 Ayes**

23. Presentation on the 1<sup>st</sup> Quarter Investment Performance Review period ending March 31, 2024 by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS, HEARD; TRUSTEE RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

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<sup>2</sup> 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.

<sup>3</sup> 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.

24. Presentation on the 1<sup>st</sup> Quarter 2024 Portfolio Review presented by Spencer Edge, Albourne America<sup>4</sup> – SPENCER EDGE, ALBOURNE AMERICA, HEARD

RECEIVED AND FILED

**Whitezell-Couch – 8 Ayes**

25. Presentation on equity deep dive presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and Senior Investment Analyst Rafael Jimenez – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR PHIL FRANEY HEARD; TRUSTEES RICK KRATT AND TYLER WHITEZELL HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST RAFAEL JIMENEZ HEARD

HEARD PRESENTATION

### **FINANCE MATTERS**

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

HEARD PRESENTATION

27. Discussion and appropriate action on the proposed fiscal year 2024-2025 KCERA Operating Budget presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, Chief Financial Officer Angela Kruger, and the Finance Committee – CHAIR PHIL FRANEY HEARD; TRUSTEES ROBB SEIBLY AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD; CHIEF FINANCIAL OFFICER ANGELA KRUGER HEARD

APPROVED

**Whitezell-Couch – 8 Ayes**

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<sup>4</sup> 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.

## **ADMINISTRATIVE MATTERS**

28. Managed Medical Review Organization (MMRO) disability retirement application status update presented by Doug Minke, JD, MBA, Vice President Corporate Development & General Counsel, MMRO – DOUG MINKE, JD, MBA, MMRO, HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

HEARD PRESENTATION; RECEIVED AND FILED UPDATE

### **Couch-Kratt – 8 Ayes**

29. Discussion and appropriate action on AB 2248 presented by Chief Legal Officer, Jennifer Zahry – CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES DUSTIN CONTRERAS, JUAN GONZALEZ, RICK KRATT, ROBB SEIBLY, AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

DIRECTED STAFF TO SUBMIT LETTER OF OBJECTION

### **Couch-Sanders – 8 Ayes**

## **STAFF REPORTS**

30. Report from Chief Executive Officer:

CHIEF OPERATIONS OFFICER MATTHEW HENRY REPORTED THE FOLLOWING:

- OFFICE UPDATE
- DISABILITY UPDATE
- 2024-25 EMPLOYEE & EMPLOYER CONTRIBUTION RATES DISTRIBUTED
- UPCOMING STAFF PRESENTATIONS ON MEMBER LIFECYCLE
- OPERATIONS ACTIVITY
- UPCOMING EVENTS

TRUSTEE ROBB SEIBLY HEARD

31. Report from Chief Investment Officer:

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

- REBALANCING – MAY ACTIVITY
- POSITIONING – ACTUAL VS POLICY TARGET
- UPCOMING INVESTMENT COMMITTEE MEETINGS
- TAKEAWAYS FROM RECENT TRAVEL
- PRIVATE EQUITY IMPACTS

CHAIR PHIL FRANNEY HEARD

32. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY AND DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATE
- LITIGATION UPDATE

CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD

**COMMITTEE REPORTS**

33. Report from Committee Chairs:

- a. Administrative Committee: CONTRERAS – NONE
- b. Finance Committee: SANDERS – NONE
- c. Investment Committee: WHITEZELL – MEETING TO BE SCHEDULED

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

**EXECUTIVE SESSION**

34. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Determination of whether to initiate litigation pursuant to paragraph (4) of subdivision (c) and (d) of Section 54956.9. (Number of potential cases: one).

35. CONFERENCE WITH LABOR NEGOTIATORS REGARDING UNREPRESENTED EMPLOYEE (pursuant to Government Code §54957.6(a))

Agency Designated Representatives: Juan Gonzalez and Joseph D. Hughes;  
Unrepresented Employee: Chief Executive Officer



36. 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 1:29 P.M.

**ROLL CALL**

*To establish quorum present upon resuming public session*

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

Absent: Kaufman, Nunneley

**REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE**

ITEM 34 – DIRECTED STAFF TO FILE AMICUS BRIEF

**Couch-Sanders – 8 Ayes**

*(Couch, Duffey, Franey, Gonzalez, Hughes, Kratt, Sanders, Whitezell)*

ITEM 35 – NO REPORTABLE ACTION

ITEM 36 – NO REPORTABLE ACTION

**REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS**

37. 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 PHIL FRANEY HEARD; TRUSTEE ROBB SEIBLY HEARD

**NEW BUSINESS**

38. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – NONE
39. ADJOURNED – 1:33 P.M.

  
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Secretary, Board of Retirement

  
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Chair, Board of Retirement