

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

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

April 14, 2022

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

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

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Administrative Committee will be held on Friday, April 22, 2022 at 8:30 a.m. via teleconference pursuant to California Government Code section 54953, subdivision (e).

How to Participate: Listen to or View the Board Meeting

To listen to the live audio of the Board meeting, please dial one of the following numbers and enter ID# 892-9028-3943:

- (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/89290283943?pwd=a1JpeTZiWkZpN0U4LzJ2RTdsWmwvdz09>
- Passcode: 078167

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

Attachment

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 teleconference 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.

ROLL CALL

1. [KCERA 2022 Board Self-Assessment and Education Needs Assessment Report](#) presented by Chief Executive Officer Dominic Brown and Governance Consultant Julie Becker, Aon – HEAR PRESENTATION; RECOMMEND THE BOARD OF RETIREMENT RECEIVE AND FILE; TAKE OTHER ACTION, AS APPROPRIATE

PUBLIC COMMENTS

2. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation.

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

3. 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.

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)

EXECUTIVE SESSION

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

RETURN TO PUBLIC SESSION

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

5. Adjournment





**Kern County Employees' Retirement Association
2022 Self-Assessment Report
Presentation to Administrative Committee- April 22, 2022**

**Julie Becker, Partner
Fiduciary Services Practice, Aon**

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

- *How to become a better-informed Board Member.*
- *Different ideas from other board members, with all the experience the board brings I am looking forward to new ideas and old ones.*
- *Feedback for how meetings are ran and effectiveness of discussion.*

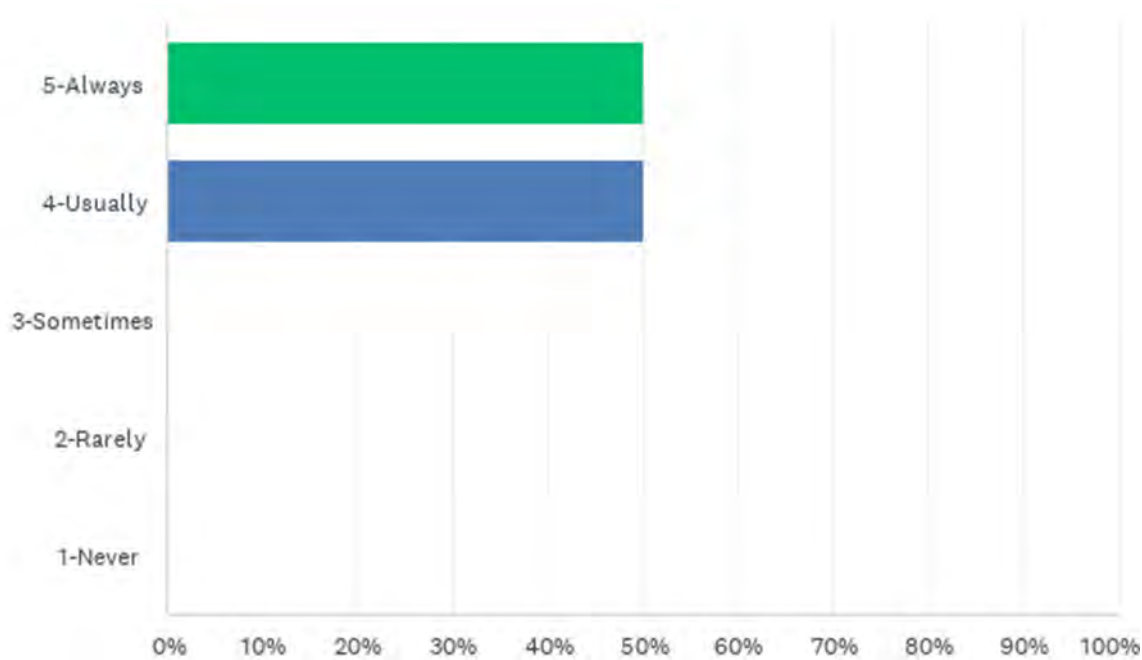
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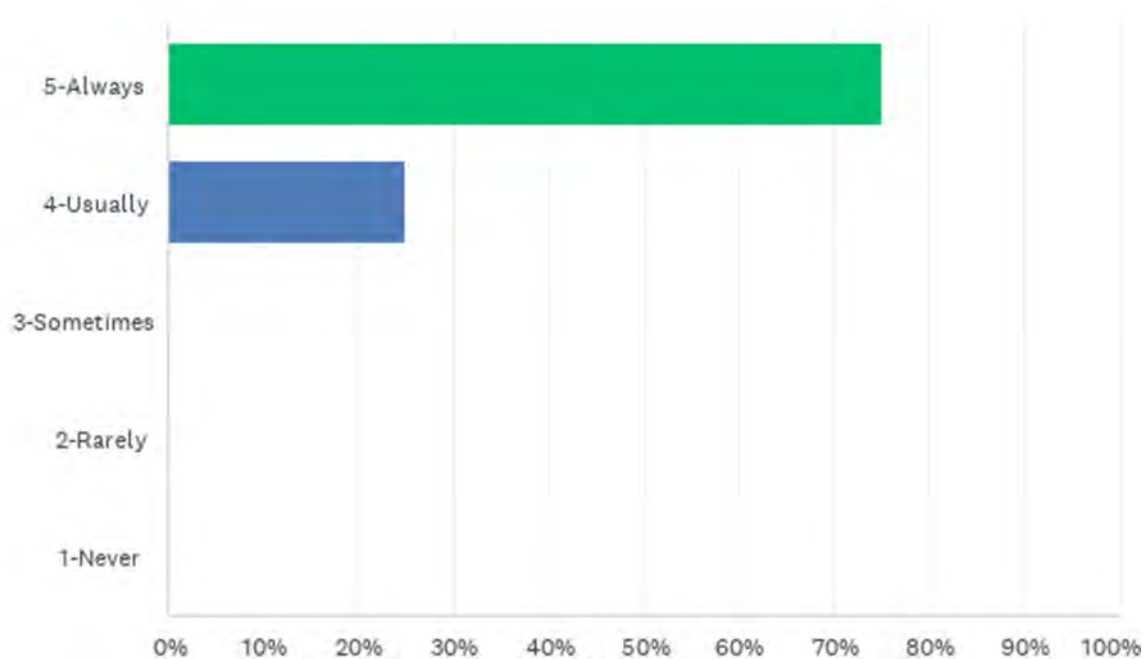
- Section 1: Board Member Individual Self-Assessment Results

Q1: I attend the entire Board and Committee meetings I am expected to attend.



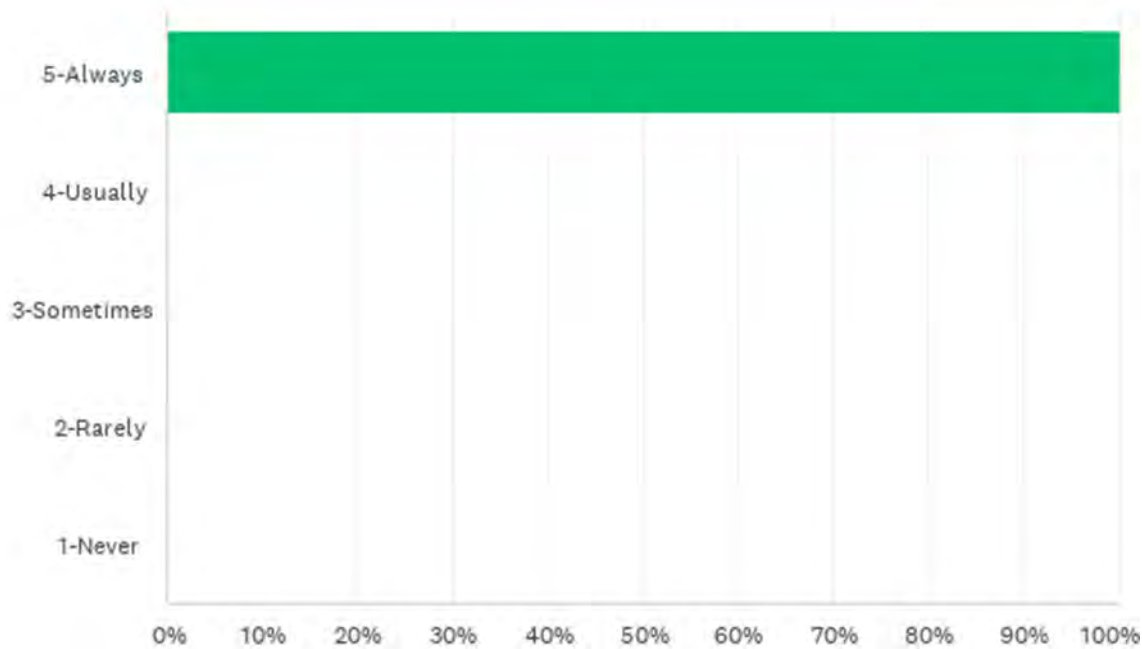
Average rating: 4.5

Q2: I read the materials distributed before meetings, so I can constructively participate and make timely decisions.



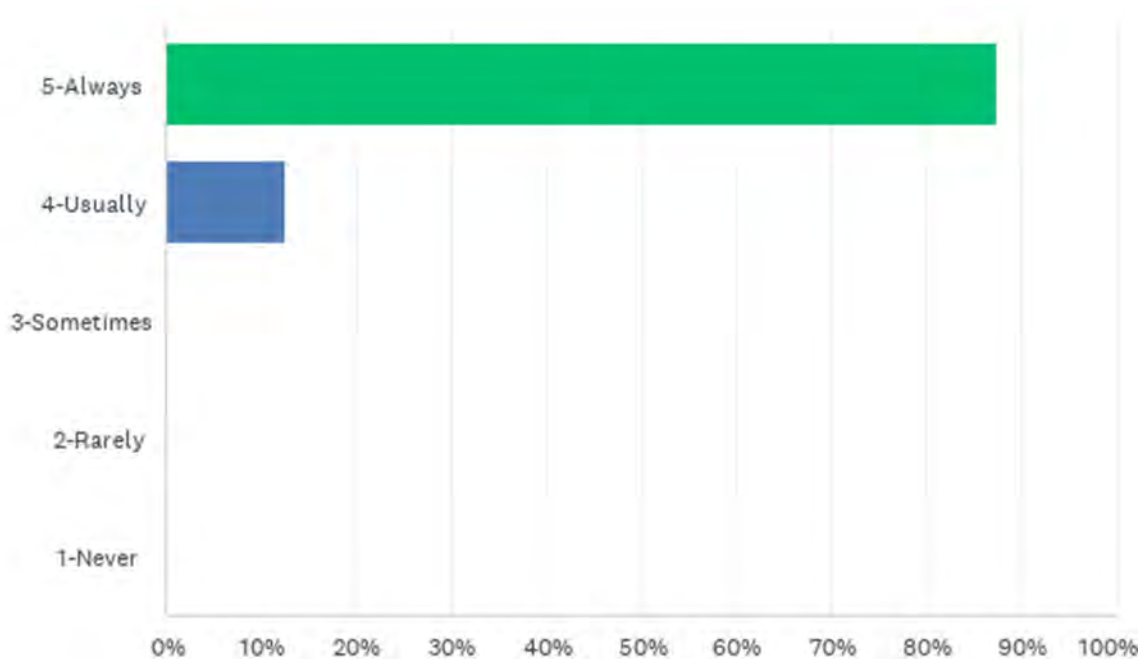
Average rating: 4.8

Q3: My decisions are based on a fair, balanced, and prudent assessment of each situation. I do not let my personal interest or those of a particular constituency conflict with my duty of loyalty to the membership of KCERA.



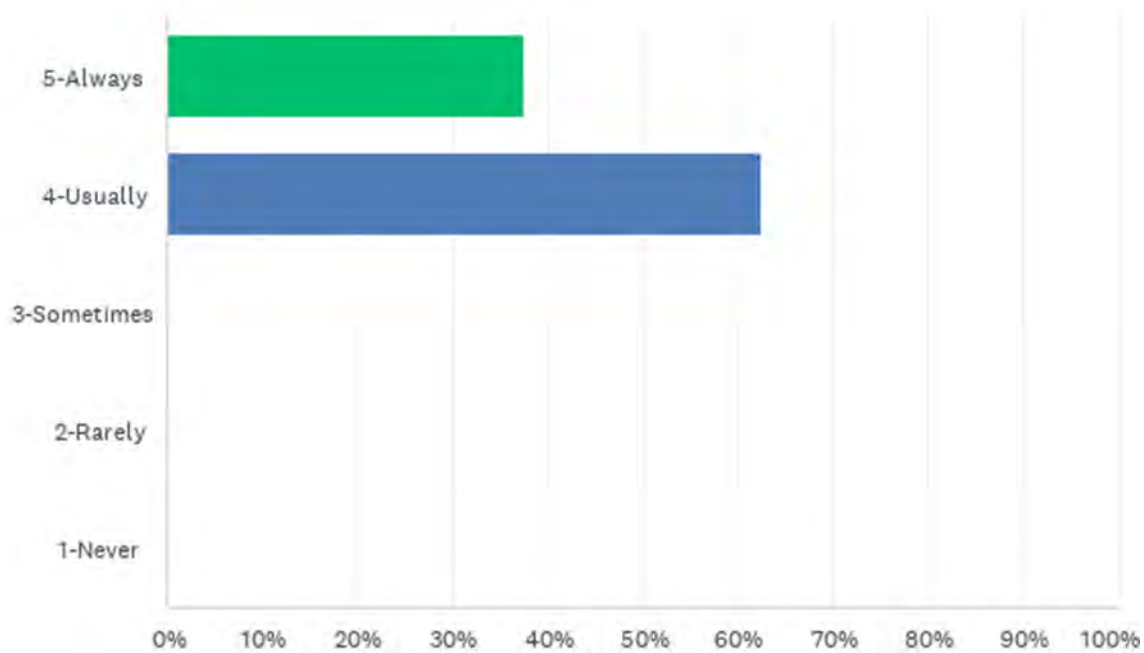
Average rating: 5.0

Q4: I fully understand my fiduciary duties with regard to the funds for which we are responsible.



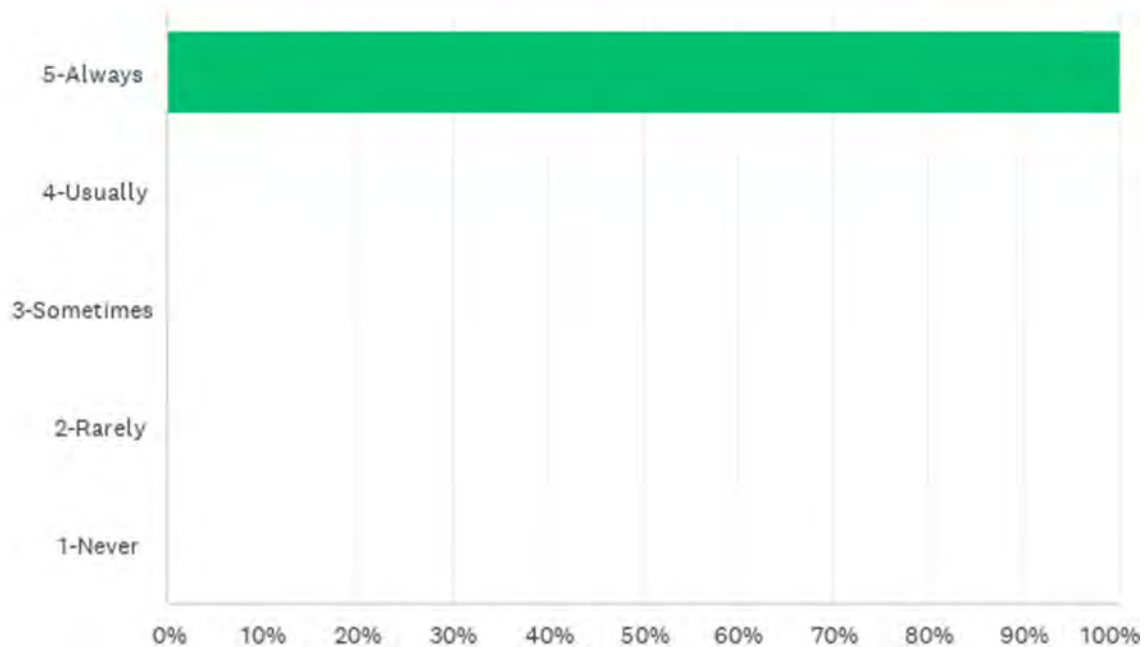
Average rating: 4.9

Q5: I make an effort to be educated on the aspects of KCERA that I do not understand.



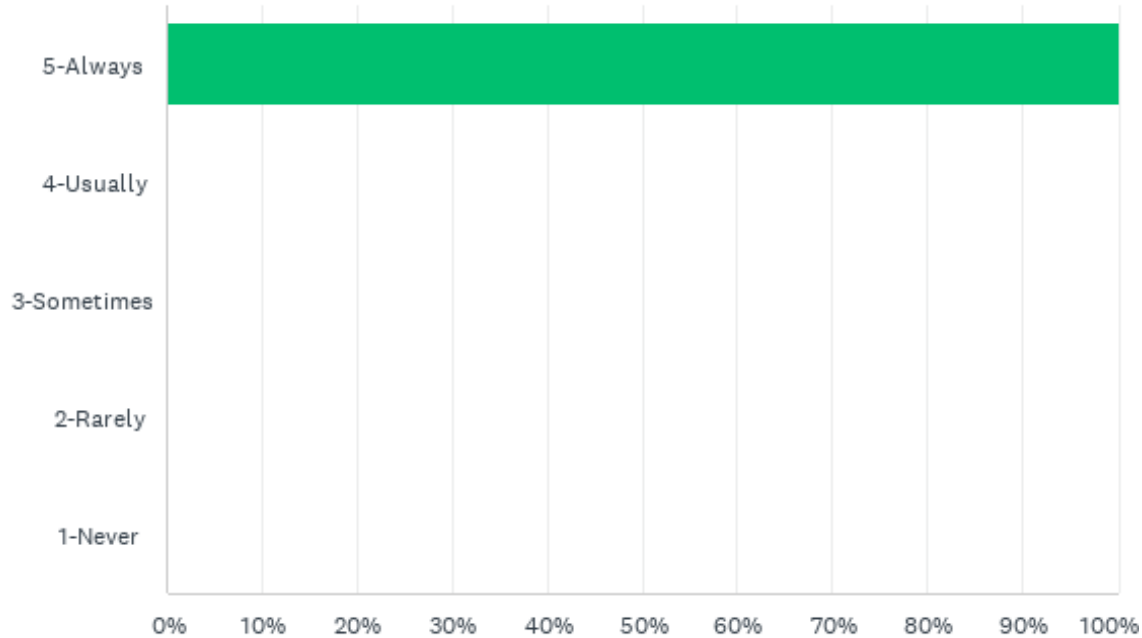
Average rating: 4.4

Q6: I avoid conflicts of interest and refrain from activities that could give rise to the appearance of impropriety.



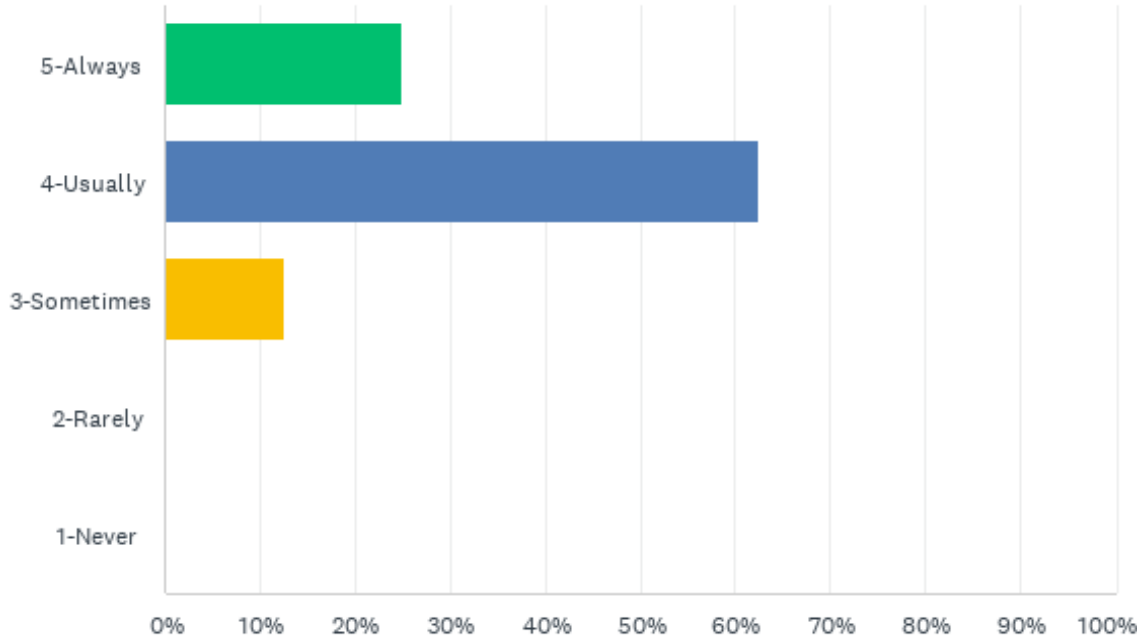
Average rating: 5.0

Q7: I deal fairly, respectfully and professionally with other Board members and staff.



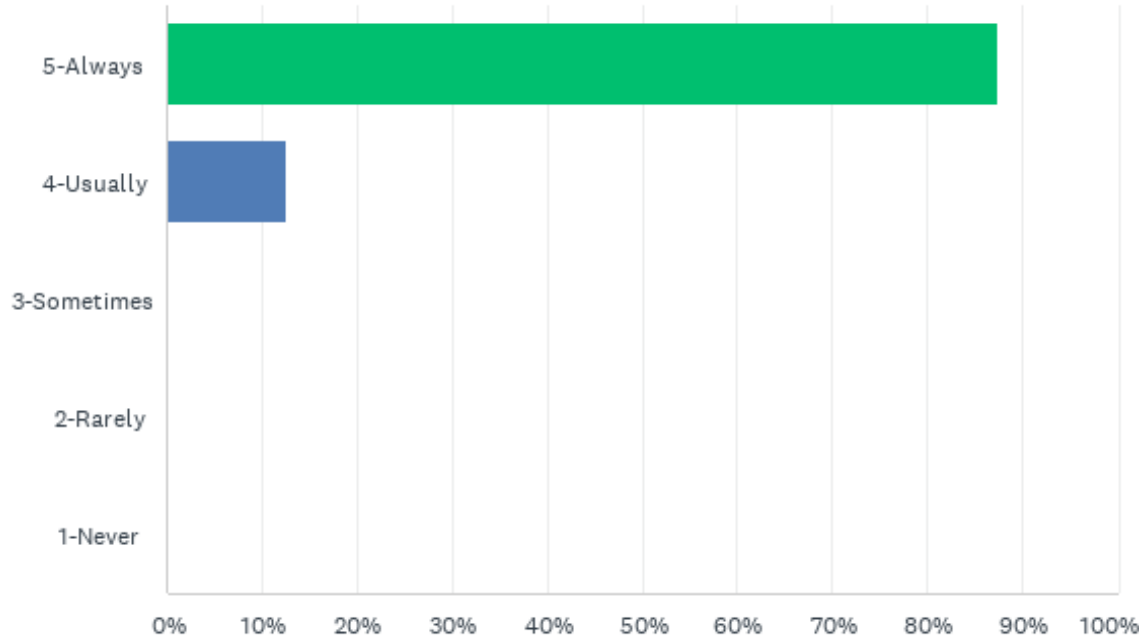
Average rating: 5.0

Q8: I periodically review KCERA's Board Charters and Governance Policies, I am familiar with the requirements of each, and I act in compliance with these documents.



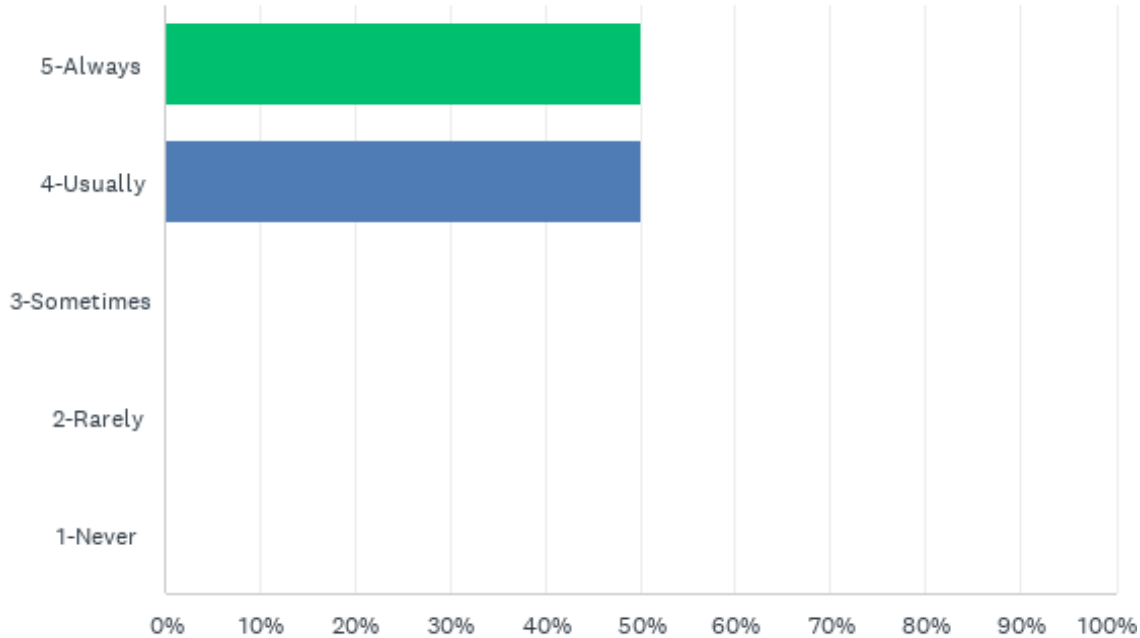
Average rating: 4.1

Q9: I believe the highest and best use of the Board is to establish policy and the role of the Staff is to implement Board policy.



Average rating: 4.9

Q10: If I am aware of any Board governance problems, I report them to the Board Chair or Vice-Chair.



Average rating: 4.5



- Section 2: Overall Board Evaluation Results

Overall Board Evaluation Results: Highest Average Scores

Four items with the highest average scores:

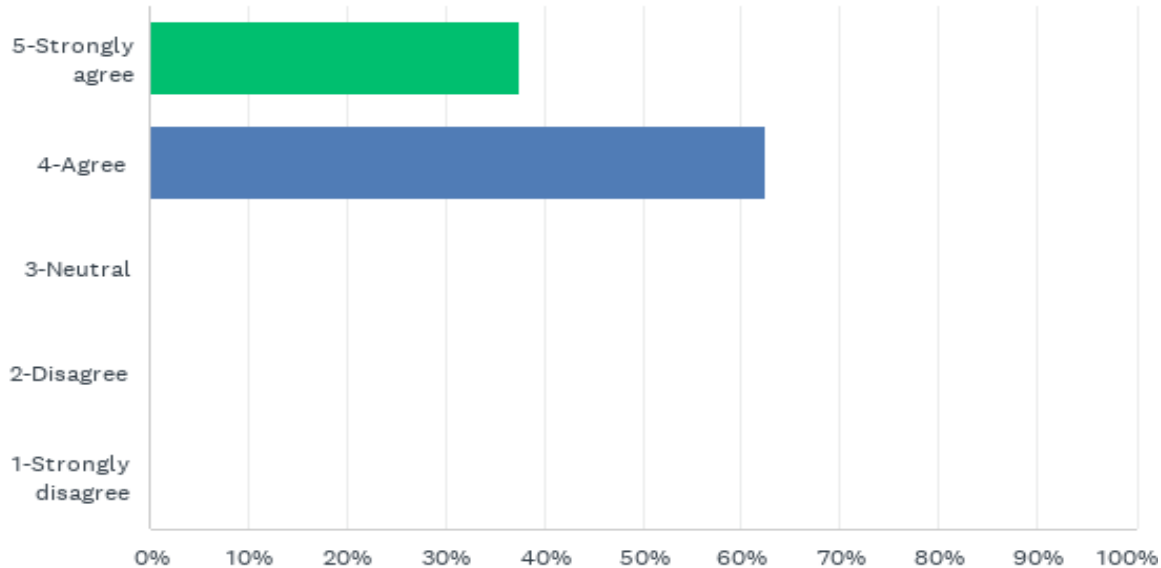
- Transparency-Meeting minutes are timely and accurately reflect the deliberative process that occurred. (4.8/5.0)
- Performance Measures-The Board sets reasonable benchmarks and regularly monitors investment performance throughout the year. (4.6/5.0)
- Access to Information-Information is distributed sufficiently in advance of the meeting for adequate board member preparation. (4.6/5.0)
- Risk Management/Compliance-Appropriate attention is devoted to controlling operational risk, investment risk and fiduciary risk. (4.6/5.0)

Overall Board Evaluation Results: Lowest Average Scores

Four items with the lowest average scores:

- Transparency-The Board routinely communicates with its stakeholders. (3.6/5.0)
- Knowledge and Skills-Board Members actively seek out continuing education opportunities. (3.6/5.0)
- Fiduciary Responsibility-Board members refrain from actions that would suggest real or perceived conflict of interest in carrying out Board responsibilities pursuant to applicable ethics laws and policies. (3.9/5.0)
- Governance-The Board develops and follows a clearly defined annual work-plan calendar which captures major items for Board consideration/decision making. (3.9/5.0)

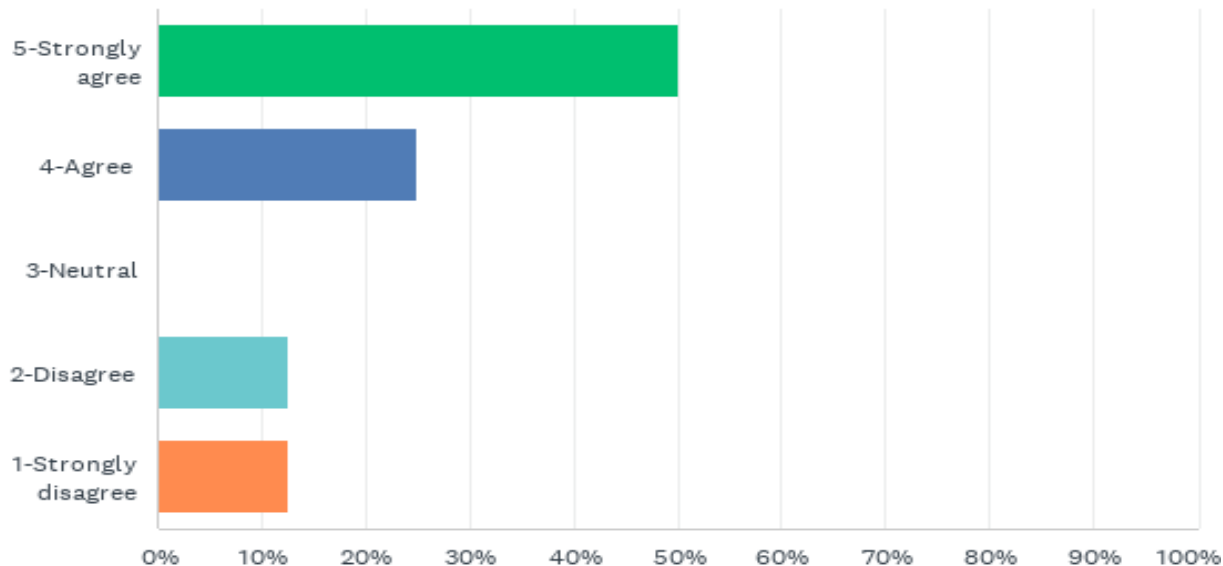
Q1: Fiduciary Responsibility—Board Members receive sufficient fiduciary training to understand their fiduciary responsibilities and act in accordance with the laws, regulations and policies governing KCERA.



Average rating: 4.4

- *Good education/training is available.*
- *Some Board Members have difficulty with the County's interest, regardless of extensive fiduciary training.*

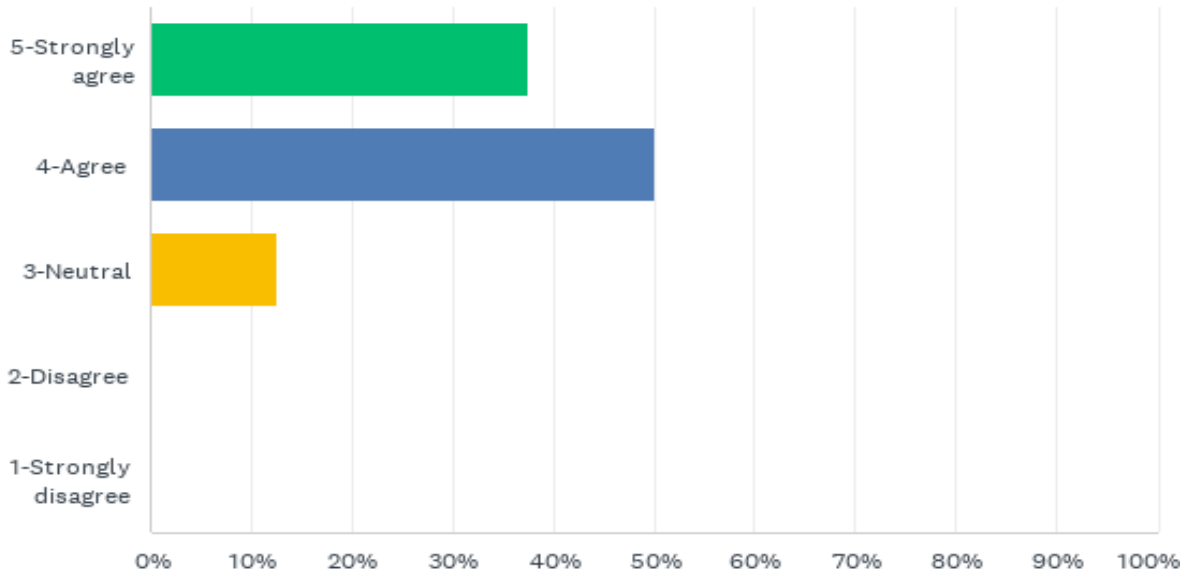
Q2: Fiduciary Responsibility—Board members refrain from actions that would suggest real or perceived conflict of interest in carrying out Board responsibilities pursuant to applicable ethics laws and policies.



Average rating: 3.9

- *They keep us well informed of the ethics laws and policies.*

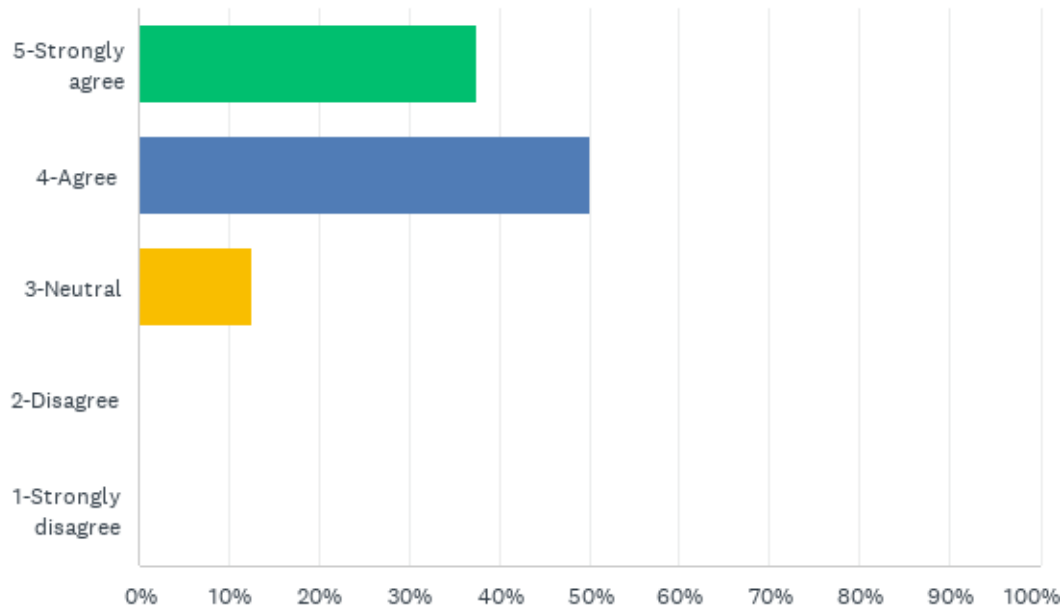
Q3: Governance—The Board does not "rubber-stamp" the recommendations of senior management or its external advisors.



Average rating: 4.3

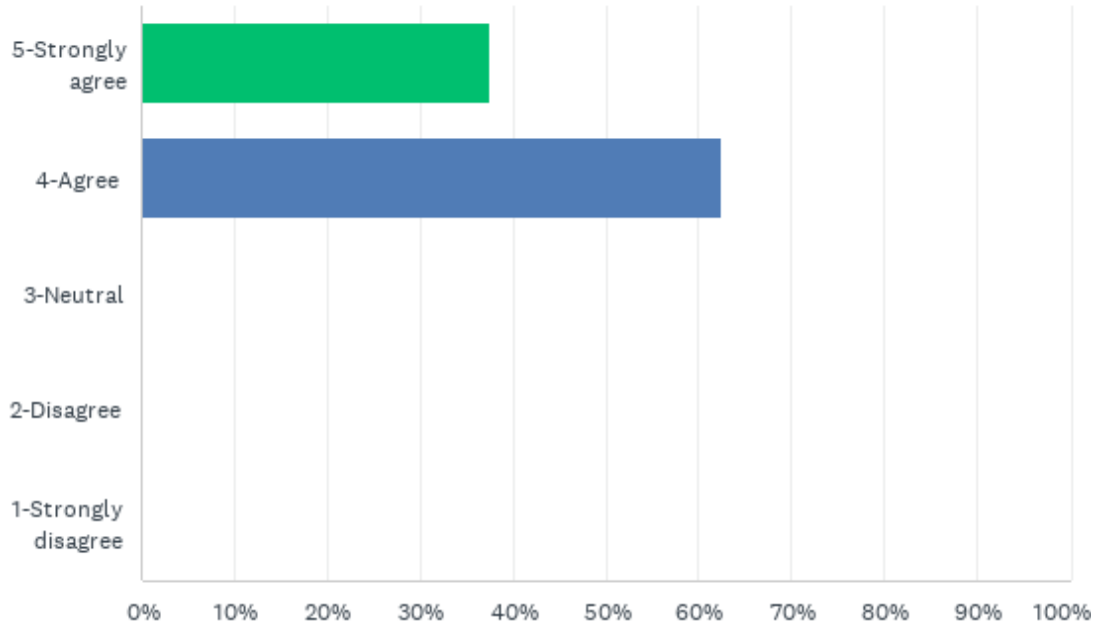
- *We have good discussions on issues.*

Q4: Governance—The Board reviews and updates each of its policies and charters as called for by the applicable document.



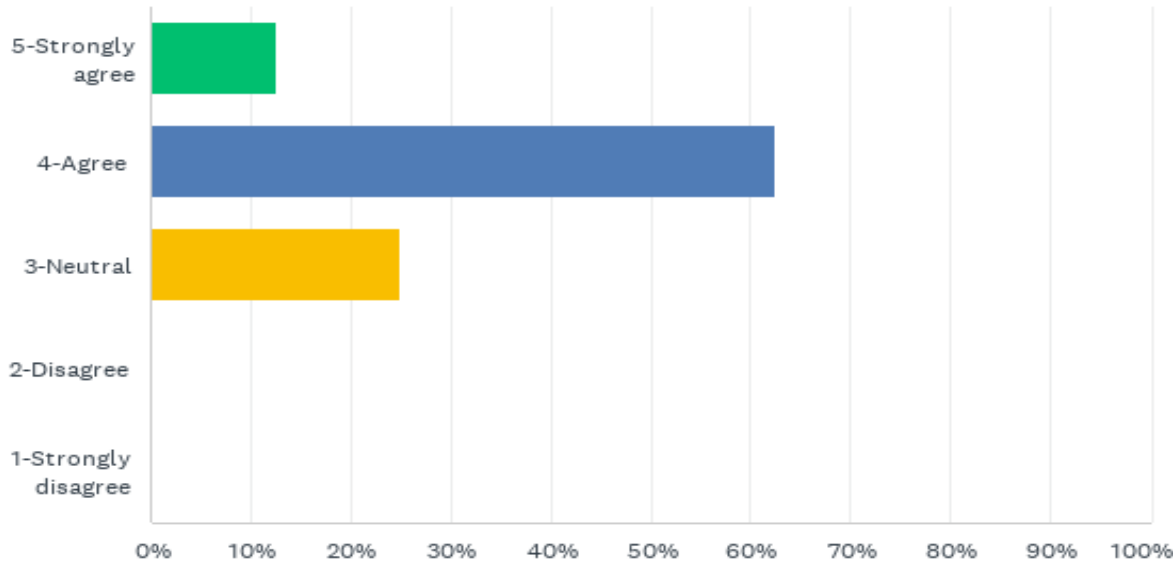
Average rating: 4.3

Q5: Governance—The current committee structure assists the Board in focusing on pertinent topics.



Average rating: 4.4

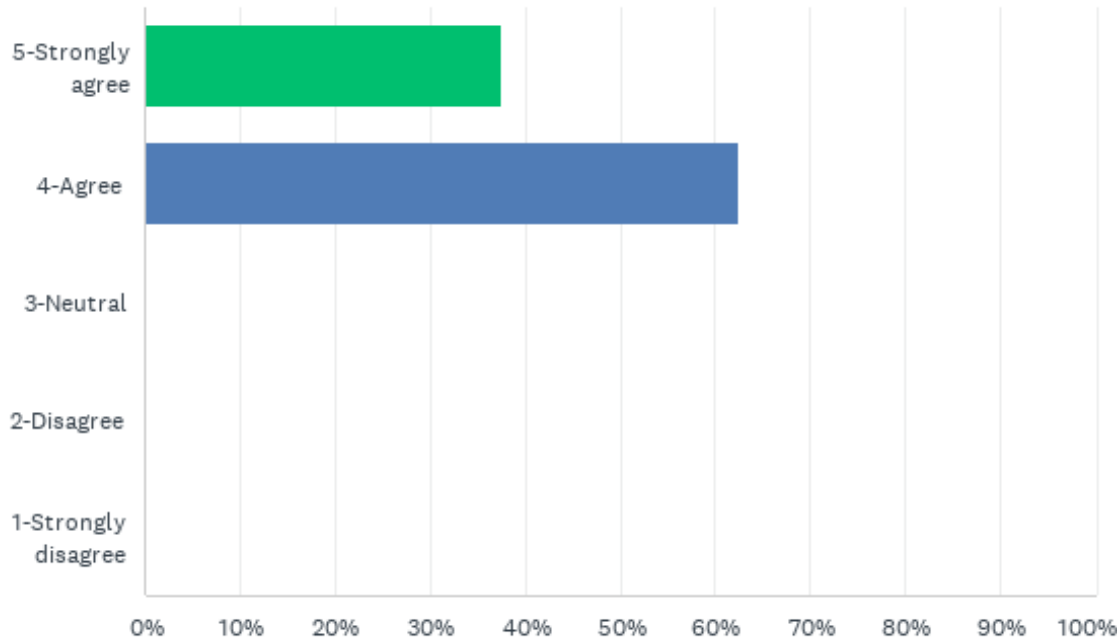
Q6: Governance—The Board develops and follows a clearly defined annual work-plan calendar which captures major items for Board consideration/decision making.



Average rating: 3.9

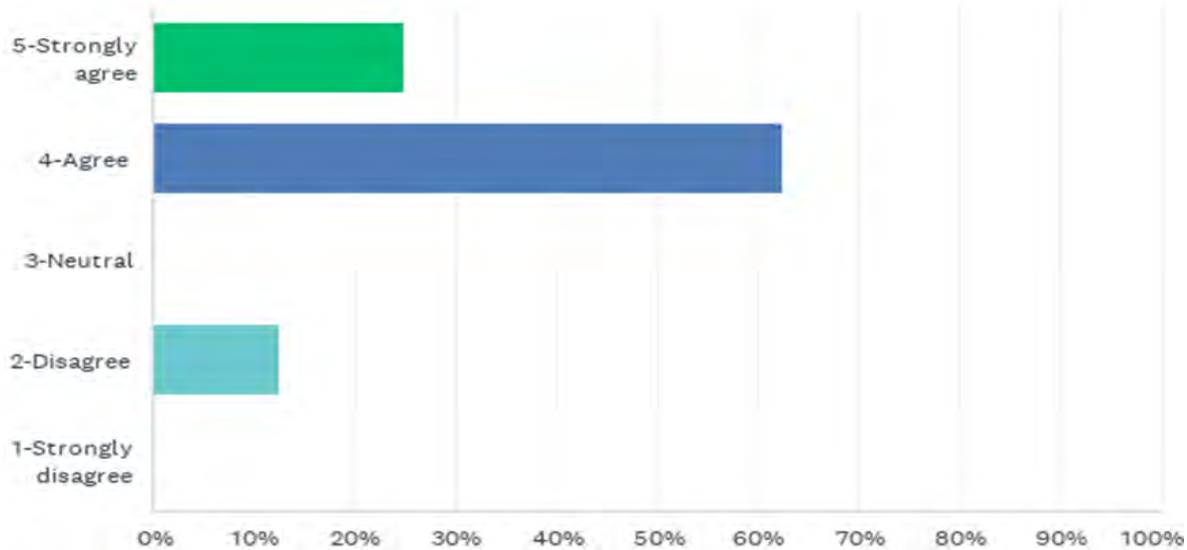
- *The board delegates senior management to bring items to the board's attention. The board will set timelines for follow-up on items as needed.*

Q7: Governance—Sufficient interaction and deliberation exist between Board members as part of the decision-making process.



Average rating: 4.4

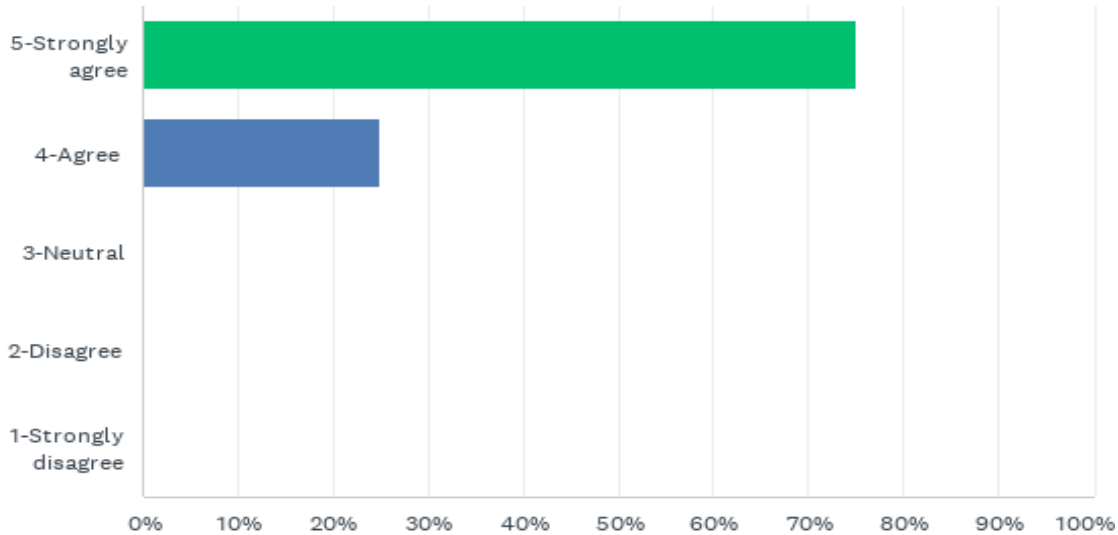
Q8: Governance—The Board engages in long-range strategic planning and keeps the KCERA mission in mind when making decisions throughout the year.



Average rating: 3.9

- *The Board has struggled with setting a strategic plan for the year.*

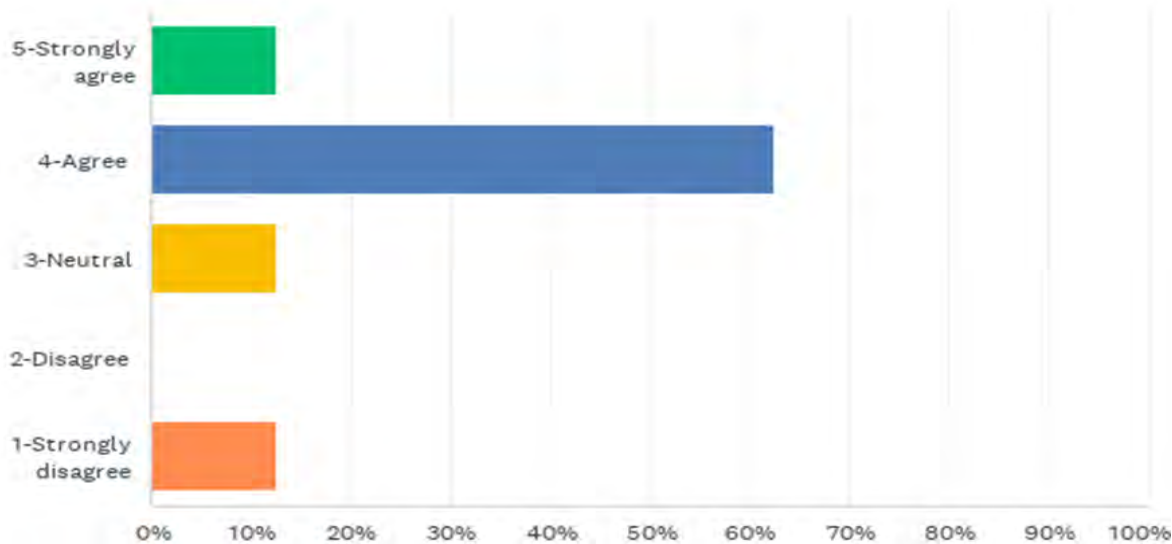
Q9: Transparency—Meeting minutes are timely and accurately reflect the deliberative process that occurred.



Average rating: 4.8

- *Aimee does an outstanding job.*

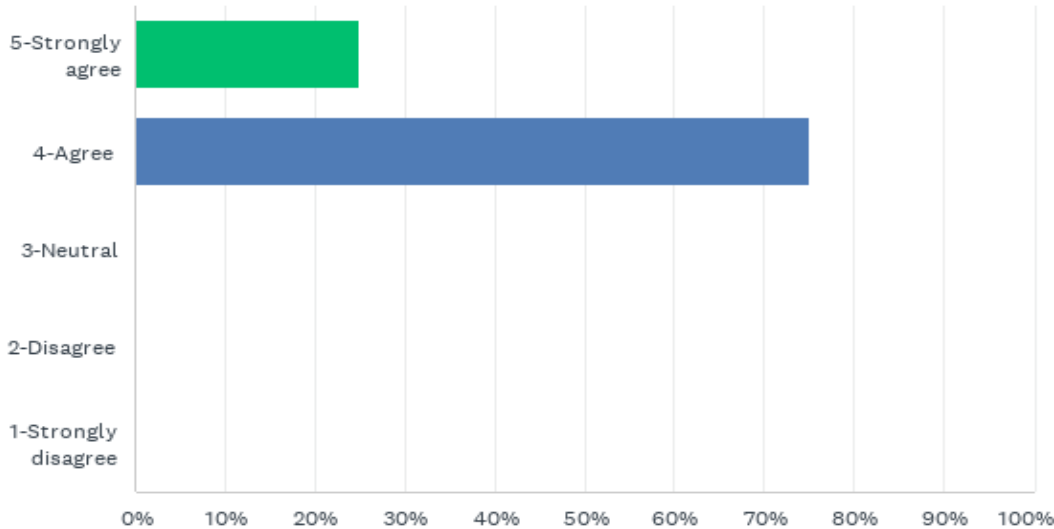
Q10: Transparency—The Board routinely communicates with its stakeholders.



Average rating: 3.6

- *I have no reason not to agree.*
- *The board doesn't, the ED does.*
- *Communication with non-County member agencies could be better.*

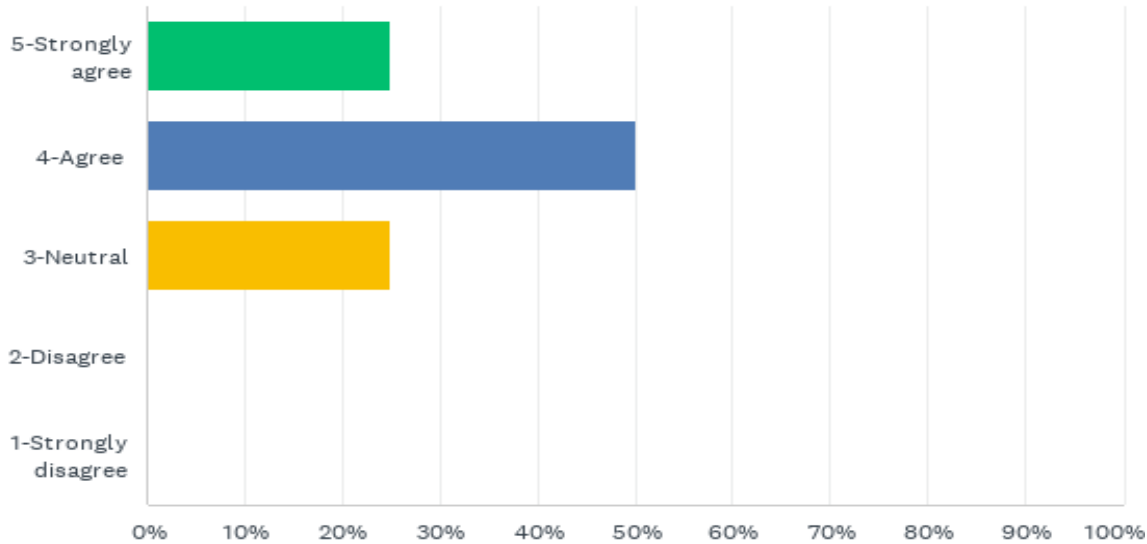
Q11: Roles and Responsibilities—Board members keep decision-making at the policy level, delegate implementation of policy to Staff, and do not engage in micro-management.



Average rating: 4.3

- *Sometimes someone will start to micro-manage but we (the Board Members) bring that to a stop.*

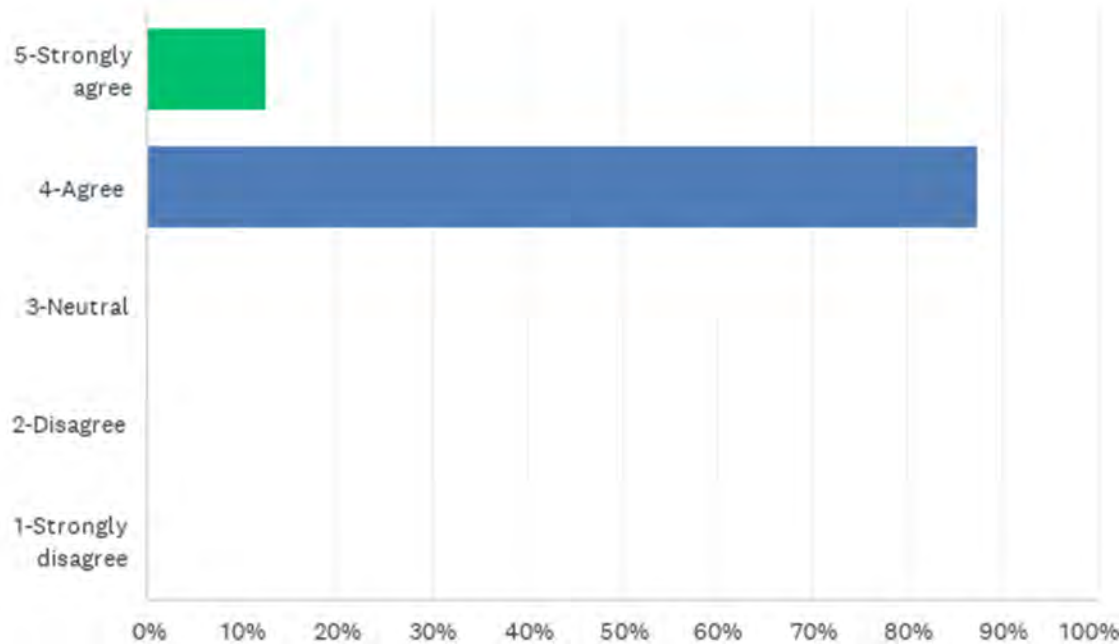
Q12: Roles and Responsibilities—The Board understands what authority it has retained, and why it has retained it, and what has been delegated and to whom.



Average rating: 4.0

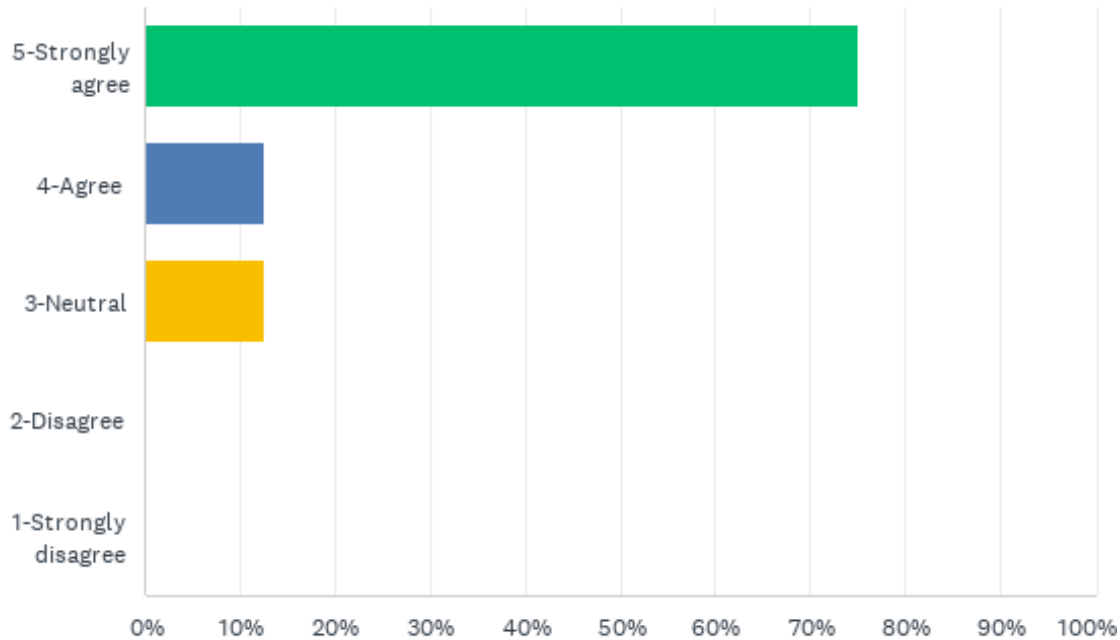
- *I think we still need training on this.*

Q13: Roles and Responsibilities—The Board engages in active oversight of the responsibilities it has delegated to Staff, the consultants, and other service providers.



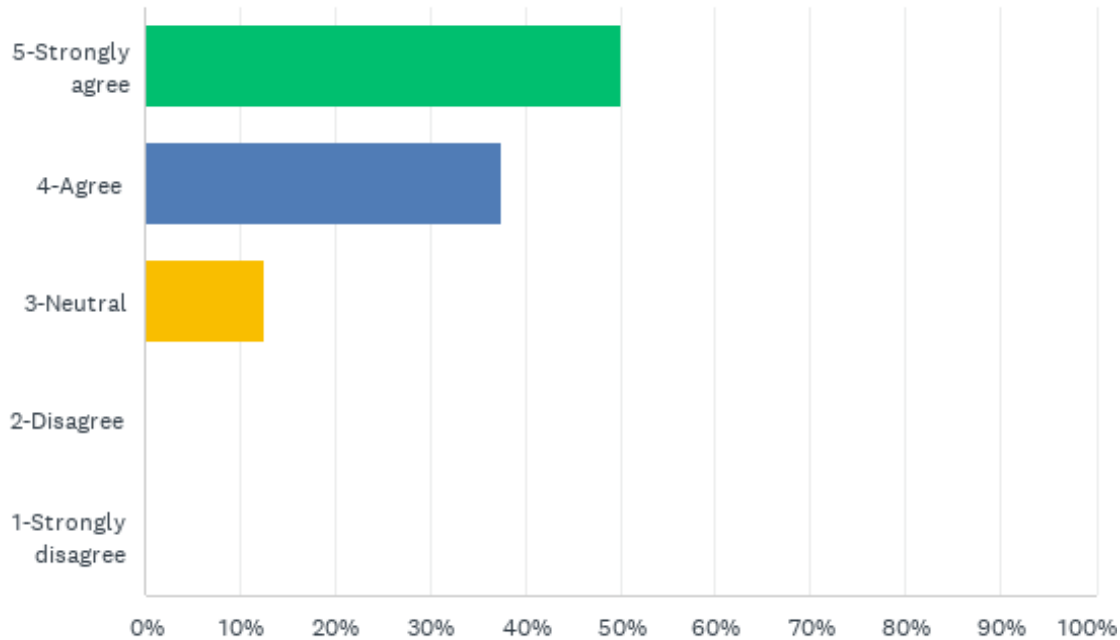
Average rating: 4.1

Q14: Performance Measures—The Board sets reasonable benchmarks and regularly monitors investment performance throughout the year.



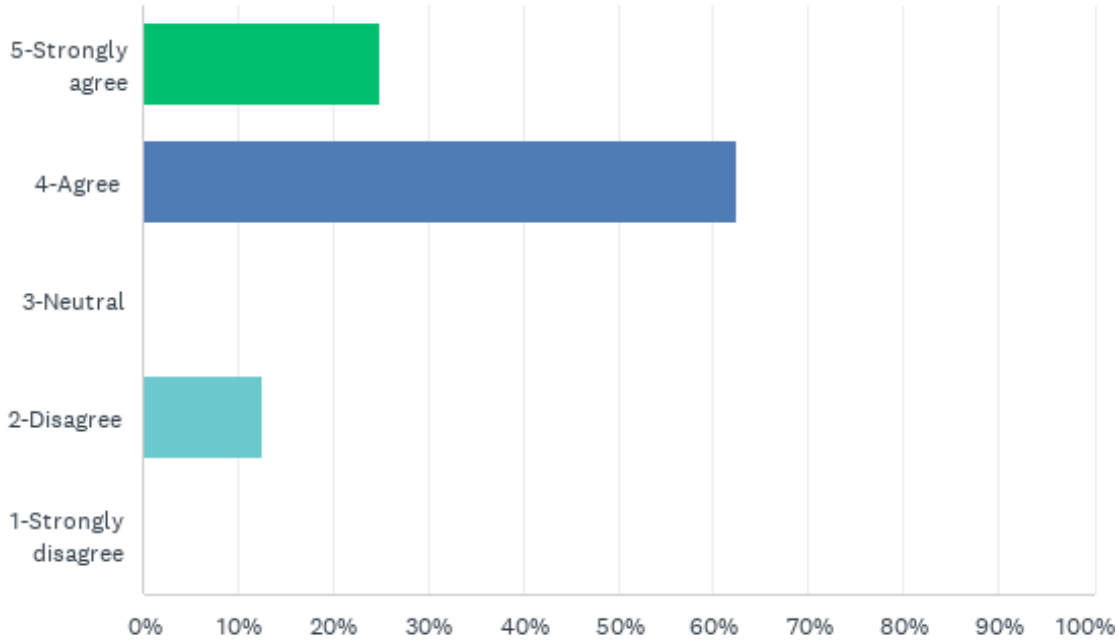
Average rating: 4.6

Q15: Performance Measures—Qualitative assessments of investment managers, consultants and other providers are routinely performed and discussed with the Board.



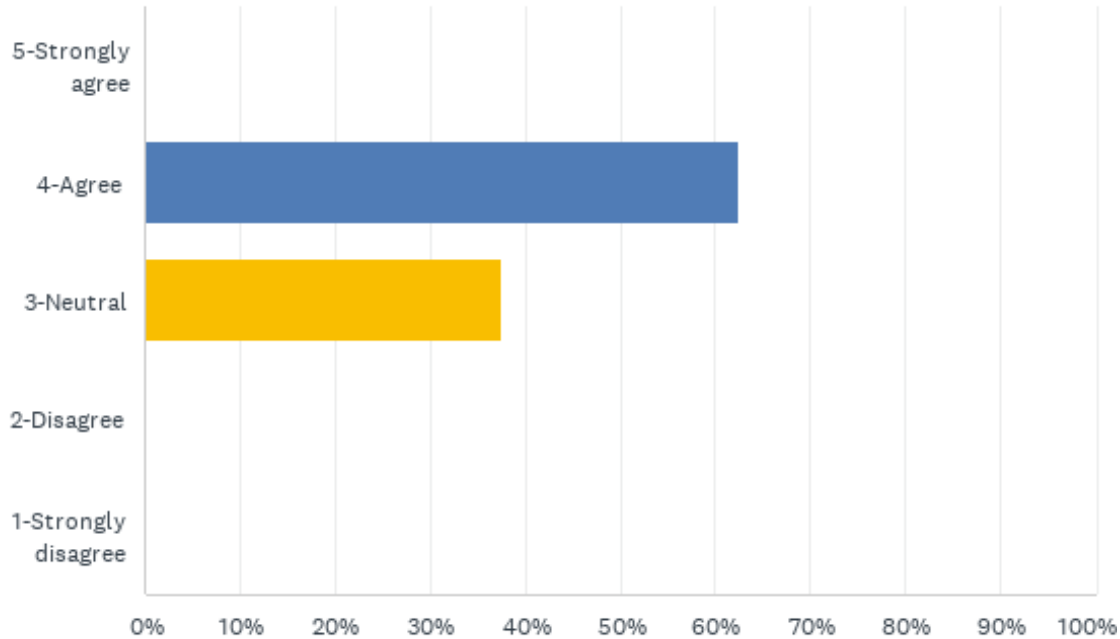
Average rating: 4.4

Q16: Knowledge and Skills—Board Members demonstrate the appropriate knowledge and skill required to govern KCERA.



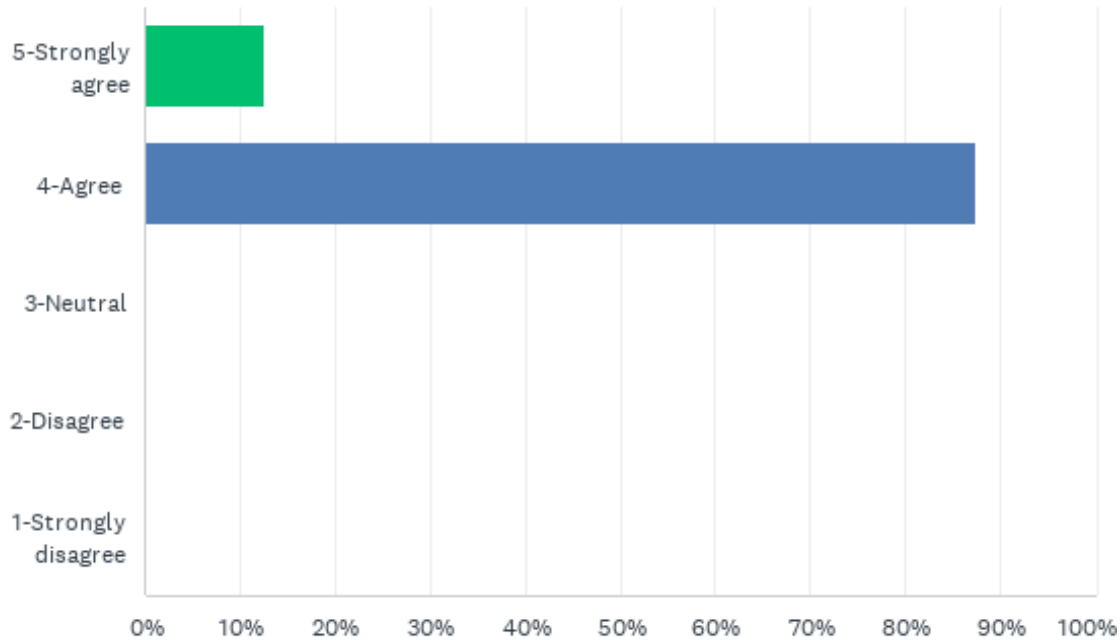
Average rating: 4.0

Q17: Knowledge and Skills—Board Members actively seek out continuing education opportunities.



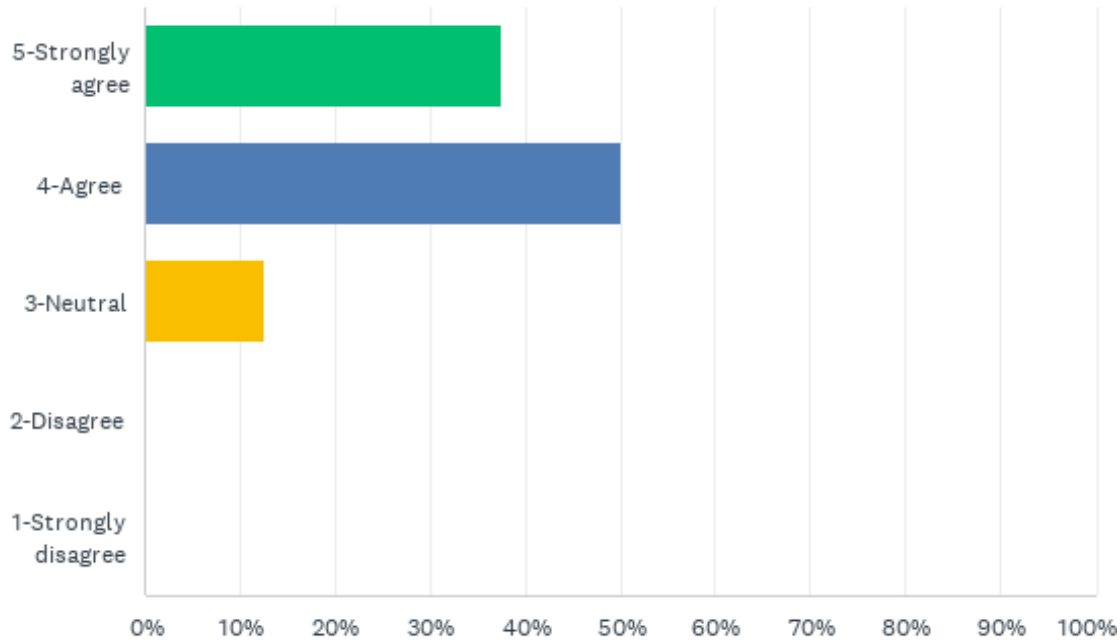
Average rating: 3.6

Q18: Knowledge and Skills—The Board stays abreast of issues and trends affecting the investment program and uses this information to guide its decision-making.



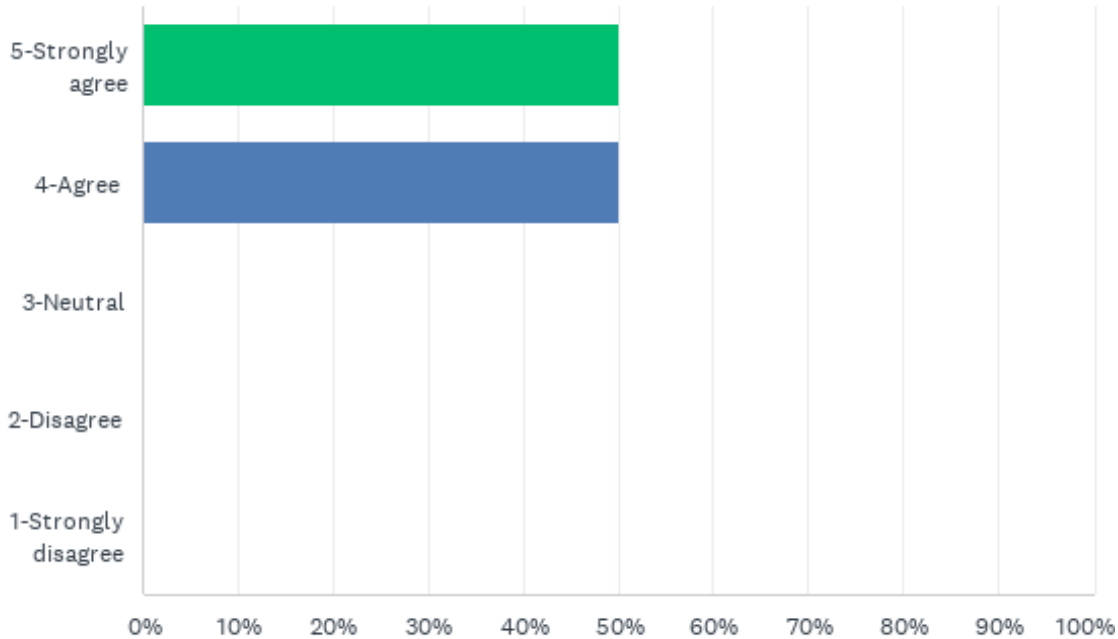
Average rating: 4.1

Q19: Knowledge and Skills—New Board Members are given a prompt, thorough orientation.



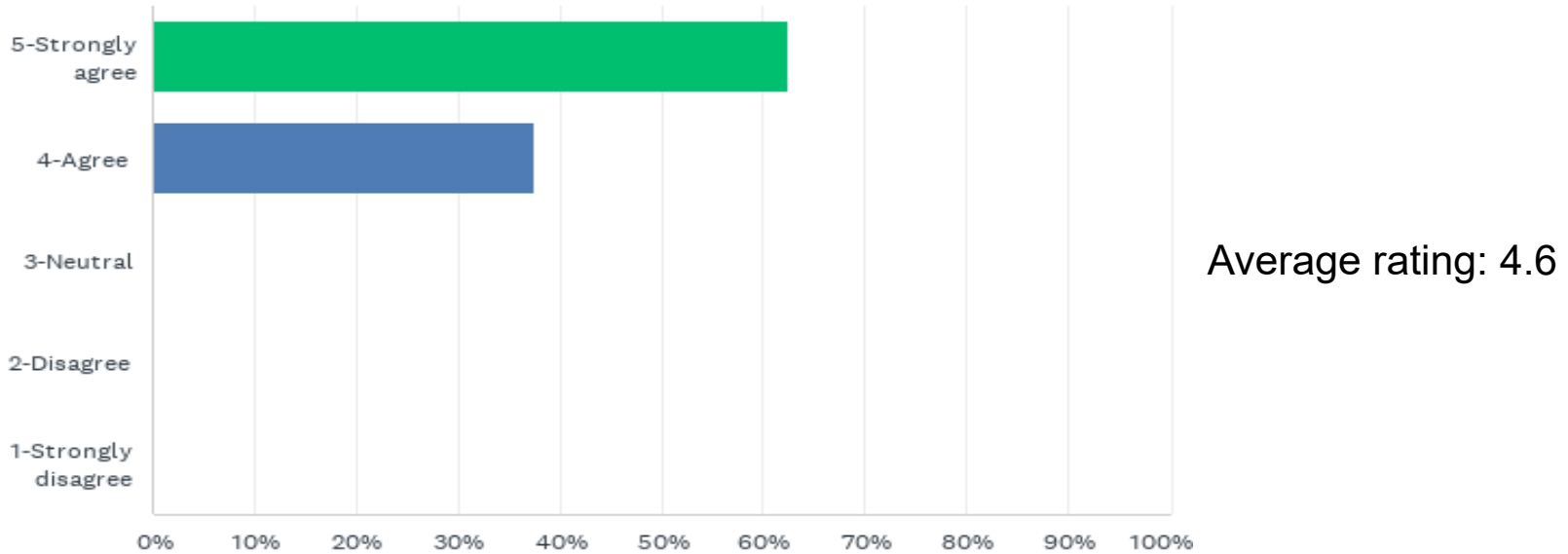
Average rating: 4.3

Q20: Access to Information—Board Members are provided with the information and materials necessary to perform their responsibilities.



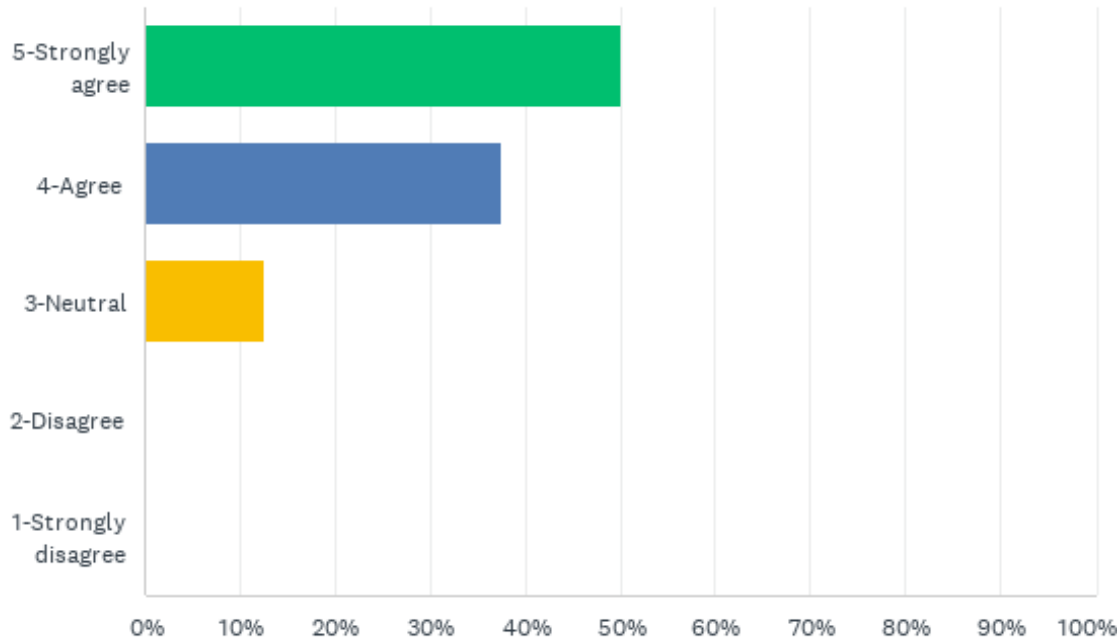
Average rating: 4.5

Q21: Access to Information—Information is distributed sufficiently in advance of the meeting for adequate board member preparation.



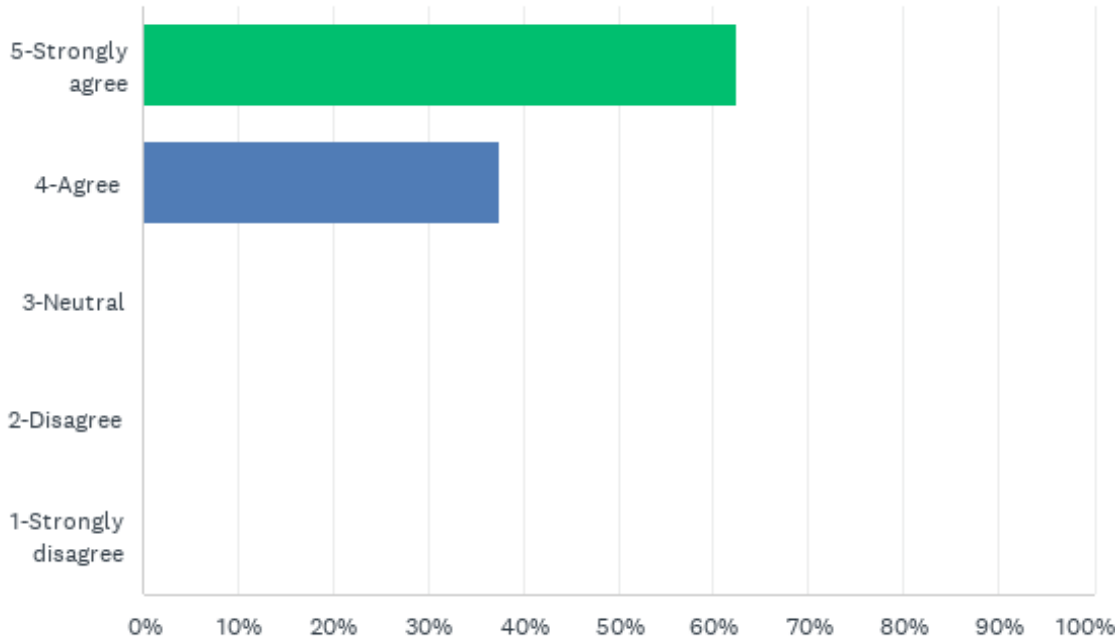
- *Thanks to Aimee.*

Q22: Access to Information—Requests for information are responded to in a timely fashion by Staff and consultants.



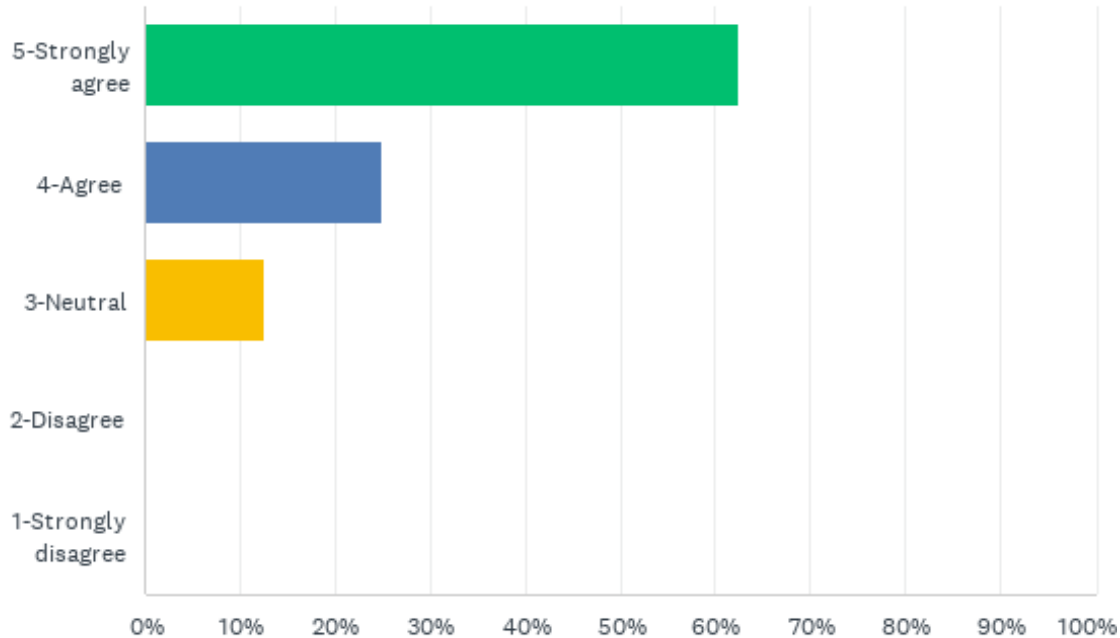
Average rating: 4.4

Q23: Risk Management/Compliance—Appropriate attention is devoted to controlling operational risk, investment risk and fiduciary risk.



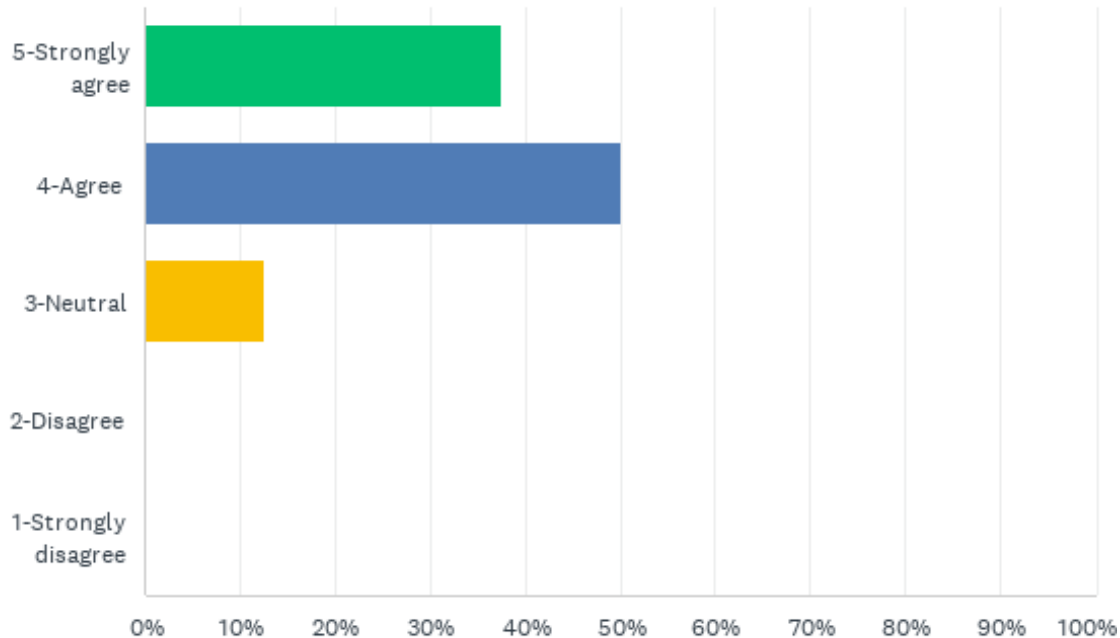
Average rating: 4.6

Q24: Risk Management/Compliance—The Board receives information on the effectiveness of the internal controls in place to mitigate risk.



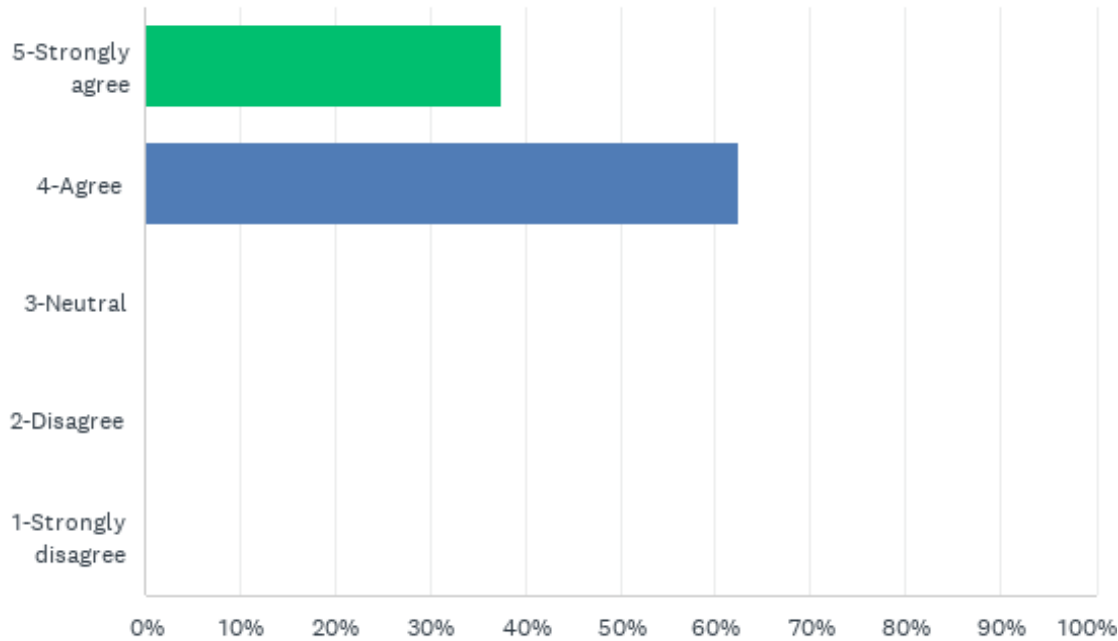
Average rating: 4.5

Q25: Risk Management/Compliance—The Board receives sufficient information to determine if KCERA is in compliance with the policies it has adopted.



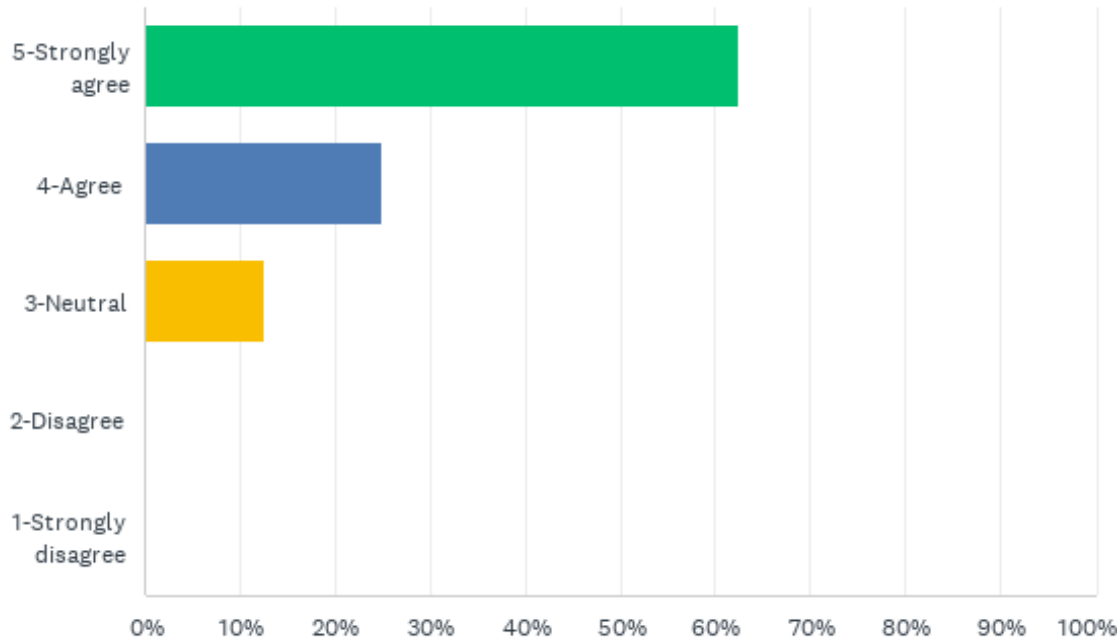
Average rating: 4.3

Q26: Meeting Effectiveness—Board meetings are conducted in a manner the encourages open communication and healthy debate, ensures all voices are heard, and provides for sound resolution of issues.



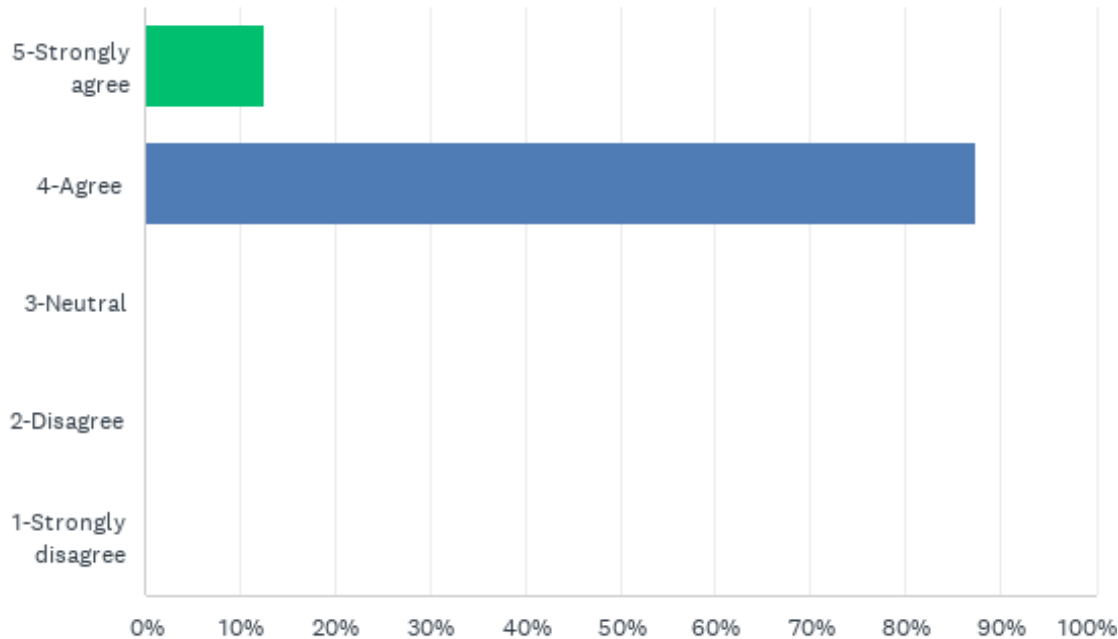
Average rating: 4.4

Q27: Meeting Effectiveness—The current number of board meetings is sufficient to accomplish the Board's annual goals and objectives.



Average rating: 4.5

Q28: Meeting Effectiveness—Each Board Member has sufficient input into meeting agendas and topics.

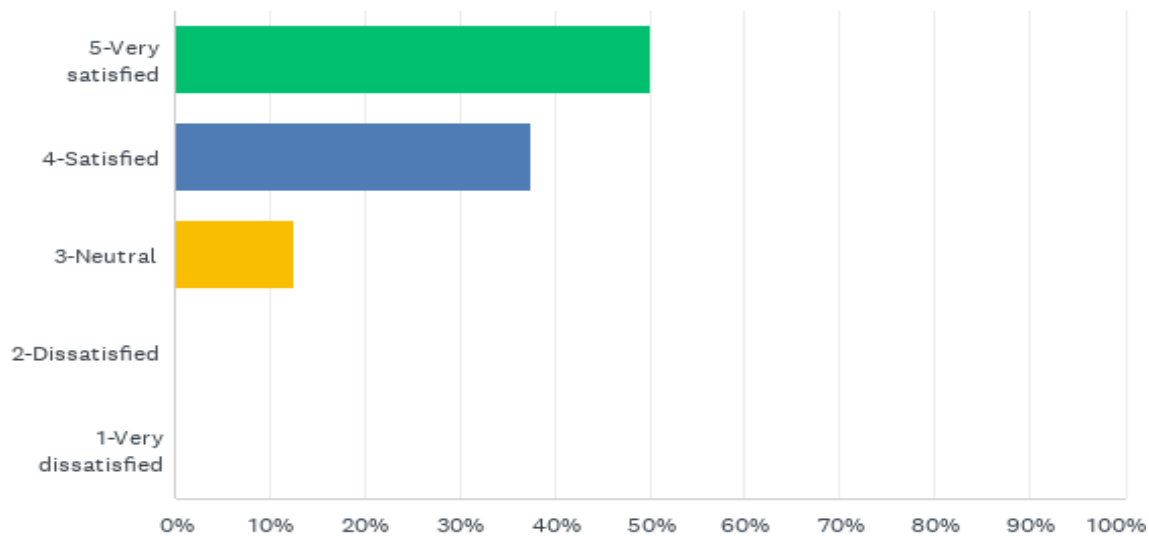


Average rating: 4.1



- Section 3: Satisfaction with key KCERA Board Vendors Results

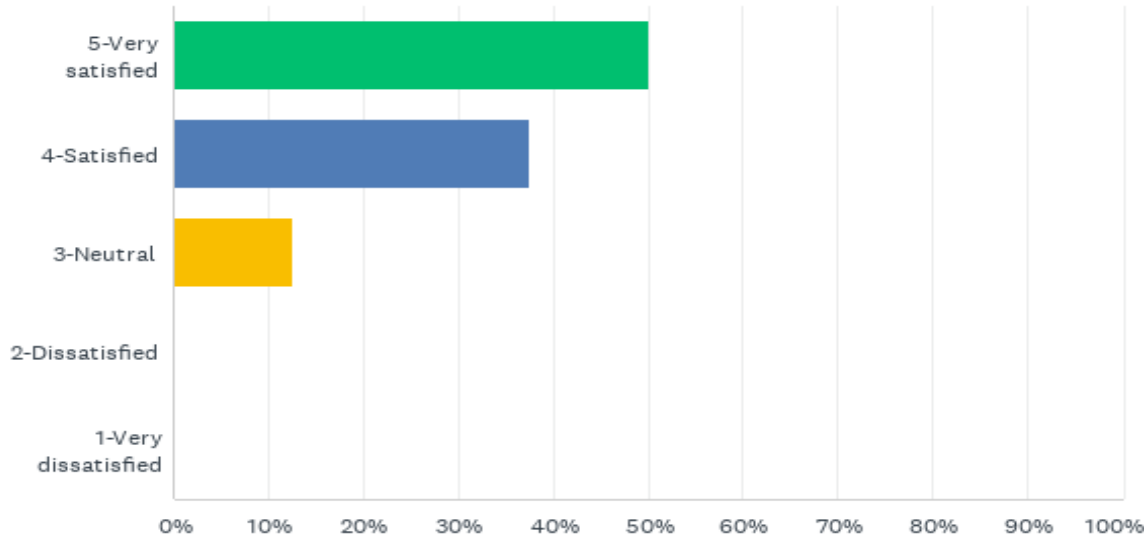
Q1: Actuary—The Segal Company, Inc.



Average rating: 4.4

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

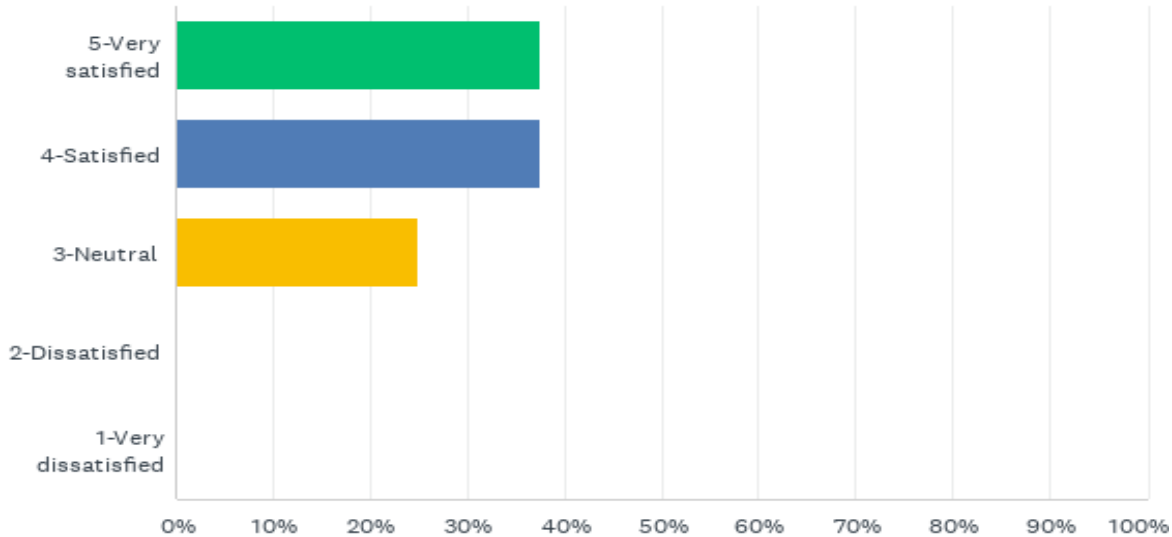
Q2: General Investment Consultant-Verus



Average rating: 4.4

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

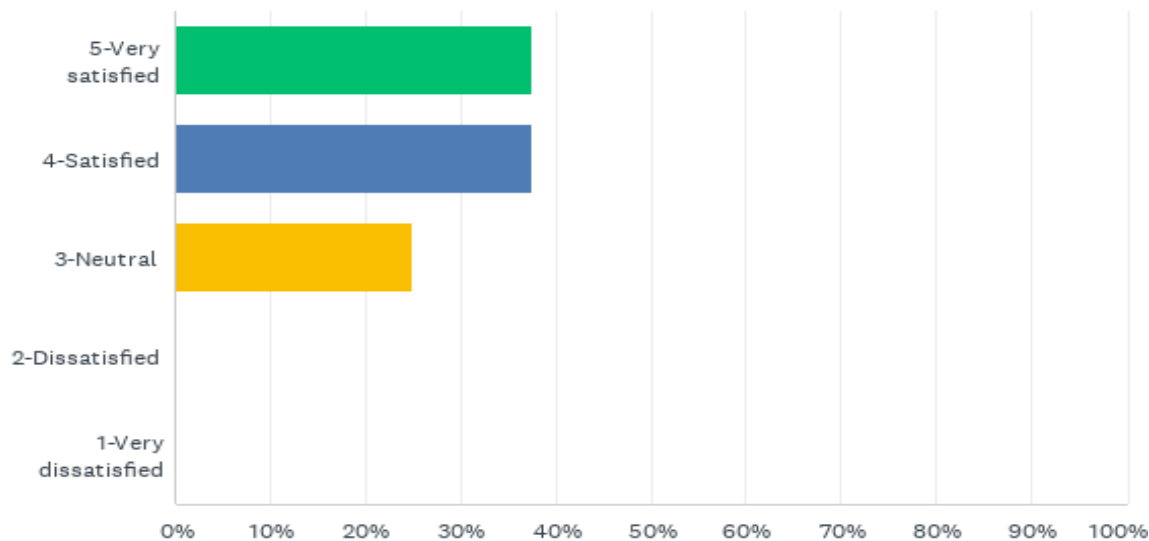
Q3: Hedge Fund Consultant—Albourne America LLC



Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

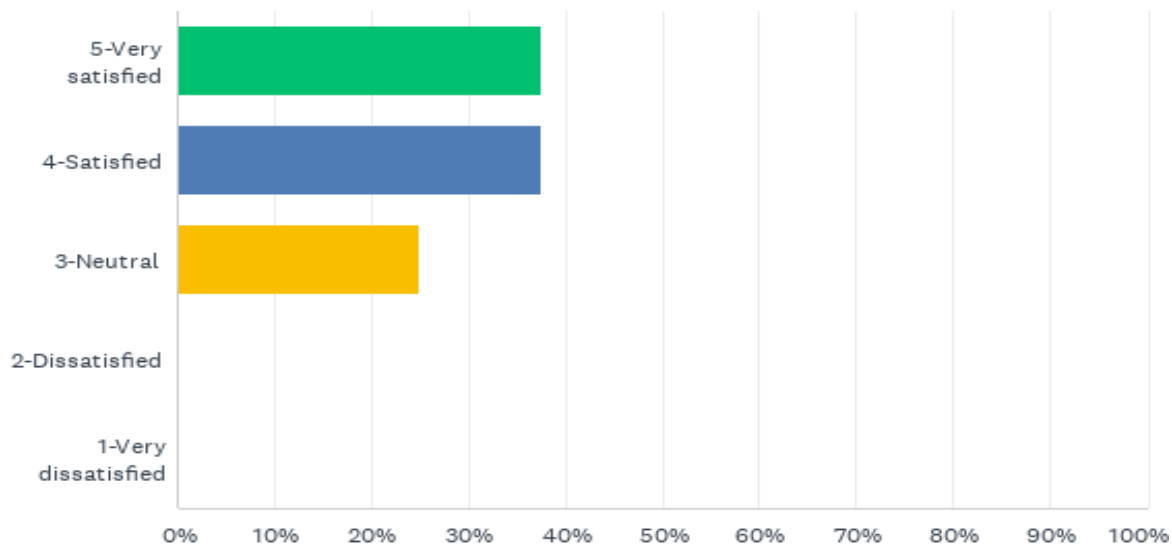
Q4: Private Markets Consultant—Cambridge Associates



Average rating: 4.4

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

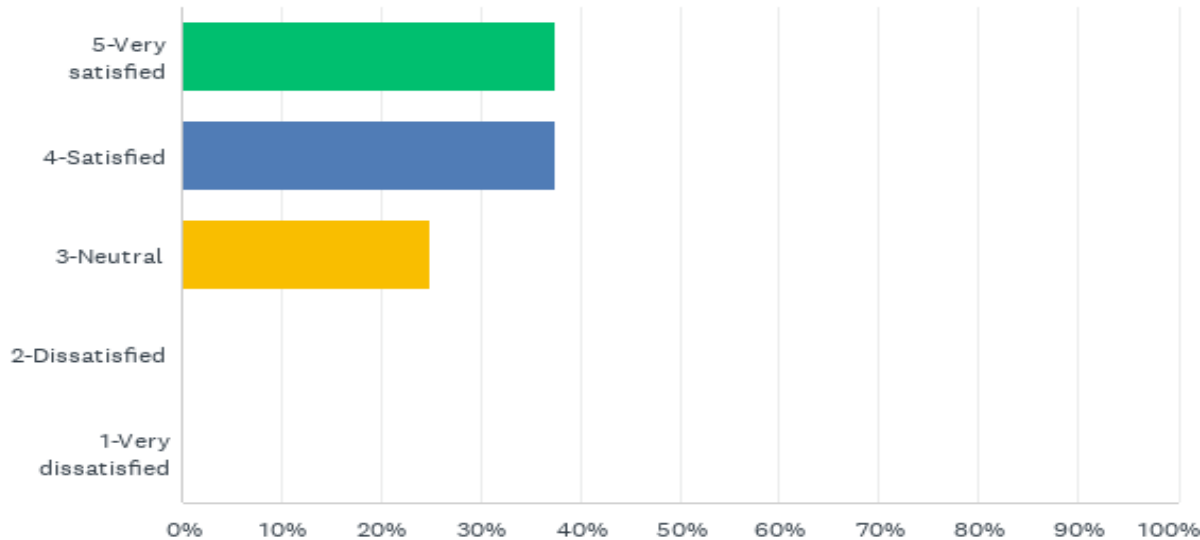
Q5: Legal Counsel—Nossaman, LLP



Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

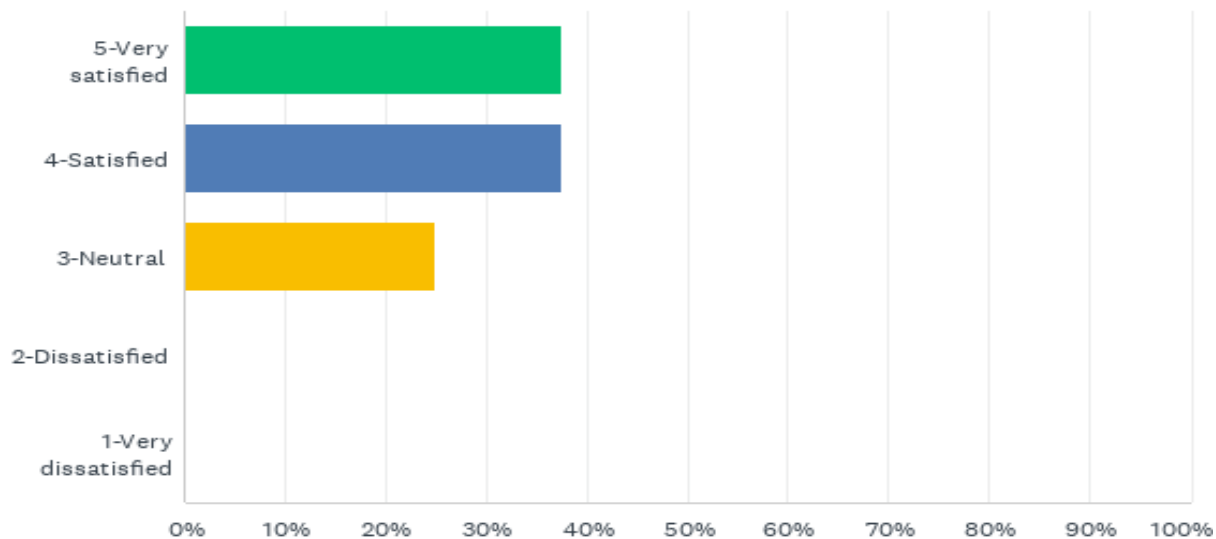
Q6: Legal Counsel—Reed Smith, LLP



Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

Q7: Tax counsel—Ice Miller, LLP



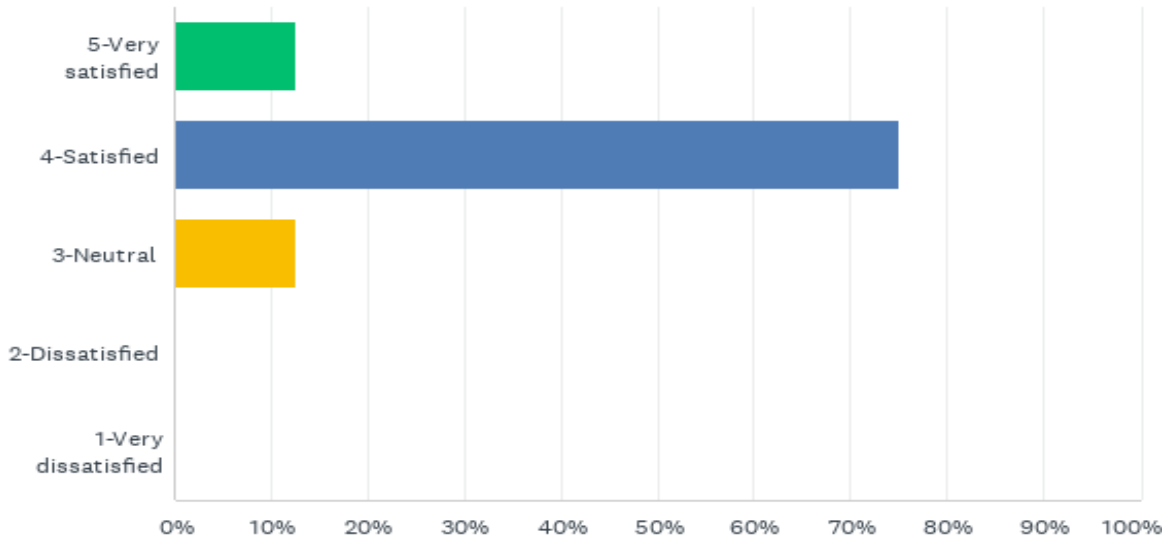
Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*



- Section 4: Board Education Results

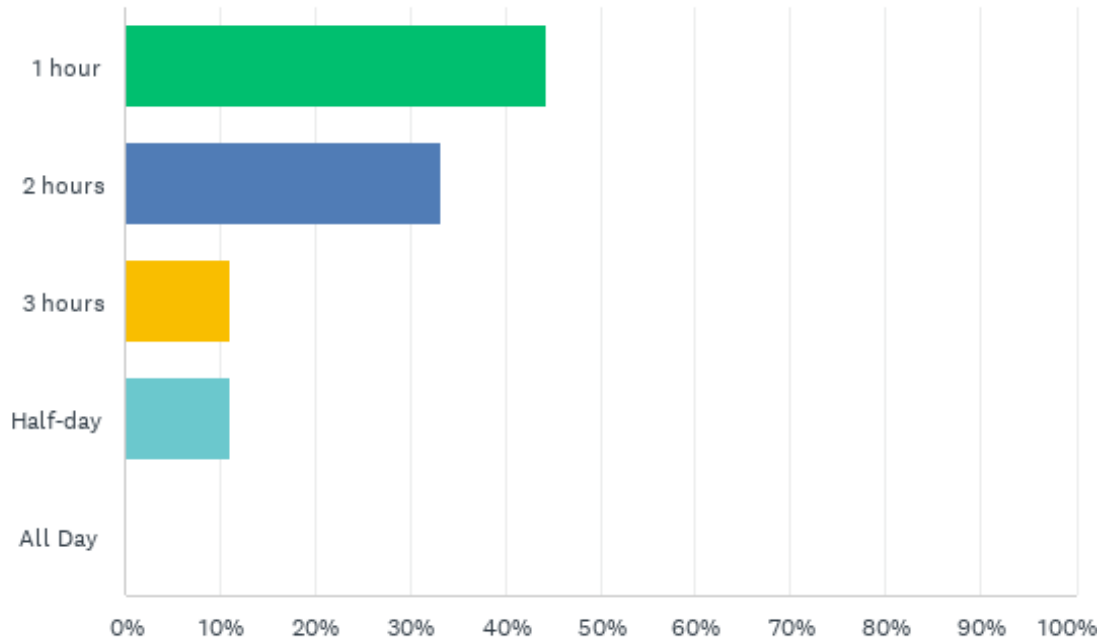
Q1: Please rate your satisfaction levels with prior in-house continuing board education in the last year.



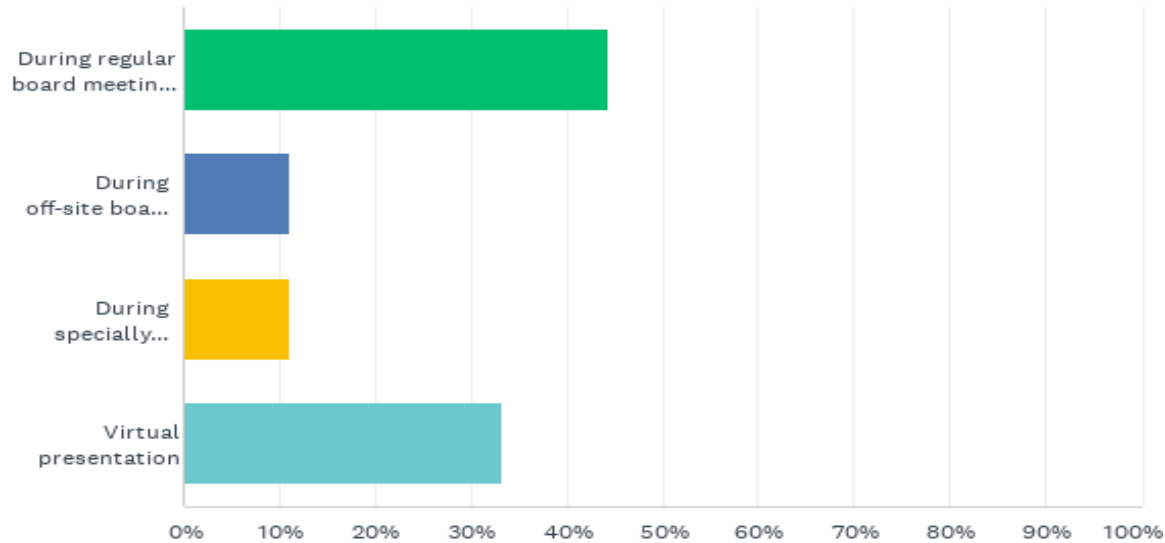
Average rating: 4.0

- *Although I have only been to one in-house training, it was very helpful and well presented.*
- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

Q2: Please indicate your preferred duration for in-house continuing board education sessions.

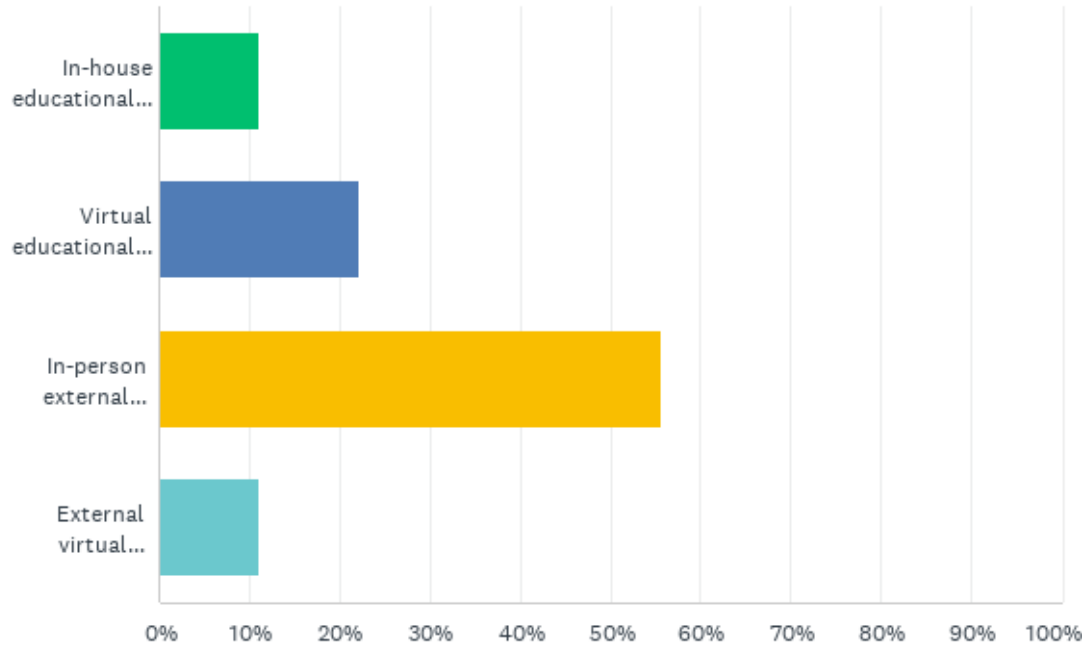


Q3: Please indicate your preference for scheduled in-house educational topics.

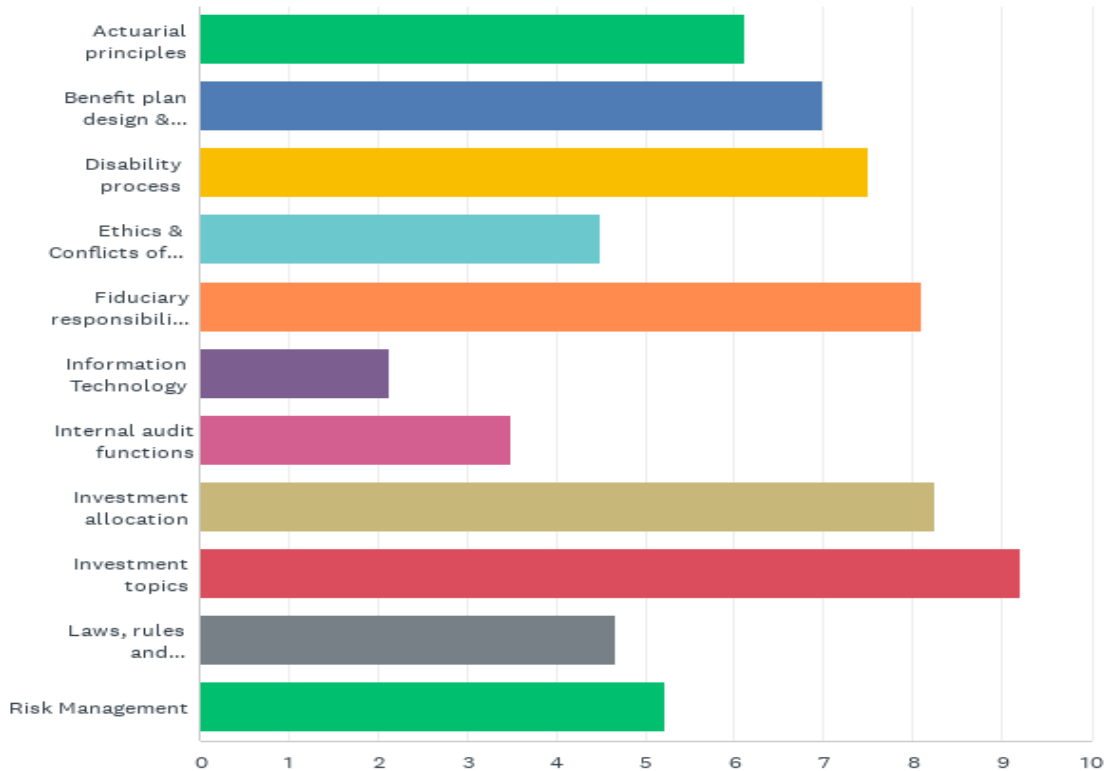


- *Answer is based on current Covid restrictions.*

Q4: Please indicate your preferred method of continuing board education.



Q5: Please rank the order of the following continuing board educational topics from 1-11 (1=most desired, 11= least desired).



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

- *I cannot think of any at this time.*
- *I feel I am too inexperienced to know what I don't know.*



■ Section 5: Open-Ended Questions Results

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

- *Working together and learning from each other (from meetings).*
- *It's organization and relationship with the CEO.*
- *Ability to work well and have discussion.*
- *Diversity of viewpoints and strength of its staff.*

What are areas in which the Board could improve? What do you believe is needed to assist this Board in becoming even better?

- *Increased participation in meetings and committees from all trustees.*
- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

What do you consider to be the top 3 priorities for the Board over the next year?

- *Serve/Protect our retirees.*
- *Invest wisely.*
- *Support our Staff.*
- *Alameda Decision/ Proper administration of Alameda decision.*
- *Streamlining disability claims.*
- *Investment expansion.*
- *Adequate staffing to audit for any discrepancies to member files.*
- *Remaining in compliance with IRS rules and regulations.*

Please provide any additional comments you may have.

- *Thank you for reaching out. Self/Needs assessments are a good start to a new board member such as myself.*

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