

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

September 8, 2021

8:31 a.m.

Board Members: Brandon (Alternate), Couch, Franey, Chair Gonzalez, Hughes, Kaufman, Kratt, Nunneley (Alternate), Robinson, Seibly (Alternate), Skidmore, Whitezell

ROLL CALL

Present: Brandon, Couch, Franey, Gonzalez, Hughes, Kratt, Nunneley, Robinson, Seibly, Skidmore, Whitezell

Absent: Kaufman

MOMENT OF SILENCE

CONSENT MATTERS

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.

- *1. Application for service-connected disability pension benefits for Ian (Melanie) Chandler, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *2. Application for service-connected disability pension benefits for Mark Herman, District Attorney (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *3. Application for service-connected disability pension benefits for Neil Weiting, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION**

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

- August 11, 2021 Board of Retirement

RECEIVED AND FILED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *6. Monthly report from the KCERA office on members retired from service for the month of August 2021 – RATIFIED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *7. Monthly report from the KCERA office on deceased retirees for the month of August 2021 – RECEIVED AND FILED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *8. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending August 31, 2021 – RECEIVED AND FILED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *9. Securities Lending Earnings Summary Report for the period July 1-31, 2021 from Deutsche Bank – RECEIVED AND FILED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *10. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of July 2021 – RECEIVED AND FILED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *11. Report on Special Pays Codes classified by the Executive Director – RECEIVED AND FILED

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Franey-Robinson – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

PUBLIC COMMENTS

13. 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

14. Discussion and appropriate action pursuant to KCERA's Legislative Policy regarding AB 826 presented by Executive Director Dominic Brown and Chief Legal Officer Jennifer Zahry – CHAIR JUAN GONZALEZ HEARD; TRUSTEES DAVID COUCH, EDWARD ROBINSON AND LAUREN SKIDMORE HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

APPROVED STAFF RECOMMENDATION AS OUTLINED IN MEMO

Couch-Skidmore – 8 Ayes; 1 Abstention (Robinson)

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

15. Discussion and appropriate action regarding report from Kern County Grand Jury dated July 7, 2021 and Kern County Employees' Retirement Association response dated August 25, 2021 – CHAIR JUAN GONZALEZ HEARD; TRUSTEES RICK KRATT AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

RECEIVED AND FILED

Whitezell-Franey – 9 Ayes

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

INVESTMENT MATTERS

16. Presentation regarding Environmental, Social, and Corporate Governance (ESG) presented by Scott Whalen, CFA, Verus – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES DAVID COUCH, RICK KRATT, EDWARD ROBINSON AND ROBB SEIBLY HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Robinson-Kratt – 8 Ayes; 1 No (Robinson)

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

STAFF REPORTS

17. Report from Executive Director

EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- ALAMEDA PHASE 4 UPDATE
- FACILITIES UPDATE
- STAFFING UPDATE
- RESPONSE TO REFERRAL REGARDING BEHAVIORAL HEALTH RESOURCES
- STAKEHOLDER NOTIFICATIONS
- RFQ FOR GOVERNANCE SERVICES
- DISABILITY UPDATE
- SACRS FALL CONFERENCE
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

CHAIR JUAN GONZALEZ HEARD

18. Report from Chief Investment Officer

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

- REBALANCING REPORT FOR AUGUST
- POSITIONING
- STAFF UPDATE
- KEY INITIATIVES
- INVESTMENT COMMITTEE MEETINGS

CHAIR JUAN GONZALEZ HEARD; TRUSTEES DAVID COUCH, RICK KRATT AND EDWARD ROBINSON HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; RETIREMENT INVESTMENT ANALYST JACK BOWMAN HEARD

19. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- SACRS LEGISLATIVE UPDATES
- SEPTEMBER 2021 CALENDAR ITEMS
- QUARTER 2 2021 METRICS UPDATE

COMMITTEE REPORTS

20. Report from Committee Chairs:

- Administrative Committee: FRANEY – NONE
- Finance Committee: WHITEZELL – NONE
- Investment Committee: KRATT – MEETING TO BE SCHEDULED
- KCERA Property, Inc.: SEIBLY – NONE

TRUSTEE EDWARD ROBINSON HEARD

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

EXECUTIVE SESSION

TRUSTEE DAVID COUCH LEFT 10:42 A.M.

21. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:

Mark Ashley

Sheriff

Safety

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED AT 11:18 A.M.

ROLL CALL

Present: Brandon, Franey, Gonzalez, Hughes, Kratt, Nunneley, Robinson, Seibly, Skidmore, Whitezell

Absent: Couch, Kaufman

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 1 – ADOPTED FINDINGS OF FACT AND RECOMMENDATION OF HEARING OFFICER TO FIND THE APPLICANT IS PERMANENTLY INCAPACITATED ON A NON-SERVICE-CONNECTED BASIS; GRANT NON-SERVICE-CONNECTED DISABILITY RETIREMENT AND DENY REQUEST FOR SERVICE-CONNECTED DISABILITY RETIREMENT

Whitezell-Hughes – 6 Ayes; 2 Noes (Kratt, Robinson); 1 Absent (Couch)*
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

**Prior to passage of the above action, the following motion occurred:*

MOTION TO DRAFT ALTERNATE FINDINGS AND GRANT SERVICE-CONNECTED DISABILITY

Robinson-Kratt – 2 Ayes; 6 Noes (Franey, Gonzalez, Hughes, Skidmore, Whitezell, Nunneley); 1 Absent (Couch)
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

MOTION FAILED (FIVE AFFIRMATIVE VOTES REQUIRED)

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

22. 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; TRUSTEES PHIL FRANAY, RICK KRATT, EDWARD ROBINSON AND LAUREN SKIDMORE HEARD; EXECUTIVE DIRECTOR DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; RETIREMENT ADMINISTRATIVE SERVICES MANAGER AIMEE MORTON HEARD

TRUSTEE EDWARD ROBINSON MADE A REFERRAL TO STAFF TO ISSUE A PRESS RELEASE REGARDING INVESTMENT RETURNS, INCLUDING COMPARISON TO OTHER ENTITIES

NEW BUSINESS

23. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – CHAIR JUAN GONZALEZ HEARD

CHAIR JUAN GONZALEZ MADE A REFERRAL TO BRING ESG MATTER BACK TO BOARD IN SEPTEMBER 2022

Gonzalez-Robinson – 8 Ayes

24. ADJOURNED – 11:32 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement