

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
November 1, 2023**

8:33 A.M.

Board Members: 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, Nunneley, Sanders, Seibly, Whitezell

Absent: Franey, Kaufman

SALUTE TO FLAG – CHAIR WHITEZELL

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Items 1 and 2 withdrawn from agenda.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.*

TRUSTEE PHIL FRANNEY ARRIVED AT 8:34 A.M.

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

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*4. Summary of proceedings of the following meetings:

- October 11, 2023 Board of Retirement
- October 18, 2023 Investment Committee

RECEIVED AND FILED

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*5. Report from the KCERA office on members retired from service for the month of October 2023 – RATIFIED

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*6. Report from the KCERA office on deceased retirees for the month of October 2023 – RECEIVED AND FILED

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*9. The KCERA Class Action Proceeds Report from July 1 through September 30, 2023 for the Northern Trust Company – RECEIVED AND FILED

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *10. Public Pension Standards Award for Funding and Administration 2023 received from the Public Pension Coordinating Council (PPCC) – RECEIVED AND FILED

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Kratt-Gonzalez – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

PUBLIC COMMENTS

12. 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

13. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Managing Director, Cambridge Associates¹, Senior Investment Officer Geoff Nolan, and the Investment Committee – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEES JUAN GONZALEZ AND RICK KRATT HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

APPROVED UP TO \$40MM COMMITMENT TO ITE RAIL FUND L.P.;
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL
ADVICE AND REVIEW

Couch-Kratt – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

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.

14. Discussion and appropriate action on termination recommendation for AB Emerging Markets Strategic Core Equity presented by Scott Whalen, CFA, Chief Investment Officer Daryn Miller, CFA, Senior Investment Analyst Jack Bowman, Investment Analyst II Rafael Jimenez, and the Investment Committee – SCOTT WHALEN, CFA, VERUS, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST JACK BOWMAN HEARD; INVESTMENT ANALYST II RAFAEL JIMENEZ HEARD

TERMINATED AB EMERGING MARKET STRATEGIC CORE EQUITY FUND

Couch-Kratt – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

15. Trustee education regarding the Life Cycle of an Investment presented by Chief Executive Officer Dominic Brown, Chief Investment Officer Daryn Miller, CFA, and the Investment Team, Chief Legal Officer Jennifer Zahry and the Legal Team, and Chief Financial Officer Angela Kruger and the Accounting and Reporting Team – TRUSTEES DAVID COUCH, RICK KRATT, AND ROBB SEIBLY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHIEF FINANCIAL OFFICER ANGELA KRUGER HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD; DEPUTY CHIEF FINANCIAL OFFICER MARITZA RODRIGUEZ HEARD; SENIOR INVESTMENT ANALYST JACK BOWMAN HEARD; SENIOR PARALEGAL MAGGIE PERALTA-LEE HEARD; SENIOR PARALEGAL IRMA CHAVEZ HEARD

RECEIVED EDUCATIONAL TRAINING (1 HOUR OF TRUSTEE EDUCATION CREDIT)

16. Trustee education regarding Fiduciary Training Update presented by Governance Consultants Julie Becker and Benita Falls Harper, Aon – BENITA FALLS HARPER, AON, HEARD

TRUSTEE JOHN SANDERS LEFT AT 10:08 A.M.

RECEIVED EDUCATIONAL TRAINING (21 MINUTES TRUSTEE EDUCATION CREDIT)

TRUSTEE JOSEPH D. HUGHES LEFT AT 10:30 A.M.

17. Presentation on referral regarding Delegation of Investment Duties presented by Chief Executive Officer Dominic Brown and Governance Consultants Julie Becker, Benita Falls Harper, and David Forman, Aon – JULIE BECKER AND DAVID FORMAN, AON, HEARD; SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR TYLER WHITEZELL HEARD; VICE-CHAIR PHIL FRANEY HEARD; TRUSTEES DAVID COUCH, JUAN GONZALEZ, AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

REFERRED MATTER TO INVESTMENT COMMITTEE FOR FURTHER DEVELOPMENT AND OPTIONS FOR IMPLEMENTATION; BRING BACK TO THE BOARD OF RETIREMENT

TRUSTEE JOHN SANDERS RETURNED AT 10:32 A.M.

TRUSTEE JOSEPH D. HUGHES RETURNED AT 10:40 A.M.

Kratt-Couch – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

ADMINISTRATIVE MATTERS

18. Discussion and appropriate action regarding a special Board of Retirement election to fill the vacancy of the Third Member (General) seat due to the resignation of Trustee Jeanine Adams – CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH AND ROBB SEIBLY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

DIRECTED STAFF TO INITIATE ELECTION TO FILL VACANCY OF THIRD MEMBER SEAT

Franey-Couch – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

19. SACRS Fall Conference Business Meeting Packet 2023 for SACRS business meeting on November 10, 2023 in Rancho Mirage, California – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECEIVED AND FILED

Couch-Kratt – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

20. Presentation on SACRS Legislative Proposals for 2024 concerning Use of Prepaid Cards and Payment to Accounts Included in Living Trust, Post-Retirement Employment, and Removal of "Return Receipt Requested" requirement, presented by Chief Legal Officer Jennifer Zahry – CHAIR TYLER WHITEZELL HEARD; TRUSTEES DUSTIN CONTRERAS, DAVID COUCH, JUAN GONZALEZ, RICK KRATT AND JOHN SANDERS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

BASED ON DISCUSSION, DIRECT DELEGATE TO VOTE IN APPROVAL OF TWO PROPOSALS AND OPPOSE ONE IF MATTERS CAN BE SEPERATED; REDESIGNATED CHIEF OPERATIONS OFFICER MATTHEW HENRY AS NEW ALTERNATE SACRS VOTING DELEGATE

Couch-Kratt – 9 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

21. Trustee education regarding an *Alameda* Administrative Appeals Orientation presented by Chief Legal Officer Jennifer Zahry – TRUSTEE RICK KRATT HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

HEARD PRESENTATION; RECEIVED EDUCATIONAL TRAINING (15 MINUTES TRUSTEE EDUCATION CREDIT)

STAFF REPORTS

22. Report from Chief Executive Officer

CHIEF OPERATIONS OFFICER MATTHEW HENRY REPORTED THE FOLLOWING:

- STAFFING UPDATE
- RECRUITING UPDATE
- MEMBER OUTREACH
- DISABILITY UPDATE
- RECEIVED 2023 PPCC AWARD
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

23. Report from Chief Investment Officer

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

- REBALANCING – OCTOBER ACTIVITY
- POSITIONING – ACTUAL VS. POLICY TARGET
- KEY INITIATIVES
- INVESTMENT COMMITTEE MEETINGS

24. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LEGISLATIVE UPDATES
- NOVEMBER CALENDAR
- Q3 2023 METRICS

COMMITTEE REPORTS

25. Report from Committee Chairs:

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

CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

26. 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 TYLER WHITEZELL HEARD; TRUSTEE JEANINE ADAMS HEARD

NEW BUSINESS

27. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE

RECESS UNTIL 1:30 P.M.

TRUSTEE JOSEPH D. HUGHES LEFT AT 12:58 P.M.

BOARD OF RETIREMENT RECONVENED AT 1:43 P.M.

ROLL CALL

To establish quorum present upon resuming public session

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

Absent: Hughes, Kaufman

ADMINISTRATIVE MATTERS (Continued)

28. Administrative Appeal of Tracy Wolfe regarding Objection to Pay Code Designation pursuant to *Alameda* Implementation – JACOB KALINSKI, ATTORNEY FOR TRACY WOLFE, HEARD; TRACY WOLFE HEARD; FIDUCIARY COUNSEL ASHLEY DUNNING, NOSSAMAN, HEARD; CHAIR TYLER WHITEZELL HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

HEARD STATEMENTS; RECEIVED ADMINISTRATIVE RECORD

EXECUTIVE SESSION

CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

Paragraph (2) of subdivision (d) of Section 54956.9). Administrative Appeal submitted by Tracy Wolfe

TRUSTEE DAVID COUCH LEFT AT 2:38

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 2:50 P.M.

ACTION ON MEMBER'S OBJECTION TO KCERA'S DECISION TO EXCLUDE AVAILABILITY PAY FROM HER COMPENSATION EARNABLE CALCULATION AND TO COLLECT THE OVERPAYMENT OF BENEFITS FROM AUGUST 2020 THROUGH NOVEMBER 2020

AFFIRMED KCERA'S DECISION TO TAKE ACTION ON MEMBER'S OBJECTION TO KCERA'S DECISION TO EXCLUDE AVAILABILITY PAY FROM HER COMPENSATION EARNABLE CALCULATION AND TO COLLECT THE OVERPAYMENT OF BENEFITS FROM AUGUST 2020 THROUGH NOVEMBER 2020

CHAIR TYLER WHITEZELL HEARD; TRUSTEE PHIL FRANNEY HEARD

Franey-Sanders – 7 Ayes

Trustee Dustin Contreras voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

28. ADJOURNED – 2:53 P.M.



Secretary, Board of Retirement



Chair, Board of Retirement