

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

December 8, 2021

8:32 a.m.

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

ROLL CALL

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

Absent: Couch, Hughes, Kaufman

MOMENT OF SILENCE

TRUSTEE DAVID COUCH ARRIVED AT 8:34 A.M.

- *1. Application for service-connected disability pension benefits for Phillip Campas, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO FIND MEMBER IS ENTITLED TO A SERVICE-CONNECTED DISABILITY RETIREMENT; PROVIDE APPLICABLE BENEFIT OPTIONS TO APPLICANT

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*3. Summary of proceedings of the following meetings:

- November 3, 2021 Board of Retirement
- November 3, 2021 Nominating Committee

RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*4. Report from the KCERA office on members retired from service for the month of November 2021 – RATIFIED

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*5. Report from the KCERA office on deceased retirees for the month of November 2021 – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

*6. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending November 30, 2021 – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

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

Franey-Whitezell – 8 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

- *9. Certificate of Achievement for Excellence in Financial Reporting for Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 presented by the Government Finance Officers Association (GFOA) – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- *10. Annual Fee Disclosure Report FY 2020-21 – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- *11. Annual On-Site Due Diligence Schedule FY 2020-21 – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- *12. Albourne America On-Site Due Diligence Meeting Summary – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- *13. Annual Investment Manager Compliance Report FY 2020-21 – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

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

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

- *15. Extension of appointment of Retiree Extra-Help Thad Kennedy, effective January 1, 2022 – APPROVED APPOINTMENT EXTENSION

Franey-Whitezell – 8 Ayes

*Trustee Bradly Brandon voted due to vacant 3rd seat
Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman*

PUBLIC COMMENTS

16. 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

THIS ITEM HEARD OUT OF ORDER

23. Presentation of plaque honoring former Chair Dustin Dodgin for his service to the Kern County Employees' Retirement Association Board of Retirement as Chair – FORMER CHAIR DUSTIN DODGIN HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES DAVID COUCH, PHIL FRANEY, RICK KRATT AND LAUREN SKIDMORE HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

MADE PRESENTATION

17. Presentation on Phase 4 of the *Alameda* decision implementation and actuarial analysis performed by KCERA's Actuary to determine total net impact to the Plan presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, Actuaries Paul Angelo and Molly Calcagno, Segal Consulting, and Tax Counsel Robert L. Gauss, Partner, and Audra Ferguson-Allen, Partner, Ice Miller LLP – TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 8:53 A.M.

HEARD PRESENTATION

INVESTMENT MATTERS

18. Presentation on the Private Markets Performance Report as of June 30, 2021 presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Anelise Hohl, Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – ANDREA AUERBACH, ANELISE HOHL AND KELLY JENSEN, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEE RICK KRATT HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

RECEIVED AND FILED

Franey-Kratt – 9 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

19. Trustee education regarding Venture Capital presented by Andrea Auerbach, Investment Managing Director, Kelly Jensen, Senior Investment Director Cambridge Associates, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – KELLY JENSEN, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED EDUCATIONAL TRAINING (21 MINUTES TRUSTEE EDUCATION CREDIT)

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 §6254.26, §6255, and §54957.5.

FINANCIAL MATTERS

20. Discussion and appropriate action on review of the actuarial valuation as of June 30, 2021, recommended employer and employee contribution rates for fiscal year 2022-2023, and related reports presented by Actuaries Paul Angelo and Molly Calcagno, Segal – ACTUARIES PAUL ANGELO AND MOLLY CALCAGNO, SEGAL, HEARD; CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES DAVID COUCH, PHIL FRANNEY AND RICK KRATT HEARD

PUBLIC COMMENT: JOSEPH ARRIOLA, COUNTY ADMINISTRATIVE OFFICE, HEARD

RECEIVED AND FILED; APPROVED THE ACTUARIAL VALUATION, EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, AND RELATED REPORTS FOR FISCAL YEAR 2022-23 RECOMMENDED BY ACTUARY; SEND TO PLAN SPONSORS FOR ADOPTION

Franey-Kratt – 9 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

21. Discussion and appropriate action on the draft Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021, presented by Auditors Tim Rawal and Jason Ostroski, CliftonLarsonAllen LLP, and Chief Financial Officer Angela Kruger – TIM RAWAL, CLIFTONLARSONALLEN LLP, HEARD; TRUSTEE RICK KRATT HEARD; CHIEF FINANCIAL OFFICER ANGELA KRUGER HEARD

APPROVED DRAFT ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Kratt-Whitezell – 9 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

ADMINISTRATIVE MATTERS (Continued)

22. Slate of nominees for Chair and Vice-Chair for the calendar year 2021 presented by Nominating Committee Chair – VICE-CHAIR TYLER WHITEZELL HEARD

ELECTED TRUSTEE JUAN GONZALEZ AS CHAIR AND TRUSTEE TYLER WHITEZELL AS VICE-CHAIR FOR CALENDAR YEAR 2022

Couch-Kratt – 9 Ayes

Trustee Bradly Brandon voted due to vacant 3rd seat

Trustee Chase Nunneley voted in place of Trustee Jordan Kaufman

24. Presentation of plaque honoring Trustee Bradly Brandon for his service to the Kern County Employees' Retirement Association Board of Retirement – CHAIR JUAN GONZALEZ HEARD; TRUSTEE BRADLY BRANDON HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

MADE PRESENTATION

25. Presentation of plaque honoring Trustee Lauren Skidmore for her service to the Kern County Employees' Retirement Association Board of Retirement – CHAIR JUAN GONZALEZ HEARD; TRUSTEE LAUREN SKIDMORE HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

MADE PRESENTATION

STAFF REPORTS

26. Report from Chief Executive Officer

TRUSTEE LAUREN SKIDMORE LEFT AT 10:46 A.M.

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- BOARD ELECTION UPDATE
- WINTER RECESS
- NEW COUNTY COMPENSATION STRUCTURE
- FACILITIES UPDATE
- STAFFING UPDATE
- DISABILITIES UPDATE
- SERVICE PURCHASE UPDATE
- ALAMEDA DECISION UPDATE
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

EXECUTIVE DIRECTOR DOMINIC BROWN HEARD

27. Report from Chief Investment Officer

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

- REBALANCING NOVEMBER ACTIVITY
- POSITIONING
- KEY INITIATIVES
- INVESTMENT COMMITTEE MEETING IN DECEMBER

28. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- LACERA LAWSUIT
- DECEMBER 2021 CALENDAR ITEMS

CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANNEY HEARD

COMMITTEE REPORTS

29. Report from Committee Chairs:

- a. Administrative Committee: FRANNEY – NONE
- b. Finance Committee: WHITEZELL – NONE
- c. Investment Committee: KRATT – UPCOMING MEETING DECEMBER 14, 2021
- d. KCERA Property, Inc.: SEIBLY – NONE

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

TRUSTEE DAVID COUCH LEFT AT 11:03 A.M.

EXECUTIVE SESSION

30. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not fully known to a potential plaintiff or plaintiffs, which facts and circumstances related to implementation of the *Alameda* decision (approximately 290 potential cases).

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

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED AT 12:07 P.M.

ROLL CALL

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

Absent: Couch, Kaufman, Skidmore

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 30 – NO REPORTABLE ACTION

ITEM 31 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

32. 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 ROBB SEIBLY HEARD

NEW BUSINESS

33. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
34. ADJOURNED – 12:11 P.M.



Secretary, Board of Retirement



Chair, Board of Retirement