

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

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

**SUMMARY OF PROCEEDINGS**

**Board of Retirement Meeting  
February 14, 2023**

**8:36 A.M.**

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

**ROLL CALL**

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

Absent: Hughes

**SALUTE TO FLAG – CHAIR FRANNEY**

**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*Items 1 and 2 withdrawn from agenda.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.*

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

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*4. Application for service-connected disability pension benefits for Thomas Smith, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*5. Application for service-connected disability pension benefits for Theron Williams, General Services (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY PENSION

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*6. Application for non-service-connected disability pension benefits for Armando Gomez, Information Technology Services (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT NON-SERVICE-CONNECTED DISABILITY PENSION

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

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

- December 11, 2023 Investment Committee
- December 11, 2023 Administrative Committee
- December 13, 2023 Board of Retirement
- January 18, 2024 Finance Committee Meeting

RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*8. Report from the KCERA office on members retired from service for the month of December 2023 and January 2024 – RATIFIED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*9. Report from the KCERA office on deceased retirees for the month of December 2023 and January 2024 – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

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

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*11. Securities Lending Earnings Summary Report for the periods December 1-31, 2023 from Deutsche Bank – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*12. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the months of November 2023 and December 2023

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

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

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*14. KCERA Class Action Proceeds Report from October 1, 2023 through December 31, 2023 from the Northern Trust Company – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*15. Corrections in Benefit Payments Report for the period July through December 2023 – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*16. Corrections in Benefit Contributions Report for the period July through December 2023 – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*17. Glass Lewis Proxy Voting Management Report for the period January 1 through December 31, 2023 – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*18. 2024 Board of Retirement Committee Assignments – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*19. Board of Retirement Semi-annual Trustee Education Report – RECEIVED AND FILED; POSTED TO KCERA WEBSITE IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 31522.8(d)

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*20. Kern County Employees’ Retirement Association 2023 Annual Comprehensive Financial Report (ACFR) for the fiscal years ended June 30, 2023 and 2022 – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*21. Auditor’s reports to management for the fiscal year ended June 30, 2023 – APPROVED AUDITOR’S REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*22. Letter from Segal Consulting, dated February 7, 2024, on annual cost-of-living adjustment (COLA) rates as of April 1, 2024 – ADOPTED THE FOLLOWING:

RETIREMENT DATE	COLA
ON OR BEFORE APRIL 1, 2024	2.5%

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*23. Letter from Segal, dated February 1, 2024, regarding Five-Year Projection of Employer Contribution Rates based on June 30, 2023 Valuation – RECEIVED AND FILED; DISTRIBUTED TO KCERA PLAN SPONSORS TO BE INTEGRATED INTO PAYROLL PROCESS

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*24. Amendment to Order Subscription Modification for Agreement with Workiva – effective February 21, 2024 – APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*25. Report on Special Pay Codes classified by the Chief Executive Officer – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*26. Memorandum from Chief Legal Officer Jennifer Esquivel Zahry, dated February 14, 2024, regarding gift restrictions – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*27. Memorandum from Chief Legal Officer Jennifer Esquivel Zahry, dated February 14, 2024, regarding gifts of travel – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*28. Memo from Chief Operating Officer Matthew Henry regarding application of the Actuarial Valuation to the Declining Employer Payroll Policy; SRBR Policy; and the evaluation of Amortization Periods – RECEIVED AND FILED

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*29. Invitation from Managed Funds Association to attend the Managed Funds Association Network Conference 2024 January 29-February 1, 2024, in Miami, FL – RATIFIED ATTENDANCE OF CHIEF INVESTMENT OFFICER DARYN MILLER

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

- \*30. Invitation for trustees and/or staff to attend the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly, March 2-5, 2024 in Rancho Mirage, CA – APPROVED THE ATTENDANCE OF TRUSTEES JOSEPH D. HUGHES AND RICK KRATT

**Couch-Kratt – 8 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

## **PUBLIC COMMENTS**

31. 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**

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 8:40 A.M.

32. Presentation on Annual Private Markets Plan presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Maria Surina, Investment Director, Cambridge Associates, and Chief Investment Officer Daryn Miller, CFA – ANDREA AUERBACH, KEIRSTEN LAWTON, KELLY JENSEN AND MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

### **Kaufman-Kratt – 9 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

33. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Investment Director, Cambridge Associates<sup>1</sup>, and Chief Investment Officer Daryn Miller, CFA – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR TYLER WHITEZELL HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$50MM COMMITMENT TO JUNIPER CAPITAL;  
AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL  
ADVICE AND REVIEW

### **Whitezell-Couch – 9 Ayes**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

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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.

34. Discussion and appropriate action on hedge fund recommendation presented by Spencer Edge, Albourne America<sup>1</sup>, and Chief Investment Officer Daryn Miller, CFA – SPENCER EDGE, ALBOURNE AMERICA, HEARD; CHAIR TYLER WHITEZELL HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; INVESTMENT ANALYST II RAFAEL JIMENEZ HEARD

APPROVED A) \$65MM INVESTMENT IN ELLIOTT ASSOCIATES, L.P. FUND, AND B) TERMINATED SCULPTOR DOMESTIC PARTNERS II, L.P. FUND; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

**Whitezell-Kratt – 8 Ayes; 1 Absent (Couch)**

*Trustee Dustin Contreras voted due to vacant 3<sup>rd</sup> seat*

**FINANCIAL MATTERS**

35. Presentation of the inaugural internal and plan sponsor audit plan for the FY 2023-24, presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and Chief Operations Officer Matthew Henry – CHAIR PHIL FRANEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES JORDAN KAUFMAN, RICK KRATT AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

HEARD PRESENTATION

**STAFF REPORTS**

36. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- STAFFING UPDATE
- MEMBER OUTREACH
- DISABILITY UPDATE
- SOLAR UPDATE
- SEGAL PRESENTATION TO BOARD OF SUPERVISORS SCHEDULED
- MMRO TO ATTEND JUNE BOARD OF RETIEMENT MEETING
- SPECIAL ELECTION UPDATE
- OPERATIONS ACTIVITY
- STAKEHOLDER SURVEY
- UPCOMING MEETINGS AND EVENTS

CHAIR PHIL FRANEY HEARD; TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

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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.

37. Report from Chief Investment Officer

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

- REBALANCING – DECEMBER AND JANUARY ACTIVITY
- PLAN ASSET UPDATE
- CORE REAL ESTATE UPDATE
- DELEGATION UPDATE
- KEY INITIATIVES
- SPECIAL BOARD MEETING

38. Report from Chief Legal Officer:

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- ANNUAL MEMOS ON CONSENT AGENDA
- RECENT LITIGATION INFORMATION
- FEBRUARY CALENDAR
- FOURTH QUARTER METRICS

CHAIR PHIL FRANNEY HEARD; VICE-CHAIR DAVID COUCH HEARD; TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

**COMMITTEE REPORTS**

39. Report from Committee Chairs:

- a. Administrative Committee: CONTRERAS – MEETING TO BE SCHEDULED
- b. Finance Committee: SANDERS – NONE
- c. Investment Committee: WHITEZELL – MEETING HELD FEBRUARY 5, 2024

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

**EXECUTIVE SESSION**

40. 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

41. 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 11:11 A.M.

**ROLL CALL**

*To establish quorum present upon resuming public session*

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

Absent: NONE

ITEM 40 – NO REPORTABLE ACTION

ITEM 41 – NO REPORTABLE ACTION

**REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS**

42. 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 – NONE

**NEW BUSINESS**

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

  
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Secretary, Board of Retirement

  
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Chair, Board of Retirement