



**County Employees Retirement System  
Personnel Committee – Special Meeting  
January 10, 2023 at 2:00 PM ET (1:00 PM CT)  
Live Video Conference/Facebook Live**

**AGENDA**

- |   |  |
|---|--|
| <b>1. Call to Order</b>                             | <b>Jim Tony Fulkerson</b>                                |
| <b>2. Opening Statement</b>                         | <b>Legal Services</b>                                    |
| <b>3. Roll Call</b>                                 | <b>Sherry Rankin</b>                                     |
| <b>4. Public Comment</b>                            | <b>Sherry Rankin</b>                                     |
| <b>5. Approval of Minutes* -- September 7, 2022</b> | <b>Jim Tony Fulkerson</b>                                |
| <b>6. 2023 CEO Performance Plan*</b>                | <b>Betty Pendergrass</b>                                 |
| <b>7. CERS Personnel Policy Manual*</b>             | <b>Jim Tony Fulkerson<br/>Lori Casey<br/>Eric Branco</b> |
| <b>8. ADJOURN</b>                                   | <b>Jim Tony Fulkerson</b>                                |

***\*Committee Action May Be Taken***

**MINUTES OF MEETING  
COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES  
AD HOC PERSONNEL COMMITTEE  
SEPTEMBER 7, 2022 AT 2:00 P.M. ET (1:00 P.M. CT)  
VIA LIVE VIDEO TELECONFERENCE**

At the special called meeting of the County Employees Retirement System Board of Trustees Ad Hoc Personnel Committee held on September 7, 2022, the following members were present: JT Fulkerson (Chair), George Cheatham, and Michael Foster. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Steve Willer, Lori Casey, Ashley Gabbard, Shaun Case, Katie Park, and Sherry Rankin. Others present included CERS CEO Ed Owens, III, CERS Trustee Betty Pendergrass, and Eric Branco with Johnson Bowman Branco, LLP.

Mr. Fulkerson called the meeting to order.

Mr. Board read the Legal Opening Statement.

Ms. Rankin called the roll.

There being no *Public Comment* submitted, Mr. Fulkerson introduced agenda item *Approval of Minutes – June 22, 2022*. Mr. Cheatham made a motion and was seconded by Mr. Foster to approve the minutes as presented. The motion passed unanimously.

Mr. Fulkerson introduced agenda item *CEO Evaluation Process*. Ms. Lori Casey presented the updated CERS Employee Performance Appraisal form, CERS CEO Detailed Evaluation, Project Summary, Appraisal Guidelines, and Self-Review forms. She briefly reviewed the changes and additions made to these forms since the last meeting of the CERS Ad Hoc Personnel Committee. Mr. Eager suggested to replace names with titles, when permitted, to reduce edits to the documents over time. Mr. Cheatham stated that the signature lines on page one of the Employee Performance Appraisal should reflect the Chair and Vice-Chair of the CERS Ad Hoc Personnel Committee. In addition, Mr. Cheatham added that he would like the CEO to provide a detailed report on their performance i.e. projects, results, issues faced etc. throughout the year. Mr. Cheatham made a motion and was seconded by Mr. Foster to approve the CEO Evaluation Process, as modified with

the suggestions discussed. The motion passed unanimously.

Mr. Fulkerson introduced agenda item *CERS Personnel Policy Manual*. Ms. Casey reviewed the drafted CERS Personnel Policy Manual with the Committee and welcomed feedback from the Trustees. Ms. Casey advised that the listed Duties and Qualifications for the CEO and General Counsel reflect the position description and summary of duties provided by Ms. Pendergrass. Ms. Pendergrass commented that these duties and qualifications were used to recruit the positions. Mr. Eric Branco with Johnson Bowman Branco, LLP commented that there are job duties and qualifications for the CEO listed in the CERS Bylaws; therefore, the manual should mirror that language. Ms. Casey stated that additional information was needed in the Recruitment Strategies and Succession Planning sections of the manual. Mr. Cheatham asked if Recruitment Strategies and Succession Planning sections were required. Ms. Casey stated that the addition of these sections was recommended by Ms. Pendergrass and Mr. Fulkerson. Ms. Pendergrass added that it is standard policy to include these in similar personnel manuals. Further, Ms. Pendergrass suggested that the Committee review the meeting minutes from May and June 2021 to review the prior data and information discussed regarding strategy. Mr. Cheatham stated that the General section should include compliance responsibilities. Ms. Pendergrass agreed with Mr. Cheatham and asked Ms. Casey to include state procurement information and the statute which requires KPPA to hire a CEO and General Counsel. Mr. Board advised the Committee that the bylaws require that recruitment strategies are included in the Personnel Policy. Ms. Adkins suggested that the option to utilize a third-party for recruitment should be included in the policy. Mr. Cheatham agreed as long as the language reflects that it is not required. Mr. Cheatham also suggested that language be included to allow the School Board Association to host these job openings on their website. Mr. Cheatham summarized the discussion and requested that broad language allowing the use of national recruitment services and headhunters be included. Mr. Fulkerson agreed. Ms. Lori Casey stated that she would make these edits and present the updated CERS Personnel Policy Manual for further review by the Committee at an upcoming meeting. Mr. Cheatham added that a six-month period would be beneficial regarding succession planning. This would provide time for recruitment and training, said Mr. Cheatham. Ms. Pendergrass asked if it would be possible to hire interns to work alongside Staff who may be retiring in the near future. It was discussed whether or not language to allow a position to be filled in the interim was needed. Ms. Pendergrass looked to Mr. Branco to advise what is required. He suggested that a general policy statement be included to describe what the Committee would like to see happen in the event of Staff retirement and

indicate if a notice period is expected. Mr. Branco added that the statement may also include how the transitioning individual would assist their successor and state that the Board would have the authority to hire in the interim. Ms. Pendergrass requested that Mr. Branco create a proposal for the Succession Planning section of the manual for presentation to the Committee. Mr. Cheatham reiterated that the section should clearly indicate where the responsibilities of the CERS CEO would fall in the interim as a new CEO is recruited. Mr. Branco stated that he would conduct further research to see what the Board is allowed to do by statute.

A motion was made by Mr. Foster and seconded by Mr. Cheatham to adjourn the meeting. The motion passed unanimously.

*The remainder of this page left blank intentionally.*

## CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

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Recording Secretary

I, JT Fulkerson, the Chair of the County Employees Retirement System Ad Hoc Personnel Committee, do certify that the Minutes of Meeting held on September 7, 2022 were approved on January 10, 2023.

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Chair of the CERS Finance Committee

I have reviewed the Minutes of the September 7, 2022 CERS Ad Hoc Personnel Committee Meeting for content, form, and legality.

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Executive Director  
Office of Legal Services



<b><u>CEO JOB TASKS AND EXPECTATIONS</u></b>		
<b><u>Describe</u></b>	<b><u>Due Date</u></b>	<b><u>Date Completed</u></b>
Administration		
<ul style="list-style-type: none"> <li>• Coordinate with Shawn Sparks and Chris Clair to develop PR structure for CERS communications</li> </ul>	03/2023	
<ul style="list-style-type: none"> <li>• Keep CERS Board Chair informed about key issues affecting CERS pension management</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Keep CERS Committee Chairs informed about key issues affecting CERS pension management</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Stakeholder Communications                             <ul style="list-style-type: none"> <li>○ Newsletters</li> <li>○ Conferences, seminars</li> <li>○ Press releases</li> <li>○ Develop webinars to publish on KPPA site for CERS topics of interest</li> </ul> </li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• CERS Strategic Planning                             <ul style="list-style-type: none"> <li>○ Assist Committees with developing goals and measurement tools</li> <li>○ Consolidate Committee plans to organize Board Strategic Plan</li> <li>○ Develop communications to distribute CERS Strategic plan to key stakeholders (Separation workgroup, KLC, KACo, KSBA &amp; General Assembly)</li> <li>○ Establish data collection system to develop measurement process and reporting to Board for quarterly meetings</li> </ul> </li> </ul>	08/2023	
	06/30/2023	
	05/31/2023	
	05/31/2023	
	06/15/2023	
	09/30/2023	
Trustee Education:		
<ul style="list-style-type: none"> <li>• Develop a catalog of Trustee Education courses, including recorded sessions that were presented live</li> </ul>	08/2023	
<ul style="list-style-type: none"> <li>• Organize CERS-sponsored education sessions to provide 6 – 8 hours of annual training</li> </ul>	3/31, 6/30, 9/30, & 12/31	
<ul style="list-style-type: none"> <li>• Monitor Trustee training reports and assist Trustees with finding educational opportunities</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Provide quarterly reports to Board Chair about Trustee education hours completed</li> </ul>	3/31, 6/30, 9/30, & 12/31	
Monthly CEO reports to CERS Board Chair	Last work day of each month	
Quarterly CEO report in CERS Board packet	3/2/2023, 6/7/2023, 9/6/2023, & 11/27/2023	

<u>Describe</u>	<u>Due Date</u>	<u>Date Completed</u>
Legislative		
<ul style="list-style-type: none"> <li>• Contact PPOB chairs to coordinate CERS presentations for regular PPOB meetings</li> </ul>	4/2023	
<ul style="list-style-type: none"> <li>• Assist Committee Chair with meeting agendas, scheduling, and summaries to CERS Board</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Coordinate draft bill review for KPPA legislative proposals with CERS Legislative Working Group and ensure that CERS Board has input prior to submission to LRC/General Assembly</li> </ul>	10/31/2023	
<ul style="list-style-type: none"> <li>• Coordinate bill review with Legislative Working Group during General Assembly regular and special sessions</li> </ul>	Jan – April 2023	
<ul style="list-style-type: none"> <li>• Coordinate CERS legislative requests with Legislative Working Group and CERS General Counsel</li> </ul>	Ongoing	
Investment Management		
<ul style="list-style-type: none"> <li>• Assist Committee Chair with meeting agenda, packet, and scheduling</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Asset Allocation                             <ul style="list-style-type: none"> <li>○ Contact NCPERS to find out when Asset Allocation study (Kinlaw, Kritzman, &amp; Turkington) will be published</li> </ul> </li> </ul>	04/30/2023	
<ul style="list-style-type: none"> <li>• Restore Investment Reporting                             <ul style="list-style-type: none"> <li>○ Quarterly Performance</li> <li>○ Quarterly Compliance</li> <li>○ Analyze management fees for external investment managers</li> </ul> </li> </ul>	ASAP ASAP 05/17/2023	
Finance		
<ul style="list-style-type: none"> <li>• Assist Committee Chair with meeting agenda, packet, scheduling, and summary for CERS Board packet</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Evaluate ongoing Admin Costs</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Review proposed KPPA Admin Budget</li> </ul>	09/2023	
<ul style="list-style-type: none"> <li>• Develop historical financial trend reports for each of CERS plans</li> </ul>	09/2023	
<ul style="list-style-type: none"> <li>• Coordinate with Internal Audit to evaluate Risk Assessments</li> </ul>	Ongoing	
Actuarial		
<ul style="list-style-type: none"> <li>• Assist Committee Chair with meeting agenda, packet, scheduling, and summary for CERS Board</li> </ul>	Ongoing	
<ul style="list-style-type: none"> <li>• Research options for using Pension Obligation Bonds to retire the unfunded liability – Research current guidance from NCPERS, GFOA, rating agencies</li> </ul>	08/2023	
<ul style="list-style-type: none"> <li>• Evaluate discount rate for actuarial valuations</li> </ul>	04/2023	
Develop Peer Group Research	04/2023	
<ul style="list-style-type: none"> <li>• Identify peer public pension plans</li> </ul>	04/2023	
<ul style="list-style-type: none"> <li>• Research NASRA info for small plans</li> </ul>	04/2023	
<ul style="list-style-type: none"> <li>• Check contacts on NCPERS conference attendee lists for potential peer public plans</li> </ul>	04/2023	



CERS Organizational ToDo List									
Describe	2021 Planning						2022-2023 Planning		
	Ed	Joe & Eric	BAP	Due Date	Completed By	Date Completed	Assigned to	Due Date	Date Completed
Administration									
<ul style="list-style-type: none"> <li>Coordinate with Eager on KPPA staff &amp; area of responsibilities (Eager has regular staff meetings that he might invite you to attend)</li> </ul>	X		X	July 15	Ed				
<ul style="list-style-type: none"> <li>State equipment &amp; system access for CEO</li> </ul>	X		X	July 15	Ed				
<ul style="list-style-type: none"> <li>Coordinate with Shawn Sparks and Chris Clair to develop PR structure</li> </ul>	X			Aug 31			Ed	08/2022	
<ul style="list-style-type: none"> <li>Stakeholder Communications</li> <li>o Newsletters</li> <li>o Conferences, seminars</li> <li>o Press releases</li> </ul>	X			Ongoing			Ed/BAP/JP	Ongoing	
	X						Ed/BAP/JP		
	X						Ed/BAP/JP		
	X						Ed/BAP/JP		
<ul style="list-style-type: none"> <li>Review website and make recommendations for improving access to documents (I couldn't find the 11/2020 Asset Liability Study on Investments or Board pages.)</li> </ul>	X			Aug 31			Ed	08/2022	
<ul style="list-style-type: none"> <li>Compare BoardBooks documents to KPPA website Publications &amp; Forms to identify gaps</li> </ul>	X			Sept 30			Ed	08/2022	



CERS Organizational ToDo List									
Describe	2021 Planning						2022-2023 Planning		
	Ed	Joe & Eric	BAP	Due Date	Completed By	Date Completed	Assigned to	Due Date	Date Completed
Administration (continued)									
• Explore options for hiring clerical staff	X	X		July 31	Eric	8/5/2021			
• CEO Evaluation			X	01/31/2022	JP is revising		CERS Personnel Comm	TBD	
• CERS Strategic Planning	X			04/05/2022	BAP	To Board 03/14/2022	CERS Committee Chairs	06/30/2022	
• KPPA Legal Compliance	X						Not approved by CERS Board		
• Coordinate with Internal Audit to evaluate Risk Assessments	X			Ongoing			Joint Audit Committee	Ongoing	
Trustee Education:				Sept 30					
• Schedule Ethics training for Trustees (BAP has a slide deck from TEDS)	X	X		Aug or Oct	BAP	4/18/2022			
• Finalize training approval forms	X			July 31	Ed	3/16/2021			
• Organize training records (Rebecca was looking for Alane's list)	X			July 31	Ashley	3/29/2022			
• Develop a catalog of Trustee Education courses, including recorded sessions that were presented live	X			Oct 31			Ed	08/2022	

CERS Organizational ToDo List									
Describe	2021 Planning						2022-2023 Planning		
	Ed	Joe & Eric	BAP	Due Date	Completed By	Date Completed	Assigned to	Due Date	Date Completed
Administrative Policies									
• Review current policies and suggest updates for CERS	X	X		Sept 1	Ed	09/22/2021			
• Evaluate need for a separate Code of Conduct in addition to the ethics requirements in state law and Admin policies (Jillian Hale is drafting for KPPA & KERS)	X	X		Sept 1			Ed	10/2022	
• Review Bylaws adopted in April and suggest revisions, if necessary				Nov 3	Ed	02/07/2022	All	Ongoing, based on Board discussions	
Legislative									
• Contact PPOB chairs to coordinate CERS presentations for regular PPOB meetings	X			July 31			Ed	06/2022	
• Contact Rep. Webber to establish communications for amendments to 2020 HB 484	X	X		July 31	Eager	10/2021			
• Coordinate bill review with Legislative Committee	X			03/31/2022					
Investment Management									
• Contact Steven Herbert to open communications about investment management	X			July 12	Ed	08/2021			
• Review Investment Policy Statement with Dr. Hackbart	X	X		July 12	Ed	07/2021			

CERS Organizational ToDo List									
Describe	2021 Planning						2022-2023 Planning		
	Ed	Joe & Eric	BAP	Due Date	Completed By	Date Completed	Assigned to	Due Date	Date Completed
• Asset Allocation									
○ Contact NCPERS to find out when Asset Allocation (Kinlaw, Kritzman, & Turkington) will be published	X			July 9			Ed	06/2022	
○ Analyze allocations among stocks, bonds, and alternatives	X			July 9	Wilshire	07/2021	Inv Comm	Ongoing, based on Board discussions	
○ Dr. H is suggesting that we allocate based on industrial sectors rather than US vs Non US equities	X			July 9	Dr. H	07/2021			
• Evaluate investment admin policies for CERS impact (Do we need separate investment admin policies?)	X	X		July 9	Ed & Stephen	03/2021			
○ Investment Procurement Policy	X			IC approved 7/2021	Not sent to Finance until 12/2021	03/2021			
• Evaluate unitization & pooling of assets	Ed & Stephen				Inv Comm revised IPS	04/22/2022	Invest Comm	05/2022	
• Evaluate cash flows	Ed & Stephen				IA & Joint Audit are reviewing		New KPPA CFO		
• Move Investment staff outside KRS Chap 18A & hire more staff	Ed & Stephen				Eager, Ed, & SH	HB297			

CERS Organizational ToDo List									
Describe	2021 Planning					2022-2023 Planning			
	Ed	Joe & Eric	BAP	Due Date	Completed By	Date Completed	Assigned to	Due Date	Date Completed
• Restore Investment Reporting	Ed & Stephen			ASAP			Ed & SH		
○ Monthly Performance	Ed & Stephen			ASAP	Joe Gilbert	05/06/2022			
○ Quarterly Performance	Ed & Stephen			ASAP			Ed & SH	ASAP	
○ Quarterly Compliance	Ed & Stephen			ASAP			Ed & SH	ASAP	
○ Wilshire Quarterly reports to IC	Ed & Stephen			ASAP			Ed & SH	ASAP	
○ Analyze management fees (BAP has a schedule that summarizes)	X			July 9			Ed	ASAP	
Finance									
• Develop Admin cost allocation					Bill O'Mara & KPPA workgroup	03/2022			
• Evaluate ongoing Admin Costs					Bill O'Mara & KPPA workgroup	Ongoing	Bill O'Mara & KPPA workgroup	Ongoing	
• Review proposed KPPA Admin Budget							Bill O'Mara & KPPA workgroup	10/2021	
Litigation									
• Schedule briefing on Mayberry before Kathy Rupinen leaves	X	X		July 20	Joe & Eric	07/2021			
• Schedule briefing on Northern Ky cities litigation	X	X		Aug 15	Joe & Eric	07/2021			

CERS Organizational ToDo List									
Describe	2021 Planning						2022-2023 Planning		
	Ed	Joe & Eric	BAP	Due Date	Completed By	Date Completed	Assigned to	Due Date	Date Completed
Actuarial									
<ul style="list-style-type: none"> <li>Mike Foster wants to use Pension Obligation Bonds to retire the unfunded liability – Research current guidance from NCPERS, GFOA, rating agencies</li> </ul>	X			Oct 31			Ed	08/2022	
<ul style="list-style-type: none"> <li>Review references from Segal presentation at TEDS to identify speakers for Actuarial Training</li> </ul>	X			Oct 31			Ed	06/2022	
<ul style="list-style-type: none"> <li>Evaluate discount rate for actuarial valuations (Note: GRS Study was not given to Actuarial Committee for 2/22 meeting, so project is deferred until 2023. Ed continues to assign this project to the Investment Committee instead of Actuarial Committee.)</li> </ul>	X			Feb 2022	GRS	11/2021	Ed	2/2023	
Develop Peer Group Research							Ed	08/2022	
<ul style="list-style-type: none"> <li>Identify peer public pension plans</li> </ul>	X			Sept 30			Ed	08/2022	
<ul style="list-style-type: none"> <li>Research NASRA info for small plans</li> </ul>	X			Sept 30			Ed	08/2022	
<ul style="list-style-type: none"> <li>Check contacts on TEDS attendee list for potential peer public plans</li> </ul>	X			Sept 30			Ed	08/2022	

Footnotes:									
Completed Projects									
Projects added in 2021									
Projects Ed added									
Projects added for 2022-2023									
<ul style="list-style-type: none"> <li>Additional projects will be added after Board adopts the Strategic Plan</li> </ul>									



<b>CERS Organizational ToDo List</b>				
<b><u>Describe</u></b>	<b><u>Ed</u></b>	<b><u>Joe &amp; Eric</u></b>	<b><u>BAP</u></b>	<b><u>Due Date</u></b>
<b>Administration</b>				
<ul style="list-style-type: none"> <li>Coordinate with Eager on KPPA staff &amp; area of responsibilities (Eager has regular staff meetings that he might invite you to attend)</li> </ul>	X		X	July 15
<ul style="list-style-type: none"> <li>State equipment &amp; system access for CEO</li> </ul>	X		X	July 15
<ul style="list-style-type: none"> <li>Coordinate with Shawn Sparks and Chris Clair to develop PR structure</li> </ul>	X			Aug 31
<ul style="list-style-type: none"> <li>Review website and make recommendations for improving access to documents (I couldn't find the 11/2020 Asset Liability Study on Investments or Board pages.)</li> </ul>	X			Aug 31
<ul style="list-style-type: none"> <li>Compare BoardBooks documents to KPPA website Publications &amp; Forms to identify gaps</li> </ul>	X			Sept 30
<ul style="list-style-type: none"> <li>Explore options for hiring clerical staff</li> </ul>	X	X		July 31
<b>Trustee Education:</b>				
<ul style="list-style-type: none"> <li>Schedule Ethics training for Trustees (BAP has a slide deck from TEDS)</li> </ul>	X	X		Aug or Oct
<ul style="list-style-type: none"> <li>Finalize training approval forms</li> </ul>	X			July 31
<ul style="list-style-type: none"> <li>Organize training records (Rebecca was looking for Alane's list)</li> </ul>	X			July 31
<ul style="list-style-type: none"> <li>Develop a catalog of Trustee Education courses, including recorded sessions that were presented live</li> </ul>	X			Oct 31
<b>Administrative Policies</b>				
<ul style="list-style-type: none"> <li>Review current policies and suggest updates for CERS</li> </ul>	X	X		Sept 1
<ul style="list-style-type: none"> <li>Evaluate need for a separate Code of Conduct in addition to the ethics requirements in state law and Admin policies (Jillian Hale is drafting for KPPA &amp; KERS)</li> </ul>	X	X		Sept 1
<ul style="list-style-type: none"> <li>Review Bylaws adopted in April and suggest revisions, if necessary</li> </ul>				Nov 3
<b>Legislative</b>				
<ul style="list-style-type: none"> <li>Contact PPOB chairs to coordinate CERS presentations for regular PPOB meetings</li> </ul>	X			July 31

<b>CERS Organizational ToDo List</b>				
<b><u>Describe</u></b>	<b><u>Ed</u></b>	<b><u>Joe &amp; Eric</u></b>	<b><u>BAP</u></b>	<b><u>Due Date</u></b>
<ul style="list-style-type: none"> <li>Contact Rep. Webber to establish communications for amendments to 2020 HB 484</li> </ul>	X	X		July 31
<b>Investment Management</b>				
<ul style="list-style-type: none"> <li>Contact Steven Herbert to open communications about investment management</li> </ul>	X			July 12
<ul style="list-style-type: none"> <li>Review Investment Policy Statement with Dr. Hackbart</li> </ul>	X	X		July 12
<ul style="list-style-type: none"> <li>Asset Allocation                             <ul style="list-style-type: none"> <li>Contact NCPERS to find out when Asset Allocation (Kinlaw, Kritzman, &amp; Turkington) will be published</li> <li>Analyze allocations among stocks, bonds, and alternatives</li> <li>Dr. H is suggesting that we allocate based on industrial sectors rather than US vs Non US equities</li> <li>Analyze management fees (BAP has a schedule that summarizes)</li> </ul> </li> <li>Evaluate investment admin policies for CERS impact (Do we need separate investment admin policies?)</li> </ul>	X	X		July 9
<b>Litigation</b>				
<ul style="list-style-type: none"> <li>Schedule briefing on Mayberry before Kathy Rupinen leaves</li> </ul>	X	X		July 20
<ul style="list-style-type: none"> <li>Schedule briefing on Northern Ky cities litigation</li> </ul>	X	X		Aug 15
<b>Actuarial</b>				
<ul style="list-style-type: none"> <li>Mike Foster wants to use Pension Obligation Bonds to retire the unfunded liability – Research current guidance from NCPERS, GFOA, rating agencies</li> </ul>	X			Oct 31
<ul style="list-style-type: none"> <li>Review references from Segal presentation at TEDS</li> </ul>	X			Oct 31
<b>Develop Peer Group Research</b>				
<ul style="list-style-type: none"> <li>Identify peer public pension plans</li> </ul>	X			Sept 30
<ul style="list-style-type: none"> <li>Research NASRA info for small plans</li> </ul>	X			Sept 30
<ul style="list-style-type: none"> <li>Check contacts on TEDS attendee list for potential peer public plans</li> </ul>	X			Sept 30



**COUNTY EMPLOYEES RETIREMENT SYSTEM  
PERSONNEL POLICY AND PROCEDURES**

September 7, 2022

In accordance with Kentucky Revised Statutes 78.782, the Board of Trustees (Board) of the County Employees Retirement System (CERS) is authorized to adopt procedures necessary to conduct the business of the retirement system as needed.

This will confirm that, in accordance with the provisions of KRS 78.782, the Board of Trustees of the County Employees Retirement System adopts the County Employees Retirement System Personnel Policy and Procedures during its regular quarterly meeting held on XXXXXX with an effective date of XXXXXX.

\_\_\_\_\_  
Chair of the Board of Trustees  
County Employees Retirement System

\_\_\_\_\_  
Date



**TABLE OF CONTENTS**

SECTION 1	GENERAL INFORMATION	3
SECTION 2	CODE OF CONDUCT	3
2.01	General	
SECTION 3	DUTIES AND QUALIFICATIONS	3
3.01	General	
3.02	CEO - Position Description	
3.03	CEO - Qualifications, Education and Skills	
3.04	General Counsel – Position Description	
3.05	General Counsel - Qualifications, Education and Skills	
SECTION 4	RECRUITMENT STRATEGIES	6
4.01	General	
4.02	Strategies	
SECTION 5	PERFORMANCE APPRAISALS	7
5.01	General	
5.02	Performance Appraisal Guidelines	
SECTION 6	SUCCESSION PLANNING	8
6.01	General	

SECTION 1  
GENERAL INFORMATION

**(1)** Administration of Policies

The personnel administration of County Employees Retirement Systems shall be governed by the Policies adopted by the Board of Trustees of the County Employees Retirement System in accordance with KRS 78.782.

**(2)** Applicability of the Policies

The Policies are applicable to all appointed employees of the County Employees Retirement Systems unless specific exceptions are clearly indicated.

SECTION 2  
CODE OF CONDUCT

SECTION 2.01 General

- (1)** Employees of the County Employees Retirement Systems must manage personal and business affairs so as to avoid any violation of the Executive Branch Code of Ethics. Employees of the County Employees Retirement System must manage personal and business affairs so as to fulfill the duty owed to the general public of the Commonwealth of Kentucky and the members, retirees, and beneficiaries of the retirement systems administered by the County Employees Retirement System.

SECTION 3  
DUTIES AND QUALIFICATIONS

SECTION 3.01 General

SECTION 3.02 CEO Position Description and Summary of Duties

- (1)** Summary of Duties - The Chief Executive Officer (CEO) is responsible for all functions relating to efficient operations of the CERS Board of Trustees, develops policies and procedures; collaborates with the Kentucky Public Pensions Authority (KPPA) KPPA Administrative staff; serves as legislative liaison; and develops a strategic plan for governance of CERS.
- (2)** CERS Board Mission – The CEO develops a core mission statement and organizes the Board’s strategic planning. Develops a collaborative team strategy with the Kentucky Retirement System (KRS) and KPPA Board and staff.

Develops relationships with key stakeholders. Recommends policy revisions to improve costs, efficiency, and effectiveness. Recommends communications improvements for members and stakeholders. Furnishes written reports, as requested by the CERS Board

- (3) Investment Oversight – The CEO coordinates with the KPPA Chief Investment Officer (CIO) and investment staff to monitor the CERS investment portfolio and performance, as well as compliance with investment policies adopted by the CERS Board of Trustees. Reviews monthly investment performance reporting and collaborates with CERS Investment consultant(s) to monitor investment strategy. Ensures that materials and advisor communications are organized for CERS Investment Committee and Board discussions of investments.
- (4) Actuarial Analysis – The CERS CEO facilitates the Board’s discussion of actuarial assumptions, annual valuations, studies, and presentations to the Public Pension Oversight Board (PPOB). Coordinates with the Actuary selected by KPPA to complete an annual actuarial valuation and periodic experience studies. Monitors CERS compliance with statutory requirements for actuarial analysis and reporting. Facilitates Actuarial Analysis required for proposed legislation.
- (5) Legislative Liaison – The CERS CEO collaborates with stakeholders to develop legislative goals. Monitors legislation that impacts CERS. Develops reporting & communication to PPOB. Develops the CERS Board biennial budget request for CERS approval. Coordinates with KPPA to integrate the CERS Board budget with the KPPA Administrative biennial agency budget request. Responds to legislative inquiries for actuarial or financial data.
- (6) Procurement Coordination – The CERS CEO prepares, or oversees preparation of, Request for Proposals for various contractual services. Serves as the liaison with the CERS outside advisors. Represents the CERS Board on task forces, committees, councils or meetings as assigned. Plans, develops, initiates and evaluates research projects. Analyzes CERS cash flow reporting. Develops the SAFR reporting strategy.
- (7) Compliance – The CERS CEO confers with General Counsel. Provides technical assistance, advice and interpretation of rules and regulations, policies/procedures to legislators, CERS Board & Committees for CERS plan management. Coordinates with KPPA Executive Director to implement administrative policies. Develops and implements policy/procedures to ensure compliance with state and federal laws, rules and regulations. Performs other duties as assigned.

### SECTION 3.03 CERS CEO Qualifications and Experience

- (1) Qualifications of the CERS CEO may include the following however, these are not the minimum qualifications, but outlines the types of qualifications and experience that the CERS Board will consider to evaluate candidates. Candidates

should describe their specific expertise, training, or experience with any of these areas in their proposal.

- Bachelor’s degree in the fields of Accounting, Public Administration, Finance, Law, or a field related to governmental management or governing board administration.
- Professional certifications in finance, accounting, pension, or investment management, such as a CPA, CMA, CFA, Accredited Fiduciary, Certified Retirement Administrator, or a related profession.
- Significant management experience with governing board organization, pension administration, financial services, legislative analysis, educational development, and/or governmental management operations.
- Understanding of the fiduciary role of Trustees and a CEO for management of a public employee retirement system.
- Knowledge of federal and Kentucky laws and regulations governing open meetings, open records, ethics, public pension systems, governmental accounting, auditing, finance, retirement benefits administration, actuarial science and institutional investing.
- Experience communicating with stakeholders, legislators, and the media in a governmental environment.

#### SECTION 3.04 General Counsel Position Description and Summary of Duties

- (1) Summary of Duties – The CERS General Counsel serves as the primary legal advisor to the CERS Board of Trustees and CERS Chief Executive Officer and assists with the collaboration with the KPPA Legal staff.
- (2) Legal Analysis – The CERS General Counsel provides legal analysis of issues relating to the CERS Board of Trustees, and provides legal and policy advice. Attends and participates in meetings where legal analysis and judgment is critical to planning and decision-making. Provides advice and consultation to other legal staff within the organization. Develops and participates in training programs. Drafts legal policy and makes recommendations. Coordinates with KPPA General Counsel on administrative issues affecting the CERS plan administration or CERS Board of Trustees.
- (3) Legal Representation – The CERS General Counsel represents CERS in all phases of civil litigation and coordinates legal services with KPPA Legal as well as outside legal counsel.
- (4) Contract Reviews – The CERS General Counsel drafts and reviews CERS Board of Trustees contracts and CERS Board of Trustees business procedures for legal sufficiency. Drafts and/or reviews major agreements between the organization and

other entities, both public and private. Prepares reports for the Board. Responds to member inquiries. Handles more significant legal issues before CERS.

### SECTION 3.05 General Counsel Qualifications and Experience

- (1) Qualifications of the CERS General Counsel may include the following however, these are not the minimum qualifications, but outlines the types of qualifications and experience that the CERS Board will consider to evaluate candidates. Candidates should describe their specific expertise, training, or experience with any of these areas in their proposal.
- Juris Doctor from an accredited law school and license to practice law in the Commonwealth of Kentucky upon hire.
  - Broad and extensive experience of five or more years in the practice of law relating to retirement systems, employee benefits, investments and financial markets, or a closely related field.
  - Previous General Counsel experience, and/or law firm experience in advising public pension plans will be view favorably.
  - Litigation experience will be viewed favorably.
  - Knowledge of federal laws, Kentucky laws, tax laws, and regulations pertaining to issues that confront public pension plans (i.e. including, but not limited to, tax compliance, SEC, and/or fiduciary duties)
  - Knowledge of the principles and practice of administrative law.
  - General familiarity with Kentucky state government processes and procedures.
  - Experience working for and with a governing Board; understanding the appropriate roles and responsibilities of the Board and the General Counsel.
  - Experience working with stakeholders, elected officials, and the media in the governmental environment.

## SECTION 4 RECRUITMENT STRATEGIES

### SECTION 4.01 General

- (1) KRS 78.782 (9) (a) Indicates that the board of trustees shall appoint or contract for the services of a chief executive officer and general counsel and fix the compensation and other terms of employment for these positions without limitation of the provisions of KRS Chapters 18A and 45A and KRS 64.640. The chief executive officer shall serve as the legislative and executive adviser to the board. The general counsel shall serve as legal adviser to the board. The chief executive officer and general counsel shall work with the executive director of the Kentucky Public Pensions Authority to carry out the provisions of KRS 78.510 to 78.852. The executive director of the Kentucky Public Pensions Authority shall be the chief administrative officer of the board. As such, it is critical to ensure that these positions remain filled.

#### SECTION 4.02 Strategies

- (1) Executive level recruiting for both the CEO and the general counsel position may use a third-party search firm or a national search firm. In order to use a search firm to recruit these positions, an RFP will need to be issued in accordance with the Kentucky Model Procurement Code (45A).
- (2) The Board may also choose to post job listings on the following sites:
  - Commonwealth of Kentucky's MyPurpose job website
  - Commonwealth of Kentucky's LinkedIn Recruiting website
  - NASRA's website
  - Pensions & Investments (P&I) website and print
  - Kentucky League of Cities website
  - KACo's website
  - KY School Board Association (KSBA) website

### SECTION 5 PERFORMANCE APPRAISALS

#### SECTION 5.01 General

- (1) It is the intent of the CERS Personnel Committee to annually conduct a performance appraisal for the CERS CEO and General Counsel, to evaluate assigned job duties and related competencies.

#### SECTION 5.02 Performance Appraisal Guidelines

- (1) Performance Appraisals shall be conducted with the following guidelines.
  - (a) A performance plan will be established no later than January 31st of each calendar year. The plan will outline assigned job tasks and expectations for January – December.
  - (b) A mid-year interim review will be completed by July 31st of each calendar year to evaluate the performance performed from January – June.
  - (c) A year-end review will be conducted no later than January 31st of the following calendar year to review the performance from July – December.
  - (d) The CEO and General Counsel will be offered the opportunity to complete a self-review prior to the mid-year and year-end performance review.

- (e) The final review will be completed by the CERS Personnel Committee and a final rating assigned.

## SECTION 6 SUCCESSION PLANNING

### SECTION 6.01 General

Upon the vacancy of the County Employees Retirement System chief executive officer position, the Board shall appoint or contract for the services of an interim chief executive officer until such time as the board appoints or contracts for the services of a permanent chief executive officer.