



**County Employees Retirement System
Personnel Committee – Special Meeting
June 6, 2023, at 2:00 PM ET (1:00 PM CT)
Live Video Conference/Facebook Live**

AGENDA

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| 1. Call to Order | Jim Tony Fulkerson |
| 2. Opening Statement | Legal Services |
| 3. Roll Call | Sherry Rankin |
| 4. Public Comment | Sherry Rankin |
| 5. Approval of Minutes* -- January 10, 2023 | Jim Tony Fulkerson |
| 6. Closed Session – Personnel* | Betty Pendergrass |
| 7. CEO Contract Renewal* | Jim Tony Fulkerson |
| 8. ADJOURN | Jim Tony Fulkerson |

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

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD
OF TRUSTEES AD HOC PERSONNEL COMMITTEE
JANUARY 10, 2023, AT 2:00 P.M. ET (1:00 P.M. CT)
VIA LIVE VIDEO TELECONFERENCE**

At the meeting of the County Employees Retirement System Board of Trustees Ad Hoc Personnel Committee held a special called meeting on January 10, 2023, the following members were present: JT Fulkerson, George Cheatham, and Michael Foster. Staff members present were Rebecca Adkins, Erin Surratt, Michael Board, Victoria Hale, Michael Lamb, Lori Casey, Ashley Gabbard, Glenna Frasher, Katie Park, and Sherry Rankin. Others present included were CERS CEO Ed Owens, III, KRS CEO John Chilton, 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 – September 7, 2022** (Video 00:08:23 to 00:08:53). 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 **2023 CEO Performance Plan** (Video 00:08:54 to 00:11:47). Ms. Pendergrass presented the CEO Performance Plan which included the CEO Job Tasks and Expectations and CERS Organizational ToDo List documents created by Ms. Pendergrass. There was no discussion. A motion was made by Mr. Cheatham and seconded by Mr. Foster to approve the CEO Performance Plan as presented. The motion passed unanimously.

Mr. Fulkerson introduced agenda item **CERS Personnel Policy Manual** (Video 00:11:48 to 00:25:49). KPPA Human Resources Division Director, Ms. Lori Casey, advised that the changes and addition requested at the September 7, 2022, CERS Ad Hoc Personnel Committee Meeting had been incorporated into the presented CERS Personnel Policy Manual. Ms. Pendergrass added

that the language used in Section 3 – Duties and Qualifications of the CERS Personnel Policy Manual should mirror the language used in the CERS Bylaws. Mr. Eric Branco with Johnson Bowman Branco, LLP discussed additional changes to the Policy Manual. Ms. Adkins suggested that ‘shall’ be replaced with ‘may’ in Section 6 – Succession Planning to ensure that CERS is not required to hire an interim CEO upon vacancy of the position. Mr. Cheatham and Ms. Pendergrass expressed concern since the workload would fall on the CERS Board Chair (without additional compensation) if an interim CEO or permanent CEO was not hired immediately. Mr. Foster and Mr. Cheatham agreed with the suggestion of Ms. Adkins. Mr. Cheatham made a motion to approve the CERS Personnel Policy Manual as presented with the discussed modification to replace the language used in Section 3 with the appropriate language from the CERS Bylaws. Mr. Foster seconded the motion and the motion passed unanimously.

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

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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.

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 January 10, 2023, were approved on June 6, 2023.

Chair of the CERS Finance Committee

I have reviewed the Minutes of the January 10, 2023, CERS Ad Hoc Personnel Committee Meeting for content, form, and legality.

Executive Director
Office of Legal Services



MEMORANDUM

DATE : March 31, 2023

To : CERS Trustees

From : Ed Owens, III
CEO

Subject: Request for 2-Year Contract Renewal

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It has been one of the crowning achievements of my long career to represent the members and the Board of Trustees of the County Employees Retirement System. There is still work to be done and, accordingly, I am requesting of the Board a new two (2) year contract. At the conclusion of a new contract, if granted, I would step away from the role of CEO of the Retirement System. The last six to nine months of a new contract should be dedicated to the orderly transition to a new leader for the System which I would be honored to facilitate.

My current compensation is \$124,800 annually. I am requesting an increase in the annual compensation to \$175,000 annually. There are two primary components that support the increase in compensation which I will briefly outline here but am willing to discuss in detail with the Personnel Committee or other interested Trustees.

Salary Increases for State Employees

Over the past two years, the state legislature has proposed and the Governor has signed into law pay increases for state employees that total approximately 14.48%. Over the next two years there may well be legislation that increases the state employee work week from 37.5 hours per week to 40 hours per week which would result in another 6.6% increase in pay for state employees.

Effectiveness in the Role

I believe I have been effective in the role of CEO and have provided effective advocacy for the newly created Board with a myriad of stakeholders. I'll briefly highlight a few areas of KPPA which have benefitted from the leadership I have provided in the role.

- 1. Additional Investment Office employees outside 18(a).** I led the effort to have additional positions in the Investment Office outside 18(a) restrictions which will allow the Investment

Office to hire experienced staff and bring more of our investment decisions in-house which will save the Trust million of dollars over time.

2. **Hiring of the CFO.** I played a critical role in the hiring of a CFO for KPPA. Less than two months on the job I had identified the need for two additional senior officers. The CFO and a Senior Risk Officer (SRO). After many conversations with senior staff and Trustees, KPPA has hired the critical position of CFO.
3. **Litigation transparency.** I've worked closely with Michael Board to ensure that the litigation profile of KPPA was both transparent and effectively communicated to Trustees. We have progressed from oral updates on legal matters to full-blown reports on each legal matter including the total expenditures.
4. **Investment Trust Budget.** I played a critical role in the establishment of the Investment Trust budget which is approximately five times the size of the administrative budget. This budget increases the oversight Trustees have over all the expenditures from the Trust.
5. **Focus on Risk Management.** I have played a critical role in helping the organization to understand the importance of focusing on risk management and mitigating instances where the organization is vulnerable to additional legal actions. I will work closely with the KPPA strategic planning process to ensure that an SRO is part of the recommended solutions for the agency.

I have been honored to serve you and the members of our system. I believe the best years for our system are in front of us. Thank you for your help and support, eoiii