

**County Employees Retirement System
Finance Committee - Quarterly Meeting
September 1, 2021 at 2:00 PM EST
Live Video Conference/Facebook Live**

AGENDA

- | | |
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| 1. Call to Order | William O'Mara |
| 2. Legal Public Statement | Office of Legal Services |
| 3. Roll Call | Sherry Rankin |
| 4. Public Comment | Sherry Rankin |
| 5. Approval of Minutes* - May 5, 2021 | William O'Mara |
| 6. Quarterly Financial Reports | Rebecca Adkins
Connie Davis |
| a. YTD Financial Spreadsheet | |
| b. Administrative Expense to Budget | |
| c. Contribution Report | |
| d. Outstanding Invoice Report | |
| e. Penalty Waiver Report | |
| 7. Participation of CERS Agency* | D'Juan Surratt |
| 8. Hazardous Duty Requests* | D'Juan Surratt |
| 9. Other Financial Updates | Rebecca Adkins |
| 10. Adjourn | William O'Mara |

****Committee Action May be Taken***

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES
SPECIAL CALLED FINANCE COMMITTEE MAY 5, 2021 AT 2:00 P.M.
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF EMERGENCY
EFFECTIVE MARCH 6, 2020 DUE TO COVID-19**

At the meeting of the County Employees Retirement System Board of Trustees Finance Committee held on May 5, 2021 the following members were present: William O'Mara (Chair), Joe Brothers, George Cheatham and JT Fulkerson. Other Board members present: Betty Pendergrass, Patricia Carver and Merl Hackbart. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Kathy Rupinen, Victoria Hale, Steven Herbert, Ann Case, Connie Davis, Justin McNeil, D'Juan Surratt, Elizabeth Smith, Shaun Case, Phillip Cook, and Alane Foley.

Mr. O'Mara called the meeting to order and Ms. Kathy Rupinen read the Special Called Meeting COVID-19 statement due to SB 150.

Ms. Alane Foley proceeded to take the Roll Call.

There was no public comment submitted.

Mr. O'Mara introduced agenda item *Election of Vice-Chair*. Mr. Fulkerson volunteered to serve as Vice-Chair. All Committee members were in favor.

Mr. O'Mara introduced agenda item *Quarterly Financial Reports*. Ms. Rebecca Adkins reviewed the Financial Spreadsheet, Contribution Report, Administrative Expenses, Outstanding Invoice Report and Penalty Waiver Report. These reports are provided for informational purposes only.

Mr. O'Mara introduced agenda item *External Auditor Selection Update*. Ms. Rebecca Adkins stated that the contract was awarded to Blue & Co. after going through the selection process. They have offices in Louisville and Lexington, Kentucky. Their start date is May 15, 2021.

Mr. O’Mara introduced agenda item Hazardous Duty Position Requests. Mr. D’Juan Surratt provided details on agencies requesting hazardous duty coverage for the following positions:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
City of Russell	Detective	May 1, 2021
Franklin County Fiscal Court	Sheriff Captain	January 1, 2019
Franklin County Fiscal Court	Sheriff Detective	January 1, 2017
Franklin County Fiscal Court	Sheriff Lieutenant	June 1, 2018
Okolona Fire District	Emergency Medical Services Field Supervisor, Paramedic	June 1, 2020
Hebron Fire Protection District	Firefighter/EMS Coordinator	November 1, 2020
Hebron Fire Protection District	Battalion Chief – EMT	February 04, 2020
Hebron Fire Protection District	Battalion Chief – Paramedic	May 1, 2021
Walton Fire District/EMS	Battalion Chief	May 1, 2021
City of Georgetown	Assistant Fire Chief of Operations	September 1, 2020
City of Georgetown	Assistant Fire Chief of Prevention	September 1, 2020
Clark County Fiscal Court	Fire Lieutenant	January 4, 2003
Clark County Fiscal Court	Firefighter III	February 27, 2002
City of Olive Hill	Chief of Police	January 1, 2021
City of Olive Hill	Police Officer	January 1, 2021
City of Olive Hill	Police Sergeant/Detective	January 1, 2021
City of Olive Hill	Assistant Chief of Police	January 1, 2021
Pulaski County Fiscal Court	Sheriff	April 1, 2021

Mr. Cheatham made a motion and Mr. Brothers seconded to approve the hazardous duty requests as presented. The motion passed unanimously.

The CERS Finance Committee will meet again on September 01, 2021, for a quarterly meeting.

Mr. Brothers made a motion and Mr. Fulkerson seconded to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the CERS Finance Committee meeting held May 5, 2021 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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, the Chair of the County Employees Retirement System Finance Committee, do certify that the Minutes of Meeting held on May 5, 2021 were approved on September 1, 2021.

Chair of the CERS Finance Committee

I have reviewed the Minutes of the May 5, 2021 CERS Finance Committee Meeting for content, form, and legality.

Executive Director
Office of Legal Services



Combining Statement of Fiduciary Net Position - Pension Funds

As of June 30, 2021 with Comparative Totals as of June 30, 2020 (\$ in Thousands)

ASSETS	CERS		TOTAL		Percentage of Change	Notes
	Non-Hazardous	Hazardous	2021	2020		
CASH AND SHORT-TERM INVESTMENTS						
Cash Deposits	\$274	\$70	\$344	\$290	18.36%	1
Short-term Investments	354,401	131,684	486,085	634,757	-23.42%	2
Total Cash and Short-term Investments	354,675	131,754	486,429	635,048		
RECEIVABLES						
Accounts Receivable	70,560	17,763	88,323	87,594	0.83%	
Accounts Receivable - Investments	111,066	38,148	149,213	108,049	38.10%	3
Total Receivables	181,626	55,911	237,537	195,644		
INVESTMENTS, AT FAIR VALUE						
Core Fixed Income	1,065,844	365,971	1,431,815	1,642,643	-12.83%	4
Public Equities	4,019,814	1,354,270	5,374,084	3,640,711	47.61%	5
Private Equities	710,086	238,414	948,499	799,251	18.67%	6
Specialty Credit	1,421,018	485,653	1,906,670	1,497,370	27.33%	7
Derivatives	(123)	(33)	(156)	5,719	-102.72%	8
Absolute Return	0	0	0	131,463		9
Real Return	553,862	186,784	740,646	542,744	36.46%	10
Opportunistic	230,926	76,341	307,267	239,214	28.45%	11
Real Estate	344,816	110,311	455,127	430,187	5.80%	
Total Investments, at Fair Value	8,346,242	2,817,710	11,163,953	8,929,301		
Securities Lending Collateral Invested	231,593	78,524	310,117	175,229	76.98%	12
CAPITAL/INTANGIBLE ASSETS						
Capital Assets	1,701	153	1,854	1,854	0.00%	
Intangible Assets	9,961	827	10,788	10,788	0.00%	
Accumulated Depreciation	(1,708)	(154)	(1,861)	(1,816)	2.50%	
Accumulated Amortization	(9,607)	(819)	(10,426)	(9,854)	5.80%	
Total Capital Assets	347	8	355	972		
Total Assets	9,114,483	3,083,907	12,198,390	9,936,193		
LIABILITIES						
Accounts Payable	8,677	1,119	9,796	8,375	16.96%	13
Investment Accounts Payable	203,549	69,842	273,391	246,011	11.13%	14
Securities Lending Collateral	231,593	78,524	310,117	175,229	76.98%	15
Total Liabilities	443,818	149,486	593,304	429,616		
Total Fiduciary Net Position Restricted for Pension Benefits	\$8,670,665	\$2,934,421	\$11,605,086	\$9,506,578		

NOTE - Variance Explanation

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2) Short Term Investments is primarily comprised of the cash on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
- 3) The increase in Accounts Receivables is due to pending trades.
- 4) The decline in Core Fixed Income is a result of less income received and less funding for the asset class.
- 5) The increase in Public Equities is due to positive market conditions resulting in increased market values.
- 6) The increase in Private Equity is a result of positive market conditions resulting in increased market values.
- 7) The increase in Specialty Credit is due to additional funding and positive market conditions increasing market values.
- 8) Variance is a result of hedging and arbitration of risk within the portfolios.
- 9) The decline in Absolute Return is result of the merging of the Absolute Return asset class with the Real Return asset class.
- 10) The increase in Real Return is a result of the merging of the Absolute Return asset class with the Real Return asset class and positive market conditions resulting in increased market values.
- 11) The increase in Opportunistic is due to additional funding and positive market conditions increasing market values.
- 12) Variance is a result of the demands of the Securities Lending Program.
- 13) The increase in Accounts Payable is due to an increase in outstanding Employer Reporting credit invoices.
- 14) The increase in Accounts Payable is due to pending trades.



Combining Statement of Changes In Fiduciary Net Position - Pension Funds

For the fiscal year ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Thousands)

	CERS		Total		Percentage of Change	Notes
	Non-Hazardous	Hazardous	2021	2020		
ADDITIONS						
Member Contributions	\$165,698	\$62,367	\$228,065	\$232,230	-1.79%	
Employer Contributions	472,196	172,089	644,285	643,512	0.12%	
General Fund Appropriations	-	-	-	-		
Pension Spiking Contributions	32	116	149	347	-57.23%	1
Health Insurance Contributions (HB1)	(1)	2	1	6	-86.43%	2
Employer Cessation Contributions	-	-	-	-		
Total Contributions	637,925	234,574	872,499	876,096		
INVESTMENT INCOME						
From Investing Activities						
Net Appreciation (Depreciation) in FV of Investments	1,648,520	554,881	2,203,401	(107,552)	2148.68%	3
Interest/Dividends	218,068	73,399	291,467	218,084	33.65%	4
Total Investing Activities Income	1,866,588	628,280	2,494,868	110,532		
Less: Investment Expense	36,271	12,081	48,352	38,684	24.99%	5
Less: Performance Fees	46,853	15,731	62,584	854	7224.28%	6
Net Income from Investing Activities	1,783,464	600,467	2,383,931	70,993		
From Securities Lending Activities						
Securities Lending Income	512	176	688	4,255		
Less: Securities Lending Borrower Rebates	(391)	(134)	(525)	2,326		
Less: Securities Lending Agent Fees	135	46	182	249		
Net Income from Securities Lending	767	263	1,030	1,681	-38.69%	7
Net Investment Income	1,784,231	600,730	2,384,962	72,674		
Total Additions	2,422,156	835,304	3,257,461	948,770		
DEDUCTIONS						
Benefit Payments	826,749	289,999	1,116,749	1,071,762	4.20%	
Refunds	13,862	4,662	18,524	18,732	-1.11%	
Administrative Expenses	21,769	1,910	23,679	24,285	-2.49%	
Total Deductions	862,380	296,572	1,158,952	1,114,780		
Net Increase (Decrease) in Fiduciary Net Position Restricted for Pension Benefits	1,559,776	538,733	2,098,509	(166,010)		
Total Fiduciary Net Position Restricted for Pension Benefits						
Beginning of Period	7,110,889	2,395,688	9,506,578	9,672,588		
End of Period	\$8,670,665	\$2,934,421	\$11,605,086	\$9,506,578		

NOTE - Variance Explanation

- 1) Pension Spiking contributions decreased due to a change in statute. Pension spiking is now the member's responsibility.
 - 2) Health Insurance Contributions will continue to decrease in the Pension Funds, as they are now qualified in the Insurance Fund.
 - 3) The increase in Net Appreciation in Fair Value of Investments is a result of favorable market conditions, particularly in the public equity portfolio.
 - 4) The increase in Interest/Dividends is due to increased income from Private Equity, Real Estate, and Specialty Credit asset classes
 - 5) The increase in Investment Expense is due to higher market values.
 - 6) The increase in Performance fees is due to favorable market conditions resulting in higher performance fees.
 - 7) Variance is a result of the demand of the Securities Lending Program.
- Differences due to rounding.



Combining Statement of Fiduciary Net Position - Insurance Fund

As of June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ In Thousands)

ASSETS	CERS		TOTAL		Percentage of Change	Notes
	Non-Hazardous	Hazardous	2021	2020		
CASH AND SHORT-TERM INVESTMENTS						
Cash Deposits	\$117	\$51	\$168	\$97	72.15%	1
Short-term Investments	190,744	76,433	267,177	219,425	21.76%	2
Total Cash and Short-term Investments	190,861	76,483	267,345	219,522		
RECEIVABLES						
Accounts Receivable	15,690	4,690	20,381	21,371	-4.63%	
Investment Accounts Receivable	38,391	19,528	57,919	32,370	78.93%	3
Total Receivables	54,082	24,218	78,300	53,741		
INVESTMENTS, AT FAIR VALUE						
Core Fixed Income	379,725	199,916	579,641	674,916	-14.12%	4
Public Equities	1,375,705	707,548	2,083,252	1,418,520	46.86%	5
Specialty Credit	529,508	262,287	791,795	603,040	31.30%	6
Private Equities	279,970	157,517	437,487	380,232	15.06%	
Derivatives	21	3	25	1,505	-98.36%	
Absolute Return	0	0	0	50,223	-100.00%	7
Real Return	189,953	99,768	289,720	209,316	38.41%	8
Opportunistic	93,243	50,798	144,041	112,139	28.45%	9
Real Estate	118,422	64,920	183,341	170,799	7.34%	
Total Investments, at Fair Value	2,966,546	1,542,756	4,509,303	3,620,690		
Securities Lending Collateral Invested	79,559	40,872	120,430	82,112	46.67%	10
Total Assets	3,291,048	1,684,330	4,975,378	3,976,065		
LIABILITIES						
Accounts Payable	292	80	372	266	39.50%	11
Investment Accounts Payable	69,412	35,567	104,979	90,503	15.99%	12
Securities Lending Collateral	79,559	40,872	120,430	82,112	46.67%	13
Total Liabilities	149,262	76,518	225,781	172,882		
Total Fiduciary Net Position Restricted for OPEB	\$3,141,786	\$1,607,811	\$4,749,597	\$3,803,183		

NOTE - Variance Explanation

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
 - 2) Short Term Investments is primarily comprised of the cash on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
 - 3) The increase in Investment Accounts Receivables is due to pending trades.
 - 5) The decrease in Core Fixed Income is a result of movement of funds from core fixed income to public equity.
 - 5) The increase in Public Equities is due to additional funding and positive market conditions resulting in increased market values.
 - 6) The increase in Specialty Credit is due to additional funding and positive market conditions increasing market values.
 - 7) The decline in Absolute Return is result of the merging of the Absolute Return asset class with the Real Return asset class.
 - 8) The increase in Real Return is a result of the merging of the Absolute Return asset class with the Real Return asset class.
 - 9) The increase in Opportunistic is due to additional funding and positive market conditions increasing market values.
 - 10) Variance is a result of the demands of the Securities Lending Program.
 - 11) The increase in Accounts Payable is due to an increase in outstanding Employer Reporting credit invoices.
 - 12) The decrease in Accounts Payable is due to pending trades.
 - 13) Variance is a result of the demands of the Securities Lending Program.
- Difference due to rounding.


Combining Statement of Changes In Fiduciary Net Position - Insurance Fund
 For the fiscal year ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ In Thousands)

	CERS		TOTAL		Percentage of Change	Notes
	Non-Hazardous	Hazardous	2021	2020		
ADDITIONS						
Employer Contributions	\$124,697	\$58,451	\$183,149	\$181,479	0.92%	
Medicare Drug Reimbursement	3	-	3	4	-36.62%	1
Insurance Premiums	555	(149)	406	564	-28.02%	2
Humana Gain Share Payment	20,676	2,990	23,666	-	100%	3
Retired Re-employed Healthcare	5,206	1,348	6,553	5,685	15.27%	4
Health Insurance Contributions (HB1)	13,614	3,096	16,710	15,720	6.30%	
Employer Cessation Contributions	-	-	-	-		
Total Contributions	164,751	65,736	230,487	203,452		
INVESTMENT INCOME						
From Investing Activities						
Net Appreciation (Depreciation) in FV of Investments	578,584	302,533	881,117	(61,788)	1526.03%	5
Interest/Dividends	73,374	38,177	111,552	86,486	28.98%	6
Total Investing Activities Income	651,958	340,710	992,669	24,698		
Less: Investment Expense	13,895	7,395	21,291	13,248	60.71%	7
Less: Performance Fees	18,739	10,634	29,373	1,164	2423.41%	8
Net Income from Investing Activities	619,324	322,681	942,005	10,286		
From Securities Lending Activities						
Securities Lending Income	182	92	273	1,609		
Less: Securities Lending Borrower Rebates	(135)	(68)	(203)	905		
Less: Securities Lending Agent Fees	47	24	71	97		
Net Income from Securities Lending	269	136	405	607	-33.28%	9
Net Investment Income	619,593	322,817	942,410	10,893		
Total Additions	784,343	388,553	1,172,897	214,345		
Deductions						
Healthcare Premiums Subsidies	136,263	85,152	221,415	216,942	2.06%	
Administrative Expenses	884	466	1,349	1,365	-1.13%	
Self-Funded Healthcare Costs	3,462	257	3,719	4,116	-9.64%	10
Excise Tax Insurance	-	-	-	6,141		
Total Deductions	140,608	85,874	226,483	228,564		
Net Increase (Decrease) in Fiduciary Net Position Restricted for OPEB	643,735	302,679	946,414	(14,219)		
Total Fiduciary Net Position Restricted for OPEB						
Beginning of Period	2,498,051	1,305,132	3,803,183	3,811,267		
End of Period	\$3,141,786	\$1,607,811	\$4,749,597	\$3,797,048		

NOTE - Variance Explanation

- 1) Medicare drug reimbursement payments fluctuate year to year based on claims reviewed.
 - 2) The decrease in Insurance Premiums received is due to refunds processed to hazardous retirees for premiums paid for dependents that should have been covered by KRS.
 - 3) There was no Humana Gain Share Payment last fiscal year.
 - 4) The increase in Retired Re-employed Health Insurance is due to an increase in retired re-employed members.
 - 5) The increase in Net Appreciation in Fair Value of Investments is a result of favorable market conditions.
 - 6) The increase in Interest/Dividends is due to increased income from Real Return, Private Equity and Specialty Credit asset classes
 - 7) The management fees are up due to the increase in market values.
 - 8) The increase in Performance fees is due to favorable market conditions resulting in higher performance fees.
 - 9) Variance is a result of the demand of the Securities Lending Program.
 - 10) The decrease in Self Funded Healthcare Claims is due to a decrease in claims billed from the self funded insurance plan.
- Difference due to rounding.

KPPA ADMINISTRATIVE BUDGET 2020-2021 FOURTH QUARTER BUDGET-TO-ACTUAL ANALYSIS FY 2021							
Account Name	Budgeted	Actual Expense	Remaining	Percent Remaining	CERS NHz Actual Expense	CHAZ Actual Expense	Total CERS Actual Expense
PERSONNEL					59.50%	5.24%	
Salaries	\$15,500,000	\$14,349,829	\$1,150,171	7.42%	\$8,538,148	\$751,931	\$9,290,079
Wages (Overtime)	293,500	76,317	201,698	68.72%	45,409	3,999	49,408
Emp Paid Retirement	13,086,645	11,566,766	1,519,879	11.61%	6,882,226	606,099	7,488,324
Emp Paid Health Ins	2,550,000	2,189,835	360,165	14.12%	1,302,952	114,747	1,417,699
Emp Paid Sick Leave	75,000	13,786	61,214	81.62%	8,203	722	8,925
Workers Compensation	13,200	75,163	(61,963)	-469.42%	44,722	3,939	48,661
Unemployment	10,000	-	10,000	100.00%	-	-	-
Other Personnel	1,138,500	1,027,167	111,333	9.78%	611,164	53,824	664,988
Tuition Assistance	20,600	9,685	10,915	52.99%	5,763	507	6,270
LEGAL & AUDITING SERVICES							
Legal Hearing Officers	91,200	77,000	14,200	15.57%	45,815	4,035	49,850
Legal (Stoll, Keenon)	340,500	145,595	194,906	57.24%	86,629	7,629	94,258
Frost Brown (Tax Advisor)	114,300	226,388	(112,088)	-98.06%	134,701	11,863	146,564
Reinhart	444,000	10,460	433,540	97.64%	6,224	548	6,772
Ice Miller	187,200	304,712	(117,512)	-62.77%	181,304	15,967	197,271
Legal Expense	125,500	202	125,298	99.84%	120	11	131
Auditing	176,500	72,047	104,453	59.18%	42,868	3,775	46,643
CONSULTING SERVICES							
Medical Reviewers	273,865	316,186	(42,321)	-15.45%	188,131	16,568	204,699
Escrow for Actuary Fees	12,000	(20,000)	32,000	266.67%	(11,900)	(1,048)	(12,948)
CONTRACTUAL SERVICES							
Miscellaneous Contracts	22,750	12,077	10,673	46.91%	7,186	633	7,819
Human Resources Consulting	7,500	5,794	1,706	22.75%	3,447	304	3,751
Actuarial Services	612,000	468,490	143,510	23.45%	278,752	24,549	303,300
Facility Security Charges	80,500	70,222	10,278	12.77%	41,782	3,680	\$45,462
PERSONNEL SUBTOTAL	\$35,175,260	\$30,997,722	\$4,177,538	11.88%	\$18,443,645	\$1,624,281	\$20,067,925
OPERATIONAL							
Natural Gas	\$22,500	\$22,951	\$(451)	-2.00%	\$13,656	\$1,203	\$14,858
Electric	176,500	124,816	51,684	29.28%	74,266	6,540	80,806
Rent-NonState Building	71,600	55,443	16,157	22.57%	32,989	2,905	35,894
Building Rental - PPW	1,100,000	1,005,815	94,185	8.56%	598,460	52,705	651,165
Equipment Rental	-	7,163	(7,163)	0.00%	4,262	375	4,637
Copier Rental	73,000	55,520	17,480	23.95%	33,034	2,909	35,944
Rental Carpool	9,100	3,881	5,219	57.35%	2,309	203	2,513
Vehicle/Equip. Mainten.	1,350	912	438	32.44%	543	48	590
Postage	455,000	552,199	(97,199)	-21.36%	328,558	28,935	357,494
Freight	46	-	46	100.00%	-	-	-
Printing (State)	11,700	4,992	6,708	57.33%	2,970	262	3,232
Printing (non-state)	102,700	102,293	407	0.40%	60,864	5,360	66,224
Insurance	11,650	3,802	7,848	67.36%	2,262	199	2,461
Garbage Collection	5,500	5,294	206	3.75%	3,150	277	3,427
Conference Expense	\$25,750	14,219	11,532	44.78%	\$8,460	\$745	\$9,205
MARS Usage	51,300	47,646	3,654	7.12%	28,349	2,497	30,846

Account Name	Budgeted	Actual		Percent Remaining	CERS NHz	CHAZ	Total CERS
		Expense	Remaining		Actual Expense	Actual Expense	Actual Expense
COVID-19 Expenses	146,800	153,032	(6,232)	-4.25%	91,054	8,019	99,073
Office Supplies	89,125	38,837	50,288	56.42%	23,108	2,035	25,143
Furniture & Office Equipment	25,075	8,215	16,860	67.24%	4,888	430	5,318
Travel (In-State)	30,800	1,473	29,327	95.22%	876	77	954
Travel (Out of State)	59,300	397	58,903	99.33%	236	21	257
Dues & Subscriptions	66,625	55,422	11,203	16.82%	32,976	2,904	35,880
Miscellaneous	3,100	788	2,312	74.58%	469	41	510
COT Charges	22,225	21,640	585	2.63%	12,876	1,134	14,010
Telephone - Wireless	5,100	4,734	366	7.18%	2,817	248	3,065
Telephone - Other	119,000	100,686	18,314	15.39%	59,908	5,276	65,184
Computer Equip./Software	3,325,500	2,360,814	964,686	29.01%	1,404,684	123,707	1,528,391
OPERATIONAL SUBTOTAL	\$6,010,346	\$4,752,984	\$1,257,362	20.92%	\$2,828,025	\$249,056	\$3,077,082
SUBTOTAL	\$41,185,606	\$35,750,706	\$5,434,900	13.20%	\$21,271,670	\$1,873,337	\$23,145,007
Major Legislative Implementation	7,702,594	-	7,702,594	100.00%	-	-	-
TOTALS	\$48,888,200	\$35,750,706	\$13,137,494	26.87%	\$21,271,670	\$1,873,337	\$23,145,007

Plan	Budgeted	Actual Expense	% of Total CERS Actual Expense
CERS	\$29,088,479	\$21,271,670	59.50%
CHAZ	\$2,561,742	\$1,873,337	5.24%
TOTAL	\$31,650,221	\$23,145,007	

Plan - Specific Expenses			
	Amount	CERS	CHAZ
CERS Legal Adjustment	\$31,840	\$(18,945)	\$(1,669)
CERS Legal Actual		29,261	2,579
KERS Legal Adjustment	264,092	(157,147)	(13,845)
KERS Legal Actual	-	-	-
Subtotal Plan Specific		(146,831)	(12,935)
Total Expenses		\$21,124,839	\$1,860,402

Pension Fund Contribution Report

For the period ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Millions)

**County Employees Retirement System****Non-Hazardous****Hazardous**

	FY21	FY20	FY21	FY20
Member Contributions	\$165.7	\$169.0	\$62.4	\$63.2
Employer Contributions	472.2	475.4	172.2	168.4
Net Investment Income	135.7	133.9	45.8	46.4
Total Inflows	773.6	778.3	280.4	278.0
Benefit Payments/Refunds	840.6	810.9	294.7	279.6
Administrative Expenses	21.8	22.3	1.9	2.0
Total Outflows	862.4	833.2	296.6	281.6
NET Contributions	(88.7)	(54.9)	(16.1)	(3.6)
Realized Gain/(Loss)	316.8	341.6	107.0	113.6
Unrealized Gain/(Loss)	1,331.7	(418.8)	447.9	(143.9)
Change in Net Position	1,559.8	(132.1)	538.7	(33.9)
Beginning of Period	7,110.9	7,243.0	2,395.7	2,429.6
End of Period	\$8,670.7	\$7,110.9	\$2,934.4	\$2,395.7

*Differences due to rounding.***Insurance Fund Contribution Report**

For the period ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Millions)

**County Employees Retirement System****Non-Hazardous****Hazardous**

	FY21	FY20	FY21	FY20
Employer Contributions	\$124.7	\$124.7	\$58.5	\$56.7
Insurance Premiums	21.2	0.6	2.8	-
Retired Reemployed Healthcare	5.2	4.5	1.3	1.2
Health Insurance Contributions	13.6	13.0	3.1	2.8
Net Investment Income	41.0	47.7	20.3	25.0
Total Inflows	205.8	190.5	86.0	85.7
Healthcare Premiums	139.7	139.0	85.4	82.1
Administrative Expenses	0.9	0.9	0.5	0.5
Total Outflows	140.6	139.9	85.9	82.5
NET Contributions	65.2	50.6	0.1	3.1
Realized Gain/(Loss)	109.4	106.1	57.0	57.3
Unrealized Gain/(Loss)	469.2	(145.1)	245.5	(80.0)
Change in Net Position	643.7	11.6	302.7	(19.6)
Beginning of Period	2,498.1	2,486.5	1,305.1	1,324.8
End of Period	\$3,141.8	\$2,498.1	\$1,607.8	\$1,305.2

Differences due to rounding.



KENTUCKY PUBLIC PENSIONS AUTHORITY

Outstanding Invoices by Type and Employer

Invoice Type	6/30/2021	3/31/2021	Change H/(L)
Averaging Refund to Employer	\$(459,730)	\$(241,658)	90%
Employer Free Military and Decompression Service	58,861	497,982	-88%
Member Pension Spiking Refund	(25,546)	(26,621)	-4%
Monthly Reporting Invoice	(74,761)	(434,776)	-83%
Penalty – Monthly Reporting	234,473	289,775	-19%
Reinstatement	244,823	244,823	0%
Total	\$22,498	\$373,811	-94%
Health Insurance Reimbursement	\$1,198,562	\$1,744,967	-31%
Omitted Employer	1,576,232	1,250,685	26%
Employer Pension Spiking*	1,760,350	1,788,592	-2%
Standard Sick Leave	8,253,827	10,880,050	-24%
Total	12,788,971	15,664,294	-18%
Grand Total	\$12,811,468	\$16,038,105	-20%

**Pension Spiking invoices on this report are Employer Pension Spiking. By statute these invoices are due 12 months from invoice date. Employer Pension Spiking is in effect only for retirements prior to July 1, 2018, therefore, unless there has been a recently created invoice for a backdated retirement, all of these invoices are greater than 12 months old..*

Employer Name (Top Ten)	6/30/2021	3/31/2021	Change H/(L)
Kentucky State Police	\$7,011,463	\$10,575,453	-34%
Kentucky River Regional Jail	979,925	230,955	324%
Department of Highways	826,323	716,911	15%
City of Covington	371,872	367,311	1%
Kenton County Airport Board	322,897	322,510	0%
City of Fort Thomas	220,287	214,893	3%
Department for Community Based Services	218,148	62,107	251%
City of Villa Hills	212,533	212,533	0%
Henry County Fiscal Court	205,792	205,604	0%
TARC - Transit Authority River City	\$178,211	\$173,867	2%



County Employees Retirement System
 Penalty Waivers Report
 From: 4/1/2021 To: 6/30/2021
 Note: Delinquent Interest amounts are included in the totals for the invoice

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
\$1,000	\$-	\$-	6/17/2021	3/5/2015	CANC	Utility Boards	Agency in good standing with KPPA
1,000	-	-	6/17/2021	11/6/2015	CANC	Utility Boards	Agency in good standing with KPPA
1,000	-	-	6/17/2021	3/23/2016	CANC	Utility Boards	Agency in good standing with KPPA
1,000	-	-	6/17/2021	5/8/2016	CANC	Utility Boards	Agency in good standing with KPPA
1,000	-	-	4/29/2021	5/6/2017	CANC	Tourist Commissions	New employer reporting official
1,000	-	-	4/29/2021	5/6/2017	CANC	Tourist Commissions	New employer reporting official
1,000	-	-	4/29/2021	7/20/2017	CANC	Tourist Commissions	Agency in good standing with KPPA
1,000	-	-	6/17/2021	9/7/2017	CANC	Utility Boards	Agency in good standing with KPPA
1,000	-	-	4/8/2021	3/12/2020	CANC	Special Districts & Boards	Circumstances outside of agency control
1,000	-	-	6/9/2021	5/6/2020	CANC	Libraries	New employer reporting official
1,000	-	-	4/14/2021	9/28/2020	CANC	Cities	Circumstances outside of agency control
1,000	-	-	4/14/2021	11/15/2020	CANC	Cities	Circumstances outside of agency control
1,000	-	-	6/2/2021	11/20/2020	CANC	Special Districts & Boards	New employer reporting official
1,000	-	-	6/2/2021	11/22/2020	CANC	Special Districts & Boards	New employer reporting official
2,412	-	-	4/29/2021	12/20/2020	CANC	Boards of Education	New employer reporting official
1,000	-	-	5/21/2021	4/1/2021	CANC	Special Districts & Boards	New employer reporting official
1,000	-	-	5/5/2021	6/2/2021	CANC	Cities	Agency in good standing with KPPA
20,758	-	-	5/20/2021	6/18/2021	CANC	Urban Government Agencies	KPPA at fault
Total	\$39,169						
\$1,000	\$1,000	\$-	4/8/2021	5/8/2021	CRTD	Cities	
1,000	1,000	-	4/8/2021	5/8/2021	CRTD	Cities	
1,000	1,000	-	4/9/2021	5/9/2021	CRTD	Fiscal Courts	
1,000	1,000	-	4/9/2021	5/9/2021	CRTD	Fiscal Courts	
1,000	1,000	-	4/12/2021	5/12/2021	CRTD	Cities	
1,000	1,000	-	4/12/2021	5/12/2021	CRTD	Cities	
1,000	1,000	-	4/12/2021	5/12/2021	CRTD	Cities	
1,000	1,000	-	4/14/2021	5/14/2021	CRTD	Cities	

CERS Finance Committee Meeting - Quarterly Financial Reports

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
1,000	1,000	-	4/20/2021	5/20/2021	CRTD	Utility Boards	
1,000	1,000	-	4/28/2021	5/28/2021	CRTD	Fiscal Courts	
1,000	1,000	-	5/3/2021	6/2/2021	CRTD	Conservation Districts	
1,000	1,000	-	5/3/2021	6/2/2021	CRTD	Conservation Districts	
1,000	1,000	-	5/20/2021	6/19/2021	CRTD	Cities	
1,000	1,000	-	5/21/2021	6/20/2021	CRTD	Cities	
1,000	1,000	-	6/14/2021	7/14/2021	CRTD	County Attorneys	
1,000	1,000	-	6/14/2021	7/14/2021	CRTD	County Attorneys	
1,000	1,000	-	6/14/2021	7/14/2021	CRTD	County Attorneys	
1,000	1,000	-	6/14/2021	7/14/2021	CRTD	County Attorneys	
1,000	1,000	-	6/14/2021	7/14/2021	CRTD	County Attorneys	
1,000	1,000	-	6/14/2021	7/14/2021	CRTD	Housing Authorities	
1,000	1,000	-	6/22/2021	7/22/2021	CRTD	Cities	
Total	\$21,000						
\$1,000	\$-	\$-	6/28/2021	4/18/2013	PAID	Special Districts & Boards	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	4/19/2021	10/13/2015	PAID	Housing Authorities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
(1,000)	-	-	4/5/2021	4/15/2021	PAID	Conservation Districts	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	4/30/2021	5/10/2021	PAID	Tourist Commissions	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/9/2021	6/19/2021	PAID	Housing Authorities	
1,000	-	-	4/19/2021	8/27/2017	PAID	Housing Authorities	
1,000	-	-	4/30/2021	5/10/2021	PAID	Tourist Commissions	
1,000	-	-	6/9/2021	6/19/2021	PAID	Housing Authorities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	

CERS Finance Committee Meeting - Quarterly Financial Reports

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	6/23/2021	7/3/2021	PAID	Cities	
1,000	-	-	4/5/2021	4/15/2021	PAID	Conservation Districts	
1,000	-	-	4/5/2021	4/15/2021	PAID	Conservation Districts	
1,000	-	-	4/5/2021	4/15/2021	PAID	Conservation Districts	
1,000	-	-	4/9/2021	4/19/2021	PAID	Cities	
3,262	-	-	4/30/2021	5/10/2021	PAID	Community Action Agencies	
1,000	-	-	5/10/2021	10/1/2020	PAID	Riverport Authorities	
2,290	-	-	4/30/2021	5/10/2021	PAID	Community Action Agencies	
1,000	-	-	4/14/2021	4/11/2021	PAID	Community Action Agencies	
1,000	-	-	5/3/2021	5/13/2021	PAID	Cities	
1,000	-	-	5/10/2021	5/16/2021	PAID	Cities	
1,000	-	-	5/4/2021	5/19/2021	PAID	Ambulance Services	
1,000	-	-	3/10/2021	3/24/2021	PAID	Housing Authorities	
Total	\$35,553						

Notes:

Invoice Status:

CANC - Cancelled

CRTD - Created

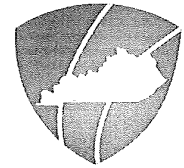
PAID - Paid



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



Kentucky Public
Pensions Authority

TO: CERS Finance Committee

FROM: D’Juan Surratt

DATE: 09/01/2021

SUBJECT: Participation of Additional Agencies

PARTICIPATION—NONHAZARDOUS

There is one (1) new agency electing to participate with the County Employees Retirement System under non-hazardous coverage. Copies of minutes, resolution to participate and agency budget will be available at the meeting for review. The Contract for Health Insurance has been received for the agency electing to participate in CERS and our legal staff has reviewed and approved their eligibility for participation.

RECOMMENDATION: We recommend that the Board approve the participation of Liberty Tourism and Convention Commission, having satisfactorily completed their trial participation period.



KENTUCKY PUBLIC PENSIONS AUTHORITY

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To: CERS Finance Committee

From: D’Juan Surratt
 Director of Employer Reporting, Compliance and Education

Date: 09/01/2021

Subject: Hazardous Position Classification

AGENCIES ARE REQUESTING HAZARDOUS DUTY COVERAGE FOR THE FOLLOWING POSITIONS:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
Burlington Fire Protection District	Sergeant	11/1/2016
City of Berea	Police Assistant Chief	10/1/2021
City of Berea	Fire/ Rescue Captain	10/1/2021
City of Berea	Firefighter 1	10/1/2021
City of Berea	Fire Training Officer	10/1/2021
City of Berea	Firefighter II	10/1/2021
City of Berea	Police Captain	10/1/2021
City of Berea	Police Chief	10/1/2021
City of Berea	Police Corporal	10/1/2021
City of Berea	Police Lieutenant	10/1/2021
City of Berea	Police Major	10/1/2021
City of Berea	Police Officer	10/1/2021
City of Berea	Police Sergeant	10/1/2021
City of Berea	School Resource Officer	10/1/2021
City of Berea	Fire Assistant Chief	10/1/2021
City of Berea	Fire Battalion Chief	10/1/2021
City of Berea	Fire Chief	10/1/2021
City of Berea	Fire Lieutenant	10/1/2021
City of Bloomfield	Chief of Police	04/1/2021
City of Brandenburg	Police Chief	10/1/2021
City of Brandenburg	Police Sergeant	10/1/2021
City of Brandenburg	Police Officer	10/1/2021
City of Grayson	Chief of Police	07/1/2021
City of Grayson	Assistant Chief of Police	07/1/2021
City of Grayson	Police Sergeant	07/1/2021
City of Grayson	Police Officer	07/1/2021
City of Grayson	Detective	07/1/2021
City of Radcliff	Captain/Firefighter	06/1/2020
Fire Department of Bellevue-Dayton	Fire Lieutenant	10/1/2018
Fire Department of Bellevue-Dayton	Firefighter/EMT	05/1/2021

Fire Department of Bellevue-Dayton	Fire Chief	10/1/2021
Fire Department of Bellevue-Dayton	Fire Captain	10/1/2021
Hardin County Fiscal Court	Quality Assurance Coordinator	07/1/2021
Shelby County Fiscal Court	Captain	09/1/2020
Walton Fire District/EMS	Fire Lieutenant	06/1/2021
Walton Fire District/EMS	Fire Captain	10/1/2021
Walton Fire District/EMS	Fire Chief	10/1/2021
Walton Fire District/EMS	Assistant Chief	10/1/2021

Kentucky Public Pensions Authority has reviewed the above requests and determined that they meet the statutory guidelines for Hazardous coverage. Position Questionnaires and Job Descriptions are attached. Burlington Fire Protection District, City of Bloomfield, Fire Department of Bellevue-Dayton and Shelby County Fiscal Court are requesting older retro dates due to the Employer Reporting division auditing their accounts due to member pension spiking cases received. In these specific cases it was found that these positions did not go through the formal process in getting approved for hazardous duty coverage by the Board of Trustees.

61.592 Retirement of persons working in hazardous positions. (Effective April 1, 2021)

(1) (a) "Hazardous position" for employees participating in the Kentucky Employees Retirement

System, and for employees who begin participating in the County Employees Retirement System before September 1, 2008, means:

1. Any position whose principal duties involve active law enforcement, including the positions of probation and parole officer and Commonwealth detective, active fire suppression or prevention, or other positions, including but not limited to pilots of the Transportation Cabinet and paramedics and emergency medical technicians, with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning;
2. Positions in the Department of Corrections in state correctional institutions and the Kentucky Correctional Psychiatric Center with duties that regularly and routinely require face-to-face contact with inmates; and
3. Positions of employees who elect coverage under KRS 196.167(3)(b)2. and who continue to provide educational services and support to inmates as a Department of Corrections employee.

(b) "Hazardous position" for employees who begin participating in the County Employees Retirement System on or after September 1, 2008, means police officers and firefighters as defined in KRS 61.315(1), paramedics, correctional officers with duties that routinely and regularly require face-to-face contact with inmates, and emergency medical technicians if:

1. The employee's duties require frequent exposure to a high degree of danger or peril and a high degree of physical conditioning; and
2. The employee's duties are not primarily clerical or administrative.

(c) The effective date of participation under hazardous duty coverage for positions in the Department of Alcoholic Beverage Control shall be April 1, 1998. The employer and employee contributions shall be paid by the employer and forwarded to the retirement system for the period not previously reported.

(2) (a) Each employer may request of the board hazardous duty coverage for those positions

as defined in subsection (1) of this section. Upon request, each employer shall certify to the system, in the manner prescribed by the board, the names of all employees working in a hazardous position as defined in subsection (1) of this section for which coverage is requested. The certification of the employer shall bear the approval of the agent or agency responsible for the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. The system shall determine whether the employees whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as provided by subsection (1) of this section. This process shall not be required for employees who elect coverage under KRS 196.167(3)(b)2.

61.315 Benefits payable on death of certain peace officers, firefighters, correctional officers, jailers, school resource officers, members of a state National Guard or Reserve component, and emergency medical services personnel -- Administrative regulations -- Estates to be exempted from probate fees -- Funds allotted to a self-insuring account -- Presumption that firefighter's death from cancer resulted from act in the line of duty under certain conditions.

- (1) As used in this section:
- (a) "Police officer" means every paid police officer, sheriff, or deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any metropolitan or urban-county correctional officer with the power of a peace officer pursuant to KRS 446.010, any jailer or deputy jailer, any auxiliary police officer appointed pursuant to KRS 95.445, any police officer of a public institution of postsecondary education appointed pursuant to KRS 164.950, any school resource officer as defined in KRS 158.441, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, elected to office, or employed by any county, airport board created pursuant to KRS Chapter 183, city, local board of education, or by the state;
 - (b) "Firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his or her services to the state, airport board created pursuant to KRS Chapter 183, any county, city, fire district, or any other organized fire department recognized, pursuant to KRS 95A.262, as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth and shall include qualified civilian firefighters employed at Kentucky-based military installations; and
 - (c) "Emergency medical services personnel" means any paid or volunteer emergency medical services personnel who is certified or licensed pursuant to KRS Chapter 311A and who is employed directly by, or volunteering directly for, any:
 - 1. County;
 - 2. City;
 - 3. Fire protection district created under KRS 75.010 to 75.260; or
 - 4. Emergency ambulance service district created under KRS 108.080 to 108.180;to provide emergency medical services.
- (2) The spouse of any police officer, sheriff, deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any metropolitan or urban-county correctional officer with the power of a peace officer pursuant to KRS 446.010, any jailer or deputy jailer, any auxiliary police officer appointed pursuant to KRS 95.445, any police officer of a public institution of postsecondary education appointed pursuant to KRS 164.950, any school resource officer as defined in KRS 158.441, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, firefighter, or member of the Kentucky National Guard on state active