

**MINUTES OF MEETING  
COUNTY EMPLOYEES RETIREMENT SYSTEM  
SPECIAL CALLED  
BOARD OF TRUSTEES MEETING  
DECEMBER 19, 2024, AT 3:30 P.M. ET  
VIA LIVE VIDEO TELECONFERENCE**

At the Special-Called Meeting of the County Employees Retirement System Board of Trustees held on December 19, 2024, the following members were present: George Cheatham, Dr. Patricia Carver, Michael Foster, Dr. Merl Hackbart, William O'Mara, Betty Pendergrass, and Jerry Powell. Staff members present were CERS CEO Ed Owens, III, Ryan Barrow, Victoria Hale, Rebecca Adkins, Michael Lamb, Steve Willer, Anthony Chiu, Brian Caldwell, Joe Gilbert, Phillip Cook, Sandy Hardin, and Sherry Rankin. Others present included Eric Branco with Johnson Branco & Brennan LLP and David Lindberg with Wilshire.

1. Mr. Cheatham called the meeting to order.
2. Mr. Branco read the Opening Statement.
3. Ms. Rankin called Roll.
4. Mr. Cheatham introduce agenda item ***Public Comment***. Ms. Rankin noted no public comment was submitted.
5. Mr. Cheatham introduced agenda item ***Chairman's Corner*** (Video 00:05:19 to 00:05:37) Mr. Cheatham noted he did not have any updates to report.
6. Mr. Cheatham introduced agenda item ***Real Return Investment Recommendation*** (Video 00:05:37 to 00:13:33). Dr. Hackbart reported that the CERS Investment Committee held a special-called meeting at 2:00 p.m. today to consider a Real Return investment recommendation from the KPPA Investment Staff.

Mr. Steve Willer began with a summary of the investment and provided an update on the current portfolio status. Mr. Anthony Chiu reviewed the other Real Return strategies. He then reviewed the CERS Pension Portfolio, highlighting the Real Return Allocations and their impact and rationale.

Mr. Chiu then presented the proposed investment by the KPPA Investment Staff in the ITE Rail Fund, L.P. He explained that it is an open-ended fund managed by Industrial Transportation Equipment. Mr. Chiu reviewed the details of this proposal, concluding that given the attractive risk/reward profile, compelling market opportunity, and current Real Return allocations, the Staff recommends an investment of up to \$200 million to be shared among all CERS portfolios, pending successful legal negotiations. When fully funded, this investment would represent approximately 1.0% to 1.1% of Plan assets, depending on market value fluctuations. The expected net return for this investment is projected to be between 6% and 9%. Following the presentation, Mr. Chiu and Mr. Willer addressed and answered questions posed by the Trustees.

After the presentation and discussion, the CERS Investment Committee voted unanimously to approve the recommendation to invest up to \$200 million in the ITE Rail Fund, L.P., subject to contract negotiations, and now requests that the CERS Board of Trustees ratify the action taken by the Investment Committee.

Mr. Powell made the motion to ratify the CERS Investment Committee's recommendation to invest up to \$200 million to the ITE Rail Fund, L.P., subject to successful contract negotiations. Dr. Hackbart seconded the motion, and the motion passed unanimously.

7/8. There being no closed session business, Mr. Cheatham requested a motion to *adjourn*. Ms. Pendergrass made a motion to adjourn and was seconded by Mr. Powell. The motion was 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, the Chair of the Board of Trustees of the County Employees Retirement System, do certify that the Minutes of Meeting held on December 19, 2024, were approved on March 10, 2025.

  
Chair of the Board of Trustees

I have reviewed the Minutes of the December 19, 2024, Board of Trustees Meeting for content, form, and legality.

  
Executive Director  
Office of Legal Services