

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
FINANCE COMMITTEE MEETING
FEBRUARY 16, 2026, AT 2:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the meeting of the County Employees Retirement System Finance Committee held on February 16, 2026, the following members were present: William O'Mara (Chair), George Cheatham, Jim Tony Fulkerson, and Steve Webb. Staff members present were CERS CEO Ed Owens III, Ryan Barrow, Erin Surratt, Michael Lamb, Michael Board, Victoria Hale, Nathan Goodrich, D'Juan Surratt, Phillip Cook, Sherry Rankin, and Mary Hill. Others in attendance included Eric Branco with Johnson Bowman Branco, LLP.

1. Mr. O'Mara called the meeting to order.
2. Mr. Branco read the Legal Public Statement.
3. Ms. Rankin called roll.
4. Ms. Rankin noted there were twenty (20) **Public Comments** received, and they all referenced support for HB 406.
5. Mr. O'Mara introduced agenda item **Approval of Minutes – November 24, 2025** (*Video 00:06:11 to 00:06:45*). Mr. Fulkerson made the motion to approve the minutes from the meeting held on November 24, 2025, as presented. Mr. Webb seconded the motion. The motion passed unanimously.
6. Mr. O'Mara introduced agenda item **Status Update on GASB 68 and GASB 75 Proportionate Share Audits and Reports**. (*Video 00:06:48 to 00:08:05*). Connie Davis provided a brief update regarding the GASB reports and stated they will be available for the upcoming Audit Committee and the CERS and KRS board meetings in March, 2026.

7. Mr. O'Mara introduced agenda item ***Quarterly Financial Reports*** (Video 00:08:06 to 00:16:35). Mr. Lamb provided an update on the CERS Fiduciary Net Position, reporting overall growth and increases. Both member and employee contributions were up, as well as the employer pay credit. An increase in participant headcounts and salaries led to increased contributions.

Mr. Lamb continued and discussed past due CERS balances owed to KPPA, (Video 00:16:00 to 00:27:39), the total of which being the highest since October, 2024. He mentioned several entities by name and briefly explained that their accounts are being handled either by ERCE or KPPA's Legal Department. Mr. Owens raised a question regarding the Elliott County Ambulance Service ("ECAS") specifically. Mr. Lamb explained that it was discovered that ECAS had not been paying employer contributions as far back as 2018. ERCE reviewed their account and found several employees were not being reported. Mr. Surratt stated that ERCE is in ongoing communication with ECAS regarding missed payments and reports for at least a two (2) year period due to a significant loss of records due to a fire, and the Legal Department is in the process of recovery.

Mr. Cheatham asked about Kentucky River Regional Jail and possible litigations and frozen accounts due to their past due status. Mr. Lamb stated he preferred to have that discussion in a closed session, but that the Legal Department is in communication with them and several other agencies with past due accounts. Mr. Surratt further explained how ERCE discovered EACS was not reporting and that they are actively working with them to settle the account balance.

Mr. Lamb continued and discussed the Budget to Actual Summary (Video 00:27:40 to 00:33:12), reporting that most line items are on track to remain at or under budget.

8. Mr. O'Mara introduced agenda item ***Hazardous Duty Requests*** (Video 00:33:49 to 00:36:18). Mr. Surratt reported there are fifteen (15) positions being requested for hazardous duty and a staff review showed these positions meet the statutory guidelines

for hazardous duty classification. He requested a motion to approve the hazardous duty coverage requests as presented. Mr. Cheatham requested clarification on three (3) positions being retroactively classified and Mr. Surratt explained these positions were discovered as a result of a review of the account in question. A request was made for a report of the trendline regarding requests for new hazardous duty positions over the past few years. Mr. Surratt stated that he will get those statistics and report back before the next meeting. Mr. Fulkerson moved to approve the requests and Mr. Cheatham seconded. The motion passed unanimously.

9. Mr. O'Mara introduced agenda item ***Other Financial Updates*** (*Video 00:36:27 to 00:39:17*). Mr. Lamb briefly discussed the Investment Trust Budget, reporting no expectation of any significant overspending. Mr. Cheatham requested some clarification on a contract with Solovis. Mr. Lamb stated he will get some more information and follow up with the Investments team and report back.
10. Mr. O'Mara asked for any ***Other Business***. Ms. Rankin took this time to introduce the new Administrative Specialist in the Executive Area, Mary Hill.
11. There being no further business, Mr. O'Mara declared the meeting ***adjourned***.

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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, William O'Mara, the Chair of the County Employees Retirement System Finance Committee, do certify that the Minutes of Meeting held on February 16, 2026, were approved on May 18, 2026.

Chair of the CERS Finance Committee

I have reviewed the Minutes of the February 16, 2026, CERS Finance Committee Meeting for content, form, and legality.

Executive Director
Office of Legal Services