

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
FINANCE COMMITTEE MEETING
FEBRUARY 19, 2024, 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 19, 2024, the following members were present: William O'Mara (Chair), George Cheatham, and Jim Tony Fulkerson. Staff members present were CERS CEO Ed Owens, III, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Victoria Hale, Steve Willer, Michael Lamb, Connie Davis, Elizabeth Smith, D'Juan Surratt, Ashley Gabbard, Shaun Case, Phillip Cook, Sherry Rankin, and Katie Park. Others in attendance included Eric Branco with Johnson Bowman Branco, LLP.

Mr. O'Mara called the meeting to order.

Mr. Branco read the Legal Public Statement.

Ms. Rankin called roll.

Ms. Rankin advised that two **Public Comments** were received and read each aloud to the Committee.

Submitted by Mark Doran

The unfunded liabilities basically arose for many reasons. Whether is was not paying actuarial rates, planning for COLA's or investment oversight, the system was not properly managed. The employees / retirees fulfilled their funding responsibilities. Attempts have now been made to address the unfunded liability, which is necessary. The problem is, inflation is being ignored by both the State Legislature and our KPPA representatives, especially the CERS board. It's not realistic to expect retirees to maintain a stagnated 2011 level pension benefit. The CERS Board has been decreasing participating entity contributions recently instead of taking any approach to plan for a COLA. From a CERS contributing participant standpoint, I understand pensions are already expensive to fund. I also understand that people are the most important asset and deserve to be treated better than we have been. My former employer hasn't frozen the taxes I pay at 2011

levels. They can fund a retiree COLA instead of a pet project or two. Don't just read this and move on...we need you to speak to this topic and help now. I've been told KPPA and CERS don't feel as though it's their duty to actively promote any increase. It most definitely is...you are there to responsibly and fully represent your members. We have sacrificed and it's time we receive some inflation relief. Please don't move to the next order of business until you speak about this.

Submitted by William David Jones

Why have we not received a COLA for decades and will we finally get some relief?

Mr. O'Mara introduced agenda item ***Approval of Minutes – November 16, 2023*** (Video 00:08:58 to 00:10:26). A motion was made by Mr. Fulkerson and seconded by Mr. Cheatham to approve the minutes as presented. The motion passed unanimously.

The Committee Members amended the agenda and reviewed items ***Hazardous Duty Requests*** and ***Other Financial Updates*** prior to ***Fiscal Year to Date Financial Reports***.

Mr. O'Mara introduced agenda item ***Hazardous Duty Requests*** (Video 00:10:27 to 00:11:38). Mr. D'Juan Surratt presented nine police, fire and EMT positions requesting Hazardous Duty coverage. KPPA has reviewed the positions and determined that they meet the statutory guidelines for Hazardous Duty coverage, said Mr. Surratt. A motion was made by Mr. Fulkerson and seconded by Mr. Cheatham to approve the Hazardous Duty requests as presented and forward to the CERS Board of Trustees for ratification. The motion passed unanimously.

Mr. O'Mara introduced agenda item ***Other Financial Updates*** (Video 00:11:39 to 00:15:30). Mr. Willer briefly reviewed the Investment Trust Budget and the Pension and Insurance Investment Fees and Expenses for the six-month period ending December 31, 2023, with the CERS Finance Committee. The Committee had no questions for Mr. Willer regarding his presentation.

Mr. O'Mara introduced agenda item ***Fiscal Year to Date Financial Reports*** (Video 00:15:31 to 00:33:00). Mr. Lamb presented the Fiscal Year to Date Financial Reports. He reviewed Fiscal Year Financial Spreadsheet, Administrative Expense to Budget, Contribution Reports, Outstanding Invoice Report, and the Penalty Waiver Report with the CERS Finance Committee.

Mr. O'Mara introduced agenda item ***Strategic Planning Process*** (Video 00:33:01 to 00:38:21). CERS CEO Mr. Ed Owens, III, advised that the Strategic Planning Process has been ongoing for about year and half. KPPA began their own Strategic Planning Process within the last six to nine months, said Mr. Owens. Therefore, the CERS Board of Trustees wished to coordinate their Strategic Plan with KPPA. Mr. Owens reported that KPPA determined four key areas of focus for their Strategic Plan; (1) Governance; (2) Organizational Excellence; (3) Customer Service Delivery; and (4) Infrastructure and Key Resources. Mr. Owens intends to present final objectives and strategic goals at the May 2024 CERS Finance Committee meeting. Then, these objectives will be incorporated into the KPPA Strategic Plan. Mr. Eager advised that the presented order of key areas may have updated. He asked that Mr. Owens work with Staff to verify. Ms. Adkins noted that the Authority will be involved in the process as well.

There being no further business, Mr. O'Mara ***adjourned*** the meeting.

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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 19, 2024, were approved on May 20, 2024.

Chair of the CERS Finance Committee

I have reviewed the Minutes of the February 19, 2024, CERS Finance Committee Meeting for content, form, and legality.

Executive Director
Office of Legal Services