

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
SPECIAL CALLED INVESTMENT COMMITTEE MEETING
OCTOBER 22, 2024, 2:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the October 22, 2024, County Employees Retirement System Investment Committee Meeting, the following Committee members were present: Dr. Merl Hackbart (Chair), George Cheatham, William O'Mara, and Betty Pendergrass. Staff members present were Mike Lamb, Victoria Hale, Carrie Bass, Steve Willer, Brian Caldwell, Anthony Chiu, Joseph Gilbert, Ashley Gabbard, Phillip Cook, Sherry Rankin, and Sandy Hardin. Also in attendance were CERS CEO Ed Owens III; David Lindberg, Chris Tessman, Craig Morton, and John Patterson with Wilshire; Eric Branco with Johnson, Branco, & Brennan, LLC.

1. Dr. Hackbart called the meeting to order.
2. Mr. Branco read the Legal Opening Statement.
3. Ms. Rankin called roll.
4. Ms. Rankin indicated there was no **Public Comment** (*Video 00:09:08 to 00:09:10*).
5. Dr. Hackbart introduced agenda item **Kayne Anderson Energy Fund** (*Video 00:09:10 to 00:53:27*). Dr. Hackbart noted this meeting was convened to decide whether to proceed with a continuation fund being established by Kayne Anderson. Dr. Hackbart mentioned the opportunity presented to us is to either liquidate our investment or to integrate it into a new continuation fund. Since an answer is needed later this week, a CERS Board Meeting will not be called. Dr. Hackbart noted that a Board Meeting would typically be convened following such discussions to receive their recommendation. Due to the exigent circumstances, per our current policy, the decision made by this committee will provide guidance for the Investment Staff to proceed with either liquidation or fold into Kayne Anderson's continuation fund.

Dr. Hackbart introduced Mr. Willer and Mr. Chiu, who presented to the committee a detailed overview of the KPPA Investment Staff's investment recommendation of Kraken Resources, LLC, which is a continuation vehicle of Kayne Anderson. Kraken is a private energy and production company operating in the Williston Basin along the border of North Dakota and Montana. Given Kraken's attractive cash flows, hedged commodity price risk, and current Real Return allocations, the Investment Staff is recommending that CERS roll its existing investment of fourteen (14) million dollars. The investment will be shared among all CERS plans pending successful legal negotiations and represents an additional ~0.1% of plan assets. Following the presentation, the Investment Team addressed questions posed by the committee members.

A motion was made by Ms. Pendergrass and seconded by Mr. O'Mara to approve the Investment Staff's recommendation to authorize an investment by CERS into Kraken Resources, LLC, a continuation vehicle of Kayne Anderson, subject to successful contract negotiations. The motion passed unanimously.

6. There being no further business, Dr. Hackbart *adjourned* the meeting.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded above the action of the Committee 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 connection with this meeting.

Recording Secretary

I, as Chair of the County Employees Retirement System Investment Committee of the Board of Trustees of the County Employees Retirement System, do certify that the Minutes of the meeting held on October 22, 2024, were approved by the County Employees Retirement System Investment Committee on November 26, 2024.

CERS Investment Committee Chair

I have reviewed the Minutes of the County Employees Retirement System Investment Committee Meeting on October 22, 2024, for form, content, and legality.

Office of Legal Services