

**MINUTES OF MEETING**  
**COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES**  
**FINANCE COMMITTEE SEPTEMBER 1, 2021 AT 2:00 P.M.**  
**VIA LIVE VIDEO TELECONFERENCE**

At the meeting of the County Employees Retirement System Board of Trustees Finance Committee held on September 1, 2021 the following members were present: William O'Mara (Chair), George Cheatham and JT Fulkerson. Other Board members present: Betty Pendergrass and Jerry Powell. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Victoria Hale, Steven Herbert, Jared Crawford, Elizabeth Smith, Ann Case, Connie Davis, D'Juan Surratt, Glenna Frasher, Shaun Case, Phillip Cook, and Sherry Rankin.

Mr. O'Mara called the meeting to order and Ms. Hale read the Legal Public Statement.

Ms. Rankin proceeded to take the Roll Call.

Since there was no public comment submitted, Mr. O'Mara introduced agenda item *Approval of Minutes – May 5, 2021*. Mr. Fulkerson made a motion and Mr. Cheatham second to approve the minutes as presented. The motion carried unanimously.

Mr. O'Mara introduced agenda item *Quarterly Financial Reports*. Ms. Adkins began by indicating that these reports are just reflecting the CERS accounts. Ms. Adkins reviewed the Combining Statement of Fiduciary Net Position for the Pension Funds and the Combining Statement of Changes in Fiduciary Net Position for Pension Funds, Combining Statement of Fiduciary Net Position for the Insurance Funds, Combining Statement of Changes in Fiduciary Net Position for Insurance Funds, KPPA Administrative Expenses – Budget to Actual Analysis for CERS system, Contribution Reports for both Pension Funds and Insurance Funds, Outstanding Invoice Report and Penalty Waiver Report. These reports were provided for informational purposes only. Mr. O'Mara questioned whether the end of the personnel with 11.8% remaining, is that typical in the personnel category. Ms. Adkins answered that it is a little lower than we usually are and that is because we started tracking more closely with Fiscal Year 2021. Normally, at the end of the

Operations list you see major legislation implementation and that amount is disbursed throughout the budget where we thought it would be needed if we had to implement major legislation, and most of the categories had more left over up to this time. Per the direction of the CERS Board, they wanted to watch this a little more closely, so we moved the major legislation implementation spending out so that we could watch it. It is closer than usual had we had been watching it before. Ms. Adkins indicated that we have made some personnel changes recently that has bumped it up a little, but this is exactly where I thought we would be. Mr. Eager stated that the favorable variance would most likely be eliminated as we ended the fiscal year with many position vacancies and those either have been or will be filled soon. Mr. Eager indicated that six new employees were starting today, so that favorable variance will be reduced. Ms. Adkins added that the agency was able to reduce the amount of overtime over this last fiscal year, and it is lowest she has seen in quite some time. Mr. Cheatham asked about the big variance between the budget and actual spending for Worker's Compensation. Ms. Adkins indicated that this was one case that settled and had a major payment that occurred in the First Quarter of the fiscal year. Ms. Adkins commented on the major legislation implementation in that we did implement major legislation with House Bill 8, and she is in favor of changing this for the future reports. She indicated she would speak with KPPA about the changes needed. Ms. Adkins also indicated that a little more was spent on COVID-related materials, which included laptops. A decision was made to issue laptops to almost everyone so this is the reason the COVID-related expenses are over budget. Mr. O'Mara asked about the funding of the Administrative Expenses, and wanted an explanation of the drawn downs and how those are reconciled. Ms. Adkins answered that we have the approved biennium budget, and that figure is divided by 12 and then they begin to draw it down month by month. In the Spring of the year, the accounting department is watching very closely and if they feel we have more money in there then we will actually use. In 2021 in May and June, they did not draw back anything else and at the end of the fiscal year they return anything that we have left over usually in the first half of July.

Mr. O'Mara introduced agenda item *Participation of CERS Agency*. Mr. Surratt addressed the committee regarding a new agency that has elected to participate in the County Employees Retirement System under non-hazardous coverage. The agency is Liberty Tourism and Convention Commission and they have produced all required documentation and our legal staff

has reviewed all of that material and has approved their eligibility for participation. Mr. Surratt recommends the approval of participation of Liberty Tourism and Convention Commission. Mr. Fulkerson made a motion and Mr. Cheatham seconded to approve the participation of Liberty Tourism and Convention Commission in the County Employees Retirement System's non-hazardous coverage. The motion carried unanimously.

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>
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

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

Mr. O'Mara introduced the agenda item *Other Financial Updates*. Ms. Adkins announced that the outside auditors, Blue and Company, are actively working on the financial statements we presented here today. Those presented today are unaudited, and once they are complete, this will be combined with the valuation determination by GRS, and the results will be brought to the Boards for approval for inclusion in our annual reporting.

The CERS Finance Committee will meet again on November 3, 2021, for a quarterly meeting.

Mr. Fulkerson made a motion and Mr. Cheatham 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 September 1, 2021 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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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 September 1, 2021 were approved on November 3, 2021.

  
Chair of the CERS Finance Committee

I have reviewed the Minutes of the September 1, 2021 CERS Finance Committee Meeting for content, form, and legality.

  
Executive Director  
Office of Legal Services