



**County Employees Retirement System  
Finance Committee - Regular Meeting  
February 19, 2024 at 2:00 PM ET  
Live Video Conference/Facebook Live**

**AGENDA**

- |  |                                 |
|--|---------------------------------|
| <b>1. Call to Order</b>                            | <b>Bill O'Mara</b>              |
| <b>2. Legal Public Statement</b>                   | <b>Office of Legal Services</b> |
| <b>3. Roll Call</b>                                | <b>Sherry Rankin</b>            |
| <b>4. Public Comment</b>                           | <b>Sherry Rankin</b>            |
| <b>5. Approval of Minutes* - November 16, 2023</b> | <b>Bill O'Mara</b>              |
| <b>6. Fiscal Year Financial Reports</b>            | <b>Mike Lamb</b>                |
| <b>a. Fiscal Year Financial Spreadsheet</b>        |                                 |
| <b>b. Administrative Expense to Budget</b>         |                                 |
| <b>c. Contribution Report</b>                      |                                 |
| <b>d. Outstanding Invoice Report</b>               |                                 |
| <b>e. Penalty Waiver Report</b>                    |                                 |
| <b>7. Hazardous Duty Requests*</b>                 | <b>D'Juan Surratt</b>           |
| <b>8. Other Financial Updates</b>                  | <b>Steve Willer</b>             |
| <b>a. Investment Trust Budget</b>                  |                                 |
| <b>9. Strategic Planning Process</b>               | <b>Bill O'Mara</b>              |
| <b>10. Adjourn</b>                                 | <b>Bill O'Mara</b>              |

***\*Committee Action May be Taken***

**MINUTES OF MEETING  
COUNTY EMPLOYEES RETIREMENT SYSTEM  
FINANCE COMMITTEE MEETING  
NOVEMBER 16, 2023, AT 2:00 P.M., E.T.  
VIA LIVE VIDEO TELECONFERENCE**

At the meeting of the County Employees Retirement System Finance Committee held on November 16, 2023, the following members were present: William O’Mara (Chair), George Cheatham, and Jim Tony Fulkerson. Staff members present were CERS CEO Ed Owens, III, Rebecca Adkins, Erin Surratt, Michael Board, Victoria Hale, Steve Willer, Michael Lamb, Connie Davis, D’Juan Surratt, Ashley Gabbard, Phillip Cook, Sherry Rankin, and Katie Park.

Mr. O’Mara called the meeting to order.

Mr. Board read the Legal Public Statement.

Ms. Rankin called roll.

Mr. O’Mara introduced agenda item *Approval of Minutes – August 22, 2023* (Video 00:06:15 to 00:06:43). A motion was made by Mr. Cheatham and seconded by Mr. Fulkerson to approve the minutes as presented. The motion passed unanimously.

Mr. O’Mara introduced agenda item *Fiscal Year to Date Financial Reports* (Video 00:06:44 to 00:26:00). Mr. Lamb presented the Fiscal Year to Date Financial Reports.

He reviewed the Combining Statement of Fiduciary Net Position of the Pension Funds as of September 30, 2023. Mr. Lamb briefly reviewed the Combining Statement of Changes in Fiduciary Net Position of the Pension Funds for the three-month period ending September 30, 2023. The CERS Pension Funds Contribution Report was also presented. Mr. Lamb went on to present the Combining Statement of Fiduciary Net Position of Insurance Funds as of September 30, 2023, and the Combining Statement of Changes in Fiduciary Net Position of Insurance Funds for the three-month period ending September 30, 2023, with the CERS Board of Trustees. Next, he reviewed the CERS Insurance Funds Contribution Report for the three-month period ending September 30, 2023. The CERS Outstanding Invoices by Type and Employer and Penalty Invoices Reports were

also presented to the Committee.

The FY 2023-2024 KPPA Administrative Budget – Budget-to-Actual Analysis for the three-month period ending September 30, 2023, was highlighted by Mr. Lamb.

Lastly, the Mr. Lamb briefly reviewed the JP Morgan Chase Credit Earnings and Fees and Hard Interest Earned for the fiscal year ending June 30, 2024. He advised that additional information requested by Trustees regarding the JP Morgan Chase Credit Earnings and Fees and Hard Interest Earned was forthcoming.

Ms. Rankin advised that no **Public Comment** was received.

Mr. O'Mara introduced agenda item **Hazardous Duty Requests** (Video 00:26:01 to 00:27:17). Mr. D'Juan Surratt presented several police, fire and EMT positions requesting Hazardous Duty coverage. He advised that many of the listed agencies are applying for hazardous duty coverage as a retention and recruitment tool. 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 **New Agency Participation** (Video 00:27:18 to 00:28:25). Additionally, Mr. Surratt stated that two (2) new agencies are electing to participate with the County Employees Retirement System under non-hazardous coverage. KPPA Staff recommended approval of the participation of the Hyden Leslie County Water District and Springfield Washington County 911 Dispatch, as they have satisfactorily completed their trial participation period. Mr. Fulkerson made a motion to approve the participation of the Hyden Leslie County Water District and Springfield Washington County 911 Dispatch as presented and forward to the CERS Board of Trustees for ratification. Mr. Cheatham seconded the motion and the motion passed unanimously.

Mr. O'Mara introduced agenda item **Other Financial Updates** (Video 00:28:26 to 00:32:28). Mr. Willer briefly reviewed the Investment Budget with the CERS Finance Committee.

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

Copies of all documents presented are incorporated as part of the Minutes of the CERS Finance Committee meeting held November 16, 2023, 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 November 16, 2023, were approved on February 19, 2024.

\_\_\_\_\_  
Chair of the CERS Finance Committee

I have reviewed the Minutes of the November 16, 2023, CERS Finance Committee Meeting for content, form, and legality.

\_\_\_\_\_  
Executive Director  
Office of Legal Services



**Combining Statement of Fiduciary Net Position - Pension Funds**

As of December 31, 2023, with Comparative Totals as of December 31, 2022 (\$ in Thousands) (Unaudited)

ASSETS	CERS		TOTAL		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2024	FY 2023		
<b>CASH AND SHORT-TERM INVESTMENTS</b>						
Cash Deposits	\$2,640	\$710	\$3,350	\$442	658.21%	1
Short-term Investments	258,095	131,235	389,331	267,076	45.78%	2
<b>Total Cash and Short-term Investments</b>	<b>260,735</b>	<b>131,946</b>	<b>392,681</b>	<b>267,518</b>	<b>46.79%</b>	
<b>RECEIVABLES</b>						
Accounts Receivable	78,391	35,145	113,536	151,303	(24.96)%	3
Accounts Receivable - Investments	44,836	16,088	60,924	115,909	(47.44)%	4
<b>Total Receivables</b>	<b>123,227</b>	<b>51,233</b>	<b>174,460</b>	<b>267,212</b>	<b>(34.71)%</b>	
<b>INVESTMENTS, AT FAIR VALUE</b>						
Core Fixed Income	918,621	323,355	1,241,976	1,070,123	16.06%	5
Public Equities	4,616,764	1,613,458	6,230,222	5,253,453	18.59%	6
Private Equities	640,011	221,335	861,346	902,153	(4.52)%	
Specialty Credit	1,817,632	625,763	2,443,395	2,275,715	7.37%	
Derivatives	(617)	(252)	(869)	(937)	(7.29)%	
Real Return	360,324	126,338	486,662	341,078	42.68%	7
Real Estate	521,611	166,031	687,642	671,025	2.48%	
<b>Total Investments, at Fair Value</b>	<b>8,874,346</b>	<b>3,076,029</b>	<b>11,950,375</b>	<b>10,512,610</b>	<b>13.68%</b>	
Securities Lending Collateral Invested	200,034	70,227	270,261	275,574	(1.93)%	
<b>CAPITAL/INTANGIBLE ASSETS</b>						
Capital Assets	1,701	153	1,854	1,854	0.00%	
Intangible Assets	9,961	827	10,788	10,788	0.00%	
Accumulated Depreciation	(1,701)	(153)	(1,854)	(1,854)	0.00%	
Accumulated Amortization	(9,961)	(827)	(10,788)	(10,710)	0.72%	
<b>Total Capital Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>(100.00)%</b>	
<b>Total Assets</b>	<b>9,458,343</b>	<b>3,329,434</b>	<b>12,787,777</b>	<b>11,322,992</b>	<b>12.94%</b>	
<b>LIABILITIES</b>						
Accounts Payable	5,365	940	6,304	5,444	15.80%	8
Investment Accounts Payable	69,063	24,163	93,225	68,791	35.52%	9
Securities Lending Collateral	200,034	70,227	270,261	275,574	(1.93)%	
<b>Total Liabilities</b>	<b>274,462</b>	<b>95,330</b>	<b>369,791</b>	<b>349,810</b>	<b>5.71%</b>	
<b>Total Fiduciary Net Position Restricted for Pension Benefits</b>	<b>\$9,183,881</b>	<b>\$3,234,105</b>	<b>\$12,417,986</b>	<b>\$10,973,182</b>	<b>13.17%</b>	

**NOTE - Variance Explanation** **Differences due to rounding**

- 1) The variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account. As a result of an Internal Audit finding, we continue to evaluate the optimum cash balances at JP Morgan Chase.
- 2) Short term investments are primarily comprised of cash on hand at the custodial bank, the variance in the balance is a result of the cash flows of each plan.
- 3) The decrease in Accounts Receivable is primarily due to the 06/30/2022 CERS and CERH pension/insurance split correction that was carried as a receivable into FY 2023.
- 4) The variance in Investment Accounts Receivable is due to pending trades.
- 5) The increase in Core Fixed Income is a result of favorable market conditions during the prior fiscal year as well as additional funding.
- 6) The increase in Public Equities is the result of favorable market conditions resulting in an increase in gains/losses and additional funding.
- 7) The increase in Real Return is a result of favorable market conditions as well as additional funding.
- 8) The variance in Accounts Payable is due to an increase in the payroll and leave liability accrual as well as an increase in outstanding employer credit invoices.
- 9) The variance in Investment Accounts Payable is due to pending trades.



**Combining Statement of Changes In Fiduciary Net Position - Pension Funds**

For the six month period ending December 31, 2023, with Comparative Totals for the six month period ending December 31, 2022 (\$ in Thousands) (Unaudited)

	CERS		Total		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2024	FY 2023		
<b>ADDITIONS</b>						
Member Contributions	\$75,536	\$30,204	\$105,740	\$95,189	11.08%	1
Employer Pay Credit	27,897	11,966	39,863	33,382	19.42%	2
Employer Contributions	330,976	144,783	475,759	433,269	9.81%	
Actuarially Accrued Liability Contributions (AALC)	-	-	-	-		
Pension Spiking Contributions	16	34	49	63	(21.62)%	3
Health Insurance Contributions (HB1)	(22)	(29)	(52)	(21)	148.65%	4
Employer Cessation Contributions	-	-	-	-		
<b>Total Contributions</b>	<b>434,403</b>	<b>186,957</b>	<b>621,359</b>	<b>561,882</b>	<b>10.59%</b>	
<b>INVESTMENT INCOME</b>						
From Investing Activities						
Net Appreciation (Depreciation) in FV of Investments						
Investments	352,490	124,779	477,269	123,369	286.86%	5
Interest/Dividends	139,714	49,111	188,825	148,471	27.18%	6
Total Investing Activities Income	492,204	173,890	666,094	271,841		
Less: Investment Expense	29,788	9,966	39,753	31,817	24.94%	7
Less: Performance Fees	8,041	2,670	10,711	574	1,766.17%	8
Net Income from Investing Activities	454,376	161,254	615,630	239,450		
From Securities Lending Activities						
Securities Lending Income	5,621	2,006	7,626	4,983		
Less: Securities Lending Borrower Rebates (Income)/Expense	5,045	1,801	6,846	4,242		
Less: Securities Lending Agent Fees	86	31	117	111		
Net Income from Securities Lending	489	174	663	630	5.17%	
<b>Net Investment Income</b>	<b>454,865</b>	<b>161,428</b>	<b>616,293</b>	<b>240,080</b>	<b>156.70%</b>	
<b>Total Additions</b>	<b>889,268</b>	<b>348,384</b>	<b>1,237,652</b>	<b>801,962</b>	<b>54.33%</b>	
<b>DEDUCTIONS</b>						
Benefit Payments	461,050	166,012	627,062	600,732	4.38%	
Refunds	13,602	2,993	16,595	14,922	11.21%	9
Administrative Expenses	12,174	1,072	13,246	12,399	6.83%	
<b>Total Deductions</b>	<b>486,826</b>	<b>170,076</b>	<b>656,903</b>	<b>628,053</b>	<b>4.59%</b>	
Net Increase (Decrease) in Fiduciary Net Position Restricted for Pension Benefits						
	402,441	178,308	580,749	173,909		
<b>Total Fiduciary Net Position Restricted for Pension Benefits</b>						
<b>Beginning of Period</b>	<b>8,781,440</b>	<b>3,055,797</b>	<b>11,837,237</b>	<b>10,799,273</b>	<b>9.61%</b>	
<b>End of Period</b>	<b>\$9,183,881</b>	<b>\$3,234,105</b>	<b>\$12,417,986</b>	<b>\$10,973,182</b>	<b>13.17%</b>	

**NOTE - Variance Explanation Differences due to rounding**

- 1) The increase in Member Contributions is due to an increase in covered payroll across all plans.
- 2) The Employer Pay Credit will continue to increase as Tier 3 members increase.
- 3) Pension Spiking contributions decreased due to a decrease in pension spiking billed to employers.
- 4) Health Insurance Contributions continue to fluctuate in the Pension accounts due to Tier 2 and Tier 3 retiree health insurance system costs as well as corrections being processed to previous fiscal years.
- 5) The increase in Net Appreciation in Fair Value of Investments is the result of gains primarily from public equities.
- 6) The increase in Interest/Dividend Income is primarily the result of increased dividends/interest from public equity and core fixed income as well as partnership income from Specialty Credit.
- 7) The increase in Investment Expense is primarily the result of increased market value due to favorable performance and additional funding as well as increased partnership expenses for Specialty Credit.
- 8) The increase in performance fees is the result of more favorable market conditions creating higher performance fees for Private Equity and Specialty Credit.
- 9) Refunds to active members who have terminated employment increased in CERS and CERH.



**Combining Statement of Fiduciary Net Position - Insurance Funds**

As of December 31, 2023, with Comparative Totals as of December 31, 2022 (\$ in Thousands) (Unaudited)

ASSETS	CERS		TOTAL		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2024	FY 2023		
<b>CASH AND SHORT-TERM INVESTMENTS</b>						
Cash Deposits	\$1,527	\$17	\$1,544	\$102	1409.69%	1
Short-term Investments	96,058	38,165	134,223	118,895	12.89%	2
<b>Total Cash and Short-term Investments</b>	<b>97,585</b>	<b>38,182</b>	<b>135,767</b>	<b>118,997</b>	<b>14.09%</b>	
<b>RECEIVABLES</b>						
Accounts Receivable	4,678	2,718	7,396	16,174	(54.28)%	3
Investment Accounts Receivable	16,830	7,134	23,963	53,890	(55.53)%	4
<b>Total Receivables</b>	<b>21,507</b>	<b>9,852</b>	<b>31,359</b>	<b>70,064</b>	<b>(55.24)%</b>	
<b>INVESTMENTS, AT FAIR VALUE</b>						
Core Fixed Income	350,660	149,981	500,641	471,818	6.11%	
Public Equities	1,741,642	843,915	2,585,557	2,208,570	17.07%	5
Private Equities	257,655	144,704	402,360	411,616	(2.25)%	
Specialty Credit	681,570	326,623	1,008,193	970,646	3.87%	
Derivatives	(164)	(57)	(221)	(350)	(36.86)%	6
Real Return	120,510	58,589	179,099	118,393	51.27%	7
Real Estate	188,639	103,503	292,142	272,897	7.05%	8
<b>Total Investments, at Fair Value</b>	<b>3,340,511</b>	<b>1,627,258</b>	<b>4,967,769</b>	<b>4,453,589</b>	<b>11.55%</b>	
Securities Lending Collateral Invested	52,993	25,753	78,745	100,402	(21.57)%	9
<b>Total Assets</b>	<b>3,512,596</b>	<b>1,701,044</b>	<b>5,213,640</b>	<b>4,743,053</b>	<b>9.92%</b>	
<b>LIABILITIES</b>						
Accounts Payable	213	21	234	57,339	(99.59)%	10
Investment Accounts Payable	25,795	11,055	36,850	28,278	30.31%	11
Securities Lending Collateral	52,993	25,753	78,745	100,402	(21.57)%	12
<b>Total Liabilities</b>	<b>79,001</b>	<b>36,829</b>	<b>115,830</b>	<b>186,019</b>	<b>(37.73)%</b>	
<b>Total Fiduciary Net Position Restricted for OPEB</b>	<b>\$3,433,595</b>	<b>\$1,664,216</b>	<b>\$5,097,810</b>	<b>\$4,557,034</b>	<b>11.87%</b>	

**NOTE - Variance Explanation** Differences due to rounding

- 1) The variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account. As a result of an Internal Audit finding, we continue to evaluate the optimum cash balances at JP Morgan Chase.
- 2) Short term investments are primarily comprised of cash on hand at the custodial bank, the variance in the balance is a result of the cash flows of each plan.
- 3) The decrease in Accounts Receivable is due to a decrease in the member/employer month-end accrual due to the decreased insurance transfer rate.
- 4) The variance in Investment Accounts Receivable is the result of pending trades.
- 5) The increase in Public Equities is the result of favorable market conditions resulting in an increase in gains/losses and additional funding.
- 6) The variance in Derivatives is a result of hedging and arbitration of risk within the portfolios.
- 7) The increase in Real Return is a result of favorable market conditions as well as additional funding.
- 8) The increase in Real Estate is the result of a movement of the Mesa West Accounts from the Specialty Credit asset class to the Real Estate Asset Class
- 9) The variance is a result of the demands of the Securities Lending Program.
- 10) The decrease in Accounts Payable is primarily due to the 06/30/2022 CERS and CERH pension/insurance split correction that was carried as a payable into FY 2023.
- 11) The variance in Investment Accounts Payable is due to pending trades.
- 12) The variance is a result of the demands of the Securities Lending Program.



**Combining Statement of Changes In Fiduciary Net Position - Insurance Funds**

For the six month period ending December 31, 2023, with Comparative Totals for the six month period ending December 31, 2022 (\$ In Thousands) (Unaudited)

	CERS		TOTAL		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2024	FY 2023		
<b>ADDITIONS</b>						
Employer Contributions	\$2,013	\$10,174	\$12,187	\$69,903	(82.57)%	1
Actuarially Accrued Liability Contributions (AALC)	-	-	-	-		
Medicare Drug Reimbursement	-	-	-	-		
Insurance Premiums	202	(30)	172	219	(21.19)%	2
Humana Gain Share Payment	10,445	1,637	12,082	6,864	76.00%	3
Retired Re-employed Healthcare	3,265	860	4,125	3,112	32.56%	4
Health Insurance Contributions (HB1)	9,590	2,423	12,012	10,071	19.28%	5
Employer Cessation Contributions	-	-	-	-		
<b>Total Contributions</b>	<b>25,515</b>	<b>15,063</b>	<b>40,578</b>	<b>90,169</b>	<b>(55.00)%</b>	
<b>INVESTMENT INCOME</b>						
From Investing Activities						
Net Appreciation (Depreciation) in FV of Investments	135,629	65,228	200,857	50,322	299.15%	6
Interest/Dividends	52,806	25,430	78,237	64,928	20.50%	7
Total Investing Activities Income	188,435	90,658	279,094	115,250		
Less: Investment Expense	11,082	5,838	16,920	13,434	25.95%	8
Less: Performance Fees	3,100	1,684	4,784	(780)	713.06%	9
Net Income from Investing Activities	174,254	83,136	257,390	102,596		
From Securities Lending Activities						
Securities Lending Income	1,559	739	2,299	1,787		
Less: Securities Lending Borrower Rebates (Income)/Expense	1,308	622	1,930	1,511		
Less: Securities Lending Agent Fees	38	18	55	41		
Net Income from Securities Lending	214	100	314	235	33.64%	10
<b>Net Investment Income</b>	<b>174,467</b>	<b>83,236</b>	<b>257,704</b>	<b>102,831</b>	<b>150.61%</b>	
<b>Total Additions</b>	<b>199,982</b>	<b>98,300</b>	<b>298,282</b>	<b>193,000</b>	<b>54.55%</b>	
<b>DEDUCTIONS</b>						
Healthcare Premiums Subsidies	53,565	47,285	100,850	118,567	(14.94)%	11
Administrative Expenses	468	263	731	732	(0.15)%	
Self-Funded Healthcare Costs	1,880	123	2,003	1,868	7.26%	
Excise Tax Insurance	7	-	7	-	(100.00)%	12
<b>Total Deductions</b>	<b>55,920</b>	<b>47,671</b>	<b>103,591</b>	<b>121,167</b>	<b>(14.51)%</b>	
Net Increase (Decrease) in Fiduciary Net Position Restricted for OPEB	144,062	50,629	194,691	71,832		
<b>Total Fiduciary Net Position Restricted for OPEB</b>						
<b>Beginning of Period</b>	<b>3,289,532</b>	<b>1,613,587</b>	<b>4,903,119</b>	<b>4,485,201</b>	<b>9.32%</b>	
<b>End of Period</b>	<b>\$3,433,594</b>	<b>\$1,664,216</b>	<b>\$5,097,810</b>	<b>\$4,557,034</b>	<b>11.87%</b>	

**NOTE - Variance Explanation** **Differences due to rounding**

- 1) Employer Contributions decreased due to a decrease in the employer insurance rate.
- 2) Health Insurance Premiums decreased due to refunds processed to hazardous retirees for premiums paid for dependents that should have been covered by KPPA.
- 3) The Humana Gain Share payment will fluctuate year to year based on claims paid.
- 4) Retired Reemployed contributions increased due to an increase in retired reemployed members.
- 5) Health Insurance Contributions will continue to rise as Tier 2 and Tier 3 members increase.
- 6) The increase in Net Appreciation in Fair Value of Investments is the result of gains primarily from public equities.
- 7) The increase in Interest/Dividend Income is primarily the result of increased dividends/interest from public equity and core fixed income as well as partnership income from Specialty Credit.
- 8) The increase in Investment Expense is primarily the result of increased increasing market value due to favorable performance and additional funding as well as increased partnership expenses for Specialty Credit.
- 9) The increase in performance fees is the result of more favorable market conditions creating higher performance fees for Private Equity and Specialty Credit.
- 10) The variance is a result of the demand of the Securities Lending Program.
- 11) Healthcare Subsidies decreased due to a decrease in healthcare premiums paid for CERS retirees.

**Pension Funds Contribution Report**For the six month period ending December 31, 2023, with Comparative Totals for the six month period ending December 31, 2022  
(\$ in Millions)**County Employees Retirement System**

	Nonhazardous		Hazardous	
	FY24	FY23	FY24	FY23
Member Contributions	\$75.5	\$68.4	\$30.2	\$26.8
Employer Pay Credit	27.9	23.5	12.0	9.8
Employer Contributions	331.0	300.7	144.8	132.6
Net Investment Income	102.4	86.3	36.6	30.5
<b>Total Inflows</b>	<b>536.8</b>	<b>478.9</b>	<b>223.6</b>	<b>199.7</b>
Benefit Payments/Refunds	474.6	454.8	169.0	160.9
Administrative Expenses	12.2	11.4	1.1	1.0
<b>Total Outflows</b>	<b>486.8</b>	<b>466.2</b>	<b>170.1</b>	<b>161.9</b>
<b>NET Contributions</b>	<b>50.0</b>	<b>12.7</b>	<b>53.5</b>	<b>37.8</b>
Realized Gain/(Loss)	35.6	(25.2)	12.4	(9.9)
Unrealized Gain/(Loss)	316.9	117.3	112.4	41.2
<b>Change in Net Position</b>	<b>402.5</b>	<b>104.8</b>	<b>178.3</b>	<b>69.1</b>
<b>Beginning of Period</b>	<b>8,781.4</b>	<b>8,062.3</b>	<b>3,055.8</b>	<b>2,736.9</b>
<b>End of Period</b>	<b>\$9,183.9</b>	<b>\$8,167.1</b>	<b>\$3,234.1</b>	<b>\$2,806.0</b>

*Differences due to rounding.*

Net Contributions*	(\$52.4)	(\$73.6)	\$16.9	\$7.3
Cash Flow as % of Assets	(0.57)%	(0.90)%	0.52%	0.26%
Net Investment Income	\$102.4	\$86.3	\$36.6	\$30.5
Yield as % of Assets	1.11%	1.06%	1.13%	1.09%

*\*Net Contributions are less Net Investment Income.*

## Insurance Fund Contribution Report

For the six month period ending December 31, 2023, with Comparative Totals for the six month period ending December 31, 2022  
(\$ in Millions)



## County Employees Retirement System

	Nonhazardous		Hazardous	
	FY24	FY23	FY24	FY23
Employer Contributions	\$2.0	\$47.1	\$10.2	\$22.8
Insurance Premiums	0.2	0.2	-	-
Humana Gain Share	10.4	6.0	1.6	0.9
Retired Reemployed Healthcare	3.3	2.4	0.9	0.7
Health Insurance Contributions	9.6	8.1	2.4	1.9
Net Investment Income	38.8	35.2	18.0	17.3
<b>Total Inflows</b>	<b>64.3</b>	<b>99.0</b>	<b>33.1</b>	<b>43.6</b>
Healthcare Premiums	55.4	73.5	47.4	46.9
Administrative Expenses	0.5	0.4	0.3	0.3
<b>Total Outflows</b>	<b>55.9</b>	<b>73.9</b>	<b>47.7</b>	<b>47.2</b>
<b>NET Contributions</b>	<b>8.4</b>	<b>25.1</b>	<b>(14.6)</b>	<b>(3.6)</b>
Realized Gain/(Loss)	15.3	(10.3)	9.1	(4.2)
Unrealized Gain/(Loss)	120.4	44.9	56.1	19.9
<b>Change in Net Position</b>	<b>144.1</b>	<b>59.7</b>	<b>50.6</b>	<b>12.1</b>
<b>Beginning of Period</b>	<b>3,289.5</b>	<b>2,981.2</b>	<b>1,613.6</b>	<b>1,504.0</b>
<b>End of Period</b>	<b>\$3,433.6</b>	<b>\$3,040.9</b>	<b>\$1,664.2</b>	<b>\$1,516.1</b>

Differences due to rounding.

Net Contributions*	\$(30.4)	\$(10.1)	\$(32.6)	\$(20.8)
Cash Flow as % of Assets	(0.89)%	(0.33)%	(1.96)%	(1.37)%
Net Investment Income	\$38.8	\$35.2	\$18.0	\$17.3
Yield as % of Assets	1.13%	1.16%	1.08%	1.14%

\*Net Contributions are less Net Investment Income.

<b>KPPA ADMINISTRATIVE BUDGET FY 2023-2024</b> <b>BUDGET-TO-ACTUAL SUMMARY ANALYSIS</b> FOR THE SIX MONTHS ENDING DECEMBER 31, 2023, WITH COMPARATIVE TOTALS FOR THE SIX MONTHS ENDING DECEMBER 31, 2022						
CATEGORY	BUDGETED	FY 2024 EXPENSE	REMAINING	PERCENT REMAINING	FY 2023 EXPENSE	PERCENT DIFFERENCE
PERSONNEL	\$34,520,287	\$16,870,195	\$17,650,092	51.13%	\$16,186,341	4.22%
LEGAL CONTRACTS	1,210,000	578,954	631,046	52.15%	413,625	39.97%
AUDITING	300,000	214,821	85,179	28.39%	77,808	176.09%
ACTUARIAL SERVICES	500,000	190,067	309,933	61.99%	134,300	41.52%
MEDICAL REVIEWERS	1,800,000	693,145	1,106,855	61.49%	660,075	5.01%
OTHER PERSONNEL	500,000	145,071	354,929	70.99%	4,535	3,098.92%
<b>PERSONNEL TOTAL</b>	<b>\$38,830,287</b>	<b>\$18,692,253</b>	<b>\$20,138,034</b>	<b>51.86%</b>	<b>\$17,476,684</b>	<b>6.96%</b>
RENTALS - BUILDING & EQUIPMENT	1,166,500	525,891	640,609	54.92%	549,266	(4.26)%
INFORMATION TECHNOLOGY	4,190,000	1,312,370	2,877,630	68.68%	1,076,973	21.86%
OTHER OPERATIONAL	1,371,200	441,129	930,071	67.83%	410,176	7.55%
<b>OPERATIONAL TOTAL</b>	<b>\$6,727,700</b>	<b>\$2,279,390</b>	<b>\$4,448,310</b>	<b>66.12%</b>	<b>\$2,036,414</b>	<b>11.93%</b>
RESERVE	4,882,813	-	4,882,813	100.00%	-	0.00%
<b>ADMINISTRATIVE BUDGETED AMOUNT</b>	<b>\$50,440,800</b>	<b>\$20,971,643</b>	<b>\$29,469,157</b>	<b>58.42%</b>	<b>\$19,513,098</b>	<b>7.47%</b>

<b>Administrative Budget Summary</b> <b>Notes</b>	
<b>PERSONNEL (Staffing):</b>	Through half the year, we have spent nearly \$17M, which is approximately 49% percent of the budget, and 4+% higher than the prior year. We have nearly 52% of the legal budget remaining. We have spent close to 90% of our budget for FBT. The legal hearing officer line item is over budget by approximately \$36k, and we have about 26% left to spend.
<b>LEGAL</b>	We are under budget in other line items such as SKO, JBB, and DBG. ACFR audit was \$215k (30k below budget). We anticipate \$30k for the ongoing proportionate share audit in Q3.
<b>AUDITING</b>	
<b>ACTUARIAL, MEDICAL, AND OTHER</b>	All are below budget for the 1st half of the year.
<b>OPERATIONAL TOTAL</b>	Overall under budget, driven by the following: utilities; rent, printing, postage, and travel.

KPPA ADMINISTRATIVE BUDGET FY 2023-2024						
BUDGET-TO-ACTUAL ANALYSIS						
FOR THE SIX MONTHS ENDING DECEMBER 31, 2023, WITH COMPARATIVE TOTALS FOR THE SIX MONTHS ENDING DECEMBER 31, 2022						
Account Name	Budgeted	FY 2024 Expense	Remaining	Percent Remaining	FY 2023 Expense	Percent Difference
<b>PERSONNEL</b>						
<b>Staff</b>						
Salaries/Wages	\$17,900,000	\$8,909,245	\$8,990,755	50.23%	\$8,053,218	10.63%
Wages (Overtime)	285,000	133,960	151,040	53.00%	115,112	16.37%
Emp Paid FICA	1,294,772	639,447	655,325	50.61%	586,903	8.95%
Emp Paid Retirement	12,033,015	5,864,267	6,168,748	51.27%	6,148,378	(4.62)%
Emp Paid Health Ins	2,687,500	1,265,934	1,421,566	52.90%	1,123,415	12.69%
Emp Paid Sick Leave	250,000	40,221	209,779	83.91%	135,844	(70.39)%
Adoption Assistance Benefit	10,000	-	10,000	100.00%	-	0.00%
Escrow for Admin Fees	-	(1,000)	(1,000)	(100.00)%	-	(100.00)%
Workers Compensation	12,000	11,116	884	7.36%	11,116	0.00%
Unemployment	10,000	-	10,000	100.00%	5,534	0.00%
Emp Paid Life Ins	3,000	1,494	1,506	50.20%	1,461	2.26%
Employee Training	25,000	5,511	19,489	77.96%	5,361	2.80%
Tuition Assistance	10,000	-	10,000	100.00%	-	0.00%
Bonds	-	-	-	0.00%	-	0.00%
<b>Staff Subtotal</b>	<b>34,520,287</b>	<b>16,870,195</b>	<b>17,648,092</b>	<b>51.12%</b>	<b>16,186,342</b>	<b>4.22%</b>
<b>LEGAL &amp; AUDITING SERVICES</b>						
Legal Hearing Officers	150,000	111,175	38,825	25.88%	76,516	45.30%
Legal (Stoll, Keenon)	250,000	7,847	242,153	96.86%	51,775	(84.84)%
Frost Brown	300,000	265,426	34,574	11.52%	100,066	165.25%
Reinhart	50,000	-	50,000	100.00%	-	0.00%
Ice Miller	300,000	154,040	145,961	48.65%	81,920	88.04%
Johnson, Bowman, Branco LLC	100,000	37,638	62,362	62.36%	69,895	(46.15)%
Dentons Bingham & Greenebaum	50,000	2,828	47,173	94.35%	33,291	(91.51)%
Legal Expense	10,000	-	10,000	100.00%	23	(100.00)%
Auditing	300,000	214,821	85,179	28.39%	77,808	176.09%
<b>Total Legal &amp; Auditing Services</b>	<b>1,510,000</b>	<b>793,775</b>	<b>716,225</b>	<b>47.43%</b>	<b>491,294</b>	<b>61.57%</b>
<b>CONSULTING SERVICES</b>						
Medical Reviewers	1,800,000	693,145	1,106,855	61.49%	660,075	5.01%
Escrow for Actuary Fees	-	(500)	500	(100.00)%	(28,866)	0.00%
<b>Total Consulting Services</b>	<b>1,800,000</b>	<b>692,645</b>	<b>1,107,355</b>	<b>61.52%</b>	<b>631,209</b>	<b>9.73%</b>
<b>CONTRACTUAL SERVICES</b>						
Miscellaneous Contracts	390,000	125,434	264,566	67.84%	11,700	972.09%
Human Resources Consulting	10,000	-	10,000	100.00%	-	0.00%
Actuarial Services	500,000	190,067	309,933	61.99%	134,300	41.52%
Facility Security Charges	100,000	20,137	79,863	79.86%	21,701	(7.21)%
<b>Contractual Subtotal</b>	<b>1,000,000</b>	<b>335,638</b>	<b>664,362</b>	<b>66.44%</b>	<b>167,701</b>	<b>100.14%</b>
<b>PERSONNEL SUBTOTAL</b>	<b>\$38,830,287</b>	<b>\$18,692,253</b>	<b>\$20,136,034</b>	<b>51.86%</b>	<b>\$17,476,684</b>	<b>6.96%</b>
<b>OPERATIONAL</b>						
Natural Gas	42,000	7,164	34,836	82.94%	10,149	(29.41)%
Electric	133,000	58,606	74,394	55.94%	58,288	0.55%
Rent-Non State Building	56,000	-	56,000	100.00%	25,321	(100.00)%
Building Rental - PPW	1,000,000	480,985	519,015	51.90%	481,016	(0.01)%
Copier Rental	105,000	42,579	62,421	59.45%	40,745	4.50%
Rental Carpool	5,500	2,327	3,173	57.70%	2,144	8.54%
Vehicle/Equip. Maint.	1,000	-	1,000	100.00%	-	0.00%
Postage	420,000	148,193	271,807	64.72%	92,536	60.15%
Freight	200	-	200	100.00%	41	(100.00)%
Printing (State)	15,000	200	14,800	98.67%	795	(74.84)%
Printing (non-state)	85,000	20,231	64,769	76.20%	24,911	(18.79)%
Insurance	10,000	5,090	4,910	49.10%	5,572	(8.65)%
Garbage Collection	6,500	3,391	3,109	47.83%	3,161	7.28%
Conference Expense	45,000	11,177	33,823	75.16%	7,415	50.73%
Conference Exp. Investment	2,000	-	2,000	0.00%	64	(100.00)%
Conference Exp. Audit	3,000	-	3,000	100.00%	-	0.00%

<b>KPPA ADMINISTRATIVE BUDGET 2023-24</b>						
<b>BUDGET-TO-ACTUAL ANALYSIS</b>						
FOR THE SIX MONTHS ENDING DECEMBER 31, 2023, WITH COMPARATIVE TOTALS FOR THE SIX MONTHS ENDING DECEMBER 31, 2022						
<b>Account Name</b>	<b>Budgeted</b>	<b>FY 2024 Expense</b>	<b>Remaining</b>	<b>Percent Remaining</b>	<b>FY 2023 Expense</b>	<b>Percent Difference</b>
MARS Usage	50,000	13,550	36,450	72.90%	13,550	0.00%
COVID-19 Expenses	-	-	-	0.00%	-	0.00%
Office Supplies	100,000	23,460	76,540	76.54%	55,804	(57.96)%
Furniture & Office Equipment	12,000	-	12,000	100.00%	204	(100.00)%
Travel (In-State)	15,000	7,080	7,920	52.80%	7,627	(7.17)%
Travel (In-State) Investment	1,000	-	1,000	100.00%	-	0.00%
Travel (In-State) Audit	500	-	500	100.00%	-	0.00%
Travel (Out of State)	79,000	20,700	58,300	73.80%	28,189	(26.57)%
Travel (Out of State) Investment	135,000	14,535	120,465	89.23%	10,578	37.41%
Travel (Out of State) Audit	1,000	-	1,000	100.00%	1,077	(100.00)%
Dues & Subscriptions	69,000	37,372	31,628	45.84%	35,931	4.01%
Dues & Subscriptions Invest	15,000	14,321	679	4.53%	4,177	242.85%
Dues & Subscriptions Audit	1,000	-	1,000	100.00%	100	(100.00)%
Miscellaneous	55,000	17,430	37,570	68.31%	19,556	(10.87)%
Miscellaneous Investment	-	90	(90)	0.00%	-	100.00%
Miscellaneous Audit	-	-	-	0.00%	-	0.00%
COT Charges	40,000	7,622	32,378	80.94%	9,022	(15.52)%
Telephone - Wireless	8,500	4,305	4,195	49.35%	2,556	68.43%
Telephone - Other	105,500	42,947	62,553	59.29%	47,665	(9.90)%
Telephone - Video Conference	11,000	4,834	6,166	56.05%	-	100.00%
Computer Equip./Software	4,080,000	1,291,198	2,788,802	68.35%	1,029,994	25.36%
Comp. Equip./Software Invest	-	-	-	0.00%	-	0.00%
Comp. Equip./Software Audit	20,000	-	20,000	100.00%	24,407	(100.00)%
<b>OPERATIONAL SUBTOTAL</b>	<b>\$6,727,700</b>	<b>\$2,279,390</b>	<b>\$4,448,310</b>	<b>66.12%</b>	<b>\$2,036,415</b>	<b>11.93%</b>
<b>SUB-TOTAL</b>	<b>\$45,557,987</b>	<b>\$20,971,643</b>	<b>\$24,584,344</b>	<b>53.96%</b>	<b>\$19,513,099</b>	<b>7.47%</b>
<b>Reserve</b>	<b>4,882,813</b>	<b>-</b>	<b>4,882,813</b>	<b>100.00%</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>\$50,440,800</b>	<b>\$20,971,643</b>	<b>\$29,467,157</b>	<b>58.42%</b>	<b>\$19,513,098</b>	<b>7.47%</b>

*Differences due to rounding*

<b>Plan</b>	<b>Budgeted</b>	<b>FY 2024 Expense</b>	<b>% of Total KPPA FY 2024 Expense</b>
<b>CERS Nonhazardous</b>	<b>\$29,825,645</b>	<b>\$12,400,533</b>	<b>59.13%</b>
<b>CERS Hazardous</b>	<b>2,627,966</b>	<b>1,092,623</b>	<b>5.21%</b>
<b>KERS Nonhazardous</b>	<b>15,855,561</b>	<b>6,592,226</b>	<b>31.434%</b>
<b>KERS Hazardous</b>	<b>1,774,003</b>	<b>737,573</b>	<b>3.517%</b>
<b>SPRS</b>	<b>357,625</b>	<b>148,689</b>	<b>0.709%</b>
<b>TOTAL</b>	<b>\$50,440,800</b>	<b>\$20,971,643</b>	

**JP MORGAN CHASE CREDIT EARNINGS AND FEES  
FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

	Earnings	Fees	Net Earnings
July-23	\$3,297	\$(7,049)	\$(3,751)
August-23	4,612	(7,230)	(2,618)
September-23	26,588	(8,157)	18,432
October-23	-	(7,228)	(7,228)
November-23	-	(7,672)	(7,672)
December-23	-	(7,498)	(7,498)
<b>Total</b>	<b>\$34,498</b>	<b>\$(44,834)</b>	<b>\$(10,336)</b>

**JP MORGAN CHASE HARD INTEREST EARNED  
FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

	Clearing Account	CERS	KERS	SPRS	Total
July-23	\$36,566	\$6,578	\$5,007	\$-	\$48,151
August-23	36,787	9,041	6,066	-	51,894
September-23	44,123	10,919	7,794	-	62,836
October-23	20,461	16,034	15,960	260	52,715
November-23	36,941	19,518	11,393	356	68,209
December-23	28,937	19,758	11,661	262	60,618
<b>Total</b>	<b>\$203,816</b>	<b>\$81,849</b>	<b>\$57,881</b>	<b>\$878</b>	<b>\$344,423</b>



## CERS Outstanding Invoices by Type and Employer

Invoice Type	12/31/2023	9/30/2023	Change H/(L)
Averaging Refund to Employer	\$(306,988)	\$(322,861)	-5%
Employer Free Military and Decompression Service	-	-	0%
Member Pension Spiking Refund	(18,336)	(23,880)	(23)%
Monthly Reporting Invoice	164,075	95,798	71%
Penalty – Monthly Reporting	212,100	216,100	-2%
Reinstatement	175,292	175,292	0%
Other Invoices**	7,800	3,862	102%
<b>Total</b>	<b>233,944</b>	<b>144,311</b>	
Health Insurance Reimbursement	330,394	331,913	(0)%
Omitted Employer	1,158,682	1,210,838	(4)%
Employer Pension Spiking*	1,333,858	1,308,495	2%
Standard Sick Leave	146,807	138,757	6%
<b>Total</b>	<b>2,969,741</b>	<b>2,990,002</b>	<b>(1)%</b>
<b>Grand Total</b>	<b>\$3,203,685</b>	<b>\$3,134,314</b>	<b>2%</b>

\*Pension Spiking invoices on this report are Employer Pension Spiking. By statute these invoices are due 12 months from the invoice date. Employer Pension Spiking is in effect only for retirements prior to July 1, 2018, therefore, unless there has been a recently created invoice for a backdated retirement, all of these invoices are greater than 12 months old.

\*\*Other Invoices include Expense Allowance; Expired Post Pending; IPS Employer Refund; Penalty EOY Reporting; Personnel Adjustment; and, Refunded Member Contributions Due.

Employer Name (Top Ten)	12/31/2023	9/30/2023	Change H/(L)
Kentucky River Regional Jail***	\$893,893	\$893,893	0%
City of Covington***	409,956	405,820	1%
Kenton County Airport Board***	399,567	388,496	3%
City of Fort Thomas***	265,350	260,457	2%
Livingston County Fiscal Court***	228,567	228,567	0%
TARC Transit Authority of River City	217,658	196,330	11%
City of Taylor Mill	135,641	143,227	(5)%
City of Jeffersontown	117,425	101,529	16%
Bullitt County Fiscal Court	101,595	101,393	0%
City of Winchester	\$98,537	\$50,916	94%

\*\*\*Indicates invoices turned over to Legal for further action

	Total Unpaid Balance	Invoice Count
CERS	\$1,823,805	1,487
CERH	1,379,881	168
<b>Grand Total:</b>	<b>\$3,203,685</b>	<b>1,655</b>

CERS Finance Committee Meeting - Fiscal Year Financial Reports



County Employees Retirement System  
Penalty Invoices Report  
From: 10/1/2023 To: 12/31/2023

Note: Delinquent Interest amounts are included in the totals for the invoice

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
\$1,000	\$-	\$-	11/13/2023	1/4/2017	CANC	Special Districts & Boards	Employer in good standing with KPPA
1,000	-	-	10/6/2023	1/20/2023	CANC	County Attorneys	New Employer Reporting Official
1,000	-	-	11/13/2023	8/30/2023	CANC	Utility Boards	Employer in good standing with KPPA
1,000	-	-	12/20/2023	10/8/2023	CANC	Utility Boards	New Employer Reporting Official
1,000	-	-	12/20/2023	10/8/2023	CANC	Utility Boards	New Employer Reporting Official
1,000	-	-	12/20/2023	10/13/2023	CANC	Utility Boards	New Employer Reporting Official
1,000	-	-	12/20/2023	10/13/2023	CANC	Utility Boards	New Employer Reporting Official
1,000	-	-	12/20/2023	10/13/2023	CANC	Utility Boards	New Employer Reporting Official
13,115	-	-	11/30/2023	11/25/2023	CANC	Boards of Education	KPPA at fault
1,000	-	-	12/7/2023	11/30/2023	CANC	Cities	New Employer Reporting Official
1,000	-	-	11/22/2023	12/7/2023	CANC	Fiscal Courts	Employer in good standing with KPPA
1,000	-	-	12/7/2023	12/16/2023	CANC	Cities	Circumstances outside of the employer's control
<b>Total</b>	<b>\$24,115</b>	<b>\$-</b>					
\$1,000	\$1,000	\$-	10/17/2023	11/16/2023	CRTD	Boards of Education	
1,000	1,000	-	10/24/2023	11/23/2023	CRTD	Fiscal Courts	
1,000	1,000	-	10/31/2023	11/30/2023	CRTD	Fiscal Courts	
1,000	1,000	-	11/1/2023	12/1/2023	CRTD	Cities	
1,000	1,000	-	11/1/2023	12/1/2023	CRTD	County Attorneys	
1,000	1,000	-	11/1/2023	12/1/2023	CRTD	County Attorneys	
1,000	1,000	-	11/16/2023	12/16/2023	CRTD	Housing Authorities	
1,000	1,000	-	11/17/2023	12/17/2023	CRTD	Libraries	
1,000	1,000	-	11/20/2023	12/20/2023	CRTD	Sanitation Districts	
1,000	1,000	-	11/27/2023	12/27/2023	CRTD	Libraries	
1,000	1,000	-	12/12/2023	1/11/2024	CRTD	Libraries	
1,000	1,000	-	12/12/2023	1/11/2024	CRTD	Libraries	
1,000	1,000	-	12/12/2023	1/11/2024	CRTD	Libraries	
1,000	1,000	-	12/18/2023	1/17/2024	CRTD	Boards of Education	
1,000	1,000	-	12/18/2023	1/17/2024	CRTD	Cities	
1,000	1,000	-	12/18/2023	1/17/2024	CRTD	Boards of Education	
1,000	1,000	-	12/19/2023	1/18/2024	CRTD	Fiscal Courts	
1,000	1,000	-	12/20/2023	1/19/2024	CRTD	Boards of Education	
1,000	1,000	-	12/20/2023	1/19/2024	CRTD	Libraries	
1,000	1,000	-	12/27/2023	1/26/2024	CRTD	Fiscal Courts	
<b>Total</b>	<b>\$20,000</b>	<b>\$20,000</b>					

CERS Finance Committee Meeting - Fiscal Year Financial Reports



County Employees Retirement System  
Penalty Invoices Report

From: 10/1/2023 To: 12/31/2023

Note: Delinquent Interest amounts are included in the totals for the invoice

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
\$1,000	\$-	\$-	10/11/2023	4/21/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	5/18/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	6/15/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	6/19/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	7/20/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	7/24/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	8/19/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	12/16/2016	PAID	Fiscal Courts	
1,000	-	-	10/11/2023	2/8/2017	PAID	Fiscal Courts	
1,000	-	-	11/28/2023	8/2/2023	PAID	Tourist Commissions	
1,000	-	-	10/23/2023	9/3/2023	PAID	Cities	
1,000	-	-	12/11/2023	9/15/2023	PAID	Cities	
1,000	-	-	11/1/2023	9/15/2023	PAID	Cities	
1,000	-	-	10/16/2023	9/15/2023	PAID	Fiscal Courts	
1,000	-	-	12/11/2023	9/16/2023	PAID	Cities	
1,000	-	-	12/11/2023	10/15/2023	PAID	Cities	
1,000	-	-	10/6/2023	10/19/2023	PAID	Special Districts & Boards	
1,000	-	-	12/28/2023	10/19/2023	PAID	Sanitation Districts	
1,000	-	-	12/27/2023	10/20/2023	PAID	Fiscal Courts	
1,000	-	-	10/9/2023	10/21/2023	PAID	Fiscal Courts	
9,413	-	-	10/26/2023	10/25/2023	PAID	Boards of Education	
1,000	-	-	10/16/2023	10/26/2023	PAID	Fiscal Courts	
1,000	-	-	10/9/2023	11/1/2023	PAID	Cities	
1,000	-	-	12/11/2023	11/22/2023	PAID	Cities	
1,000	-	-	12/12/2023	11/24/2023	PAID	Utility Boards	
1,000	-	-	12/27/2023	11/26/2023	PAID	Fiscal Courts	
1,000	-	-	11/20/2023	11/30/2023	PAID	Cities	
1,000	-	-	12/4/2023	12/1/2023	PAID	Cities	
1,000	-	-	11/27/2023	12/6/2023	PAID	Housing Authorities	
1,000	-	-	12/11/2023	12/14/2023	PAID	Cities	
1,000	-	-	12/5/2023	12/16/2023	PAID	Area Development Districts	
1,000	-	-	12/11/2023	12/17/2023	PAID	Cities	
1,000	-	-	12/19/2023	12/17/2023	PAID	Fiscal Courts	
1,000	-	-	12/11/2023	12/17/2023	PAID	Cities	
1,000	-	-	12/11/2023	12/17/2023	PAID	Cities	
1,000	-	-	12/27/2023	12/17/2023	PAID	Fiscal Courts	
1,000	-	-	12/8/2023	12/20/2023	PAID	Fiscal Courts	



County Employees Retirement System  
 Penalty Invoices Report  
 From: 10/1/2023 To: 12/31/2023  
 Note: Delinquent Interest amounts are included in the totals for the invoice

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
1,000	-	-	12/8/2023	12/21/2023	PAID	Housing Authorities	
\$1,000	\$-	\$-	12/7/2023	1/3/2024	PAID	Cities	
1,000	-	-	12/12/2023	1/10/2024	PAID	Cities	
<b>Total</b>	<b>\$48,413</b>	<b>\$-</b>					

**Notes:**  
**Invoice Status:**  
 CANC - Cancelled  
 PAID - Paid



## KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



Kentucky Public  
Pensions Authority

To: CERS Finance Committee

From: D’Juan Surratt  
Director of Employer Reporting, Compliance and Education

Date: February 19, 2024

Subject: Hazardous Position Classification

AGENCIES ARE REQUESTING HAZARDOUS DUTY COVERAGE FOR THE FOLLOWING POSITIONS:

<b><u>Agency</u></b>	<b><u>Position</u></b>	<b><u>Effective Date</u></b>
Shelby County Suburban Fire District	Career Firefighter	10/1/2023
Walton Fire District/ EMS	Firefighter/ EMT Advanced	4/1/2024
City of Science Hill	Police Officer	6/1/2023
City of Monticello	Recruitment/Retention Coordinator (Fire)	12/1/2023
Zoneton Fire Protection District	Fire Lieutenant	12/1/2023
City of Winchester	Assistant Chief of EMS	4/1/2024
City of Winchester	Assistant Chief of Fire	11/1/2023
City of Winchester	Brigade Chief	4/1/2023
City of Winchester	EMS Training Officer	4/1/2023

Kentucky Public Pensions Authority has reviewed the above requests and determined that they meet the statutory guidelines for Hazardous coverage. Position Questionnaires and Job Descriptions are attached.

County Employees Retirement System

# Investment Budget Update

Quarter Ending: December 31, 2023

KENTUCKY PUBLIC PENSIONS AUTHORITY									
Investment Budget									
For the six month period ending December 31, 2023									
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Investment Budget FY 2024	FY24 Expenditures	Remaining	Percentage Spent
<b>CONSULTING SERVICES</b>									
Wilshire Associates	\$ 1,021,799	\$ 1,238,170	\$ 1,225,671	\$ 1,021,175	\$ 838,172	\$ 1,200,000	\$ 563,753	\$ 636,247	47%
Albourne	-	-	-	-	306,750	275,000	135,000	140,000	49%
MercerInsight	-	-	-	-	153,548	165,000	80,000	85,000	48%
<b>SUBTOTAL</b>	<b>1,021,799</b>	<b>1,238,170</b>	<b>1,225,671</b>	<b>1,021,175</b>	<b>1,298,471</b>	<b>1,640,000</b>	<b>778,753</b>	<b>861,247</b>	<b>47%</b>
<b>LEGAL &amp; AUDITING SERVICES</b>									
Faegre Drinker			96,039	202,502	16,428	100,000	3,380	96,620	3%
Intelligent Management Solutions (IMS)	620,001	202,140	155,700	69,884	81,880	350,000	-	350,000	0%
McClain/Goldberg			891	-	-	100,000	-	100,000	0%
Reinhart	317,909	671,269	663,689	619,509	109,508	2,500,000	22,150	2,477,850	1%
Stoll-Keenon-Ogden	10,314	135,353	254,211	463,560	750,438	750,000	79,626	670,374	11%
Haystack			-	-	120,175	100,000	117,409	(17,409)	117%
Umberg Zipser			289,100	498,058	606,701	850,000	378,342	471,658	45%
Swansburg & Smith	-	-	-	-	5,288	50,000	-	50,000	0%
Eddins Domine	-	-	-	-	40,305	50,000	-	50,000	0%
Taft	-	-	-	-	142,720	50,000	1,060	48,940	2%
Miscellaneous					-	50,000	3,160	46,840	6%
<b>SUBTOTAL</b>	<b>948,225</b>	<b>1,008,762</b>	<b>1,459,630</b>	<b>1,853,513</b>	<b>1,873,441</b>	<b>4,950,000</b>	<b>605,127</b>	<b>4,344,873</b>	<b>12%</b>
<b>CONTRACTURAL SERVICES</b>									
Bloomberg	68,722	71,810	98,163	102,243	104,153	150,000	55,067	94,933	37%
BNYM Custodial Fees	2,056,390	2,088,475	2,379,838	2,565,169	2,333,981	2,600,000	619,478	1,980,522	24%
eVestment (Solovis RMS)			-	30,000	33,800	35,000	-	35,000	0%
Solovis (Reporting & Analytics)			-	245,000	266,017	275,000	306,319	(31,319)	111%
FactSet	222,476	162,295	109,662	140,098	146,411	150,000	64,580	85,420	43%
Russell Index Subscription	1,075	1,250	1,000	1,000	750	1,500	500	1,000	33%
S&P Global		94,500	26,250	68,250	27,563	75,000	-	75,000	0%
TradeWeb			-	6,000	7,700	7,500	2,800	4,700	37%
State Street/Elkins McSherry	10,000	5,000	15,000	10,000	10,000	10,000	-	10,000	0%
ISS	32,050	32,050	28,288	35,813	39,875	60,000	31,438	28,563	52%
MSCI	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	100%
KPMG Tax Guarantor Services		7,606	22,050	7,350	-	7,500	9,450	(1,950)	126%
Jayant Ghevaria and CO		10,050	-	52,085	-	55,000	-	55,000	0%
India Renewal Fee (SEBI)			-	3,000	-	3,000	2,950	50	98%
With Intelligence	-	-	-	-	9,520	9,520	9,520	-	100%
Miscellaneous & New Services	-	-	-	-	-	250,000	32,753	217,247	13%
<b>SUBTOTAL</b>	<b>2,391,713</b>	<b>2,474,036</b>	<b>2,681,251</b>	<b>3,267,008</b>	<b>2,980,769</b>	<b>3,690,020</b>	<b>1,135,855</b>	<b>2,554,165</b>	<b>31%</b>

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Budget</b> <b>For the six month period ending December 31, 2023</b>									
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Investment Budget FY 2024	FY24 Expenditures	Remaining	Percentage Spent
<b>INACTIVE CONTRACTURAL SERVICES</b>									
Dean Dorton	9,719		-	-	250	-	-	-	
Hirschler		4,794	-	-		-	-	-	
INFORMA	12,904		-	-		-	-	-	
Lighthouse Solutions	3,093		-	-		-	-	-	
London Stock Exchange GBP (GREAT BRITISH POUNDS)	6,467	3,544	-	-		-	-	-	
Deutsche Bank Trust	3,000		3,000	-		-	-	-	
Morris James LLP	94,192	20,154	-	-		-	-	-	
Calcaterra Pollack			1,200,000	-		-	-	-	
Manatt ORG	162,344	90,798	30,757	-		-	-	-	
<b>SUBTOTAL</b>	<b>291,718</b>	<b>119,290</b>	<b>1,233,757</b>	<b>-</b>	<b>250</b>	<b>-</b>		<b>-</b>	
<b>TOTAL</b>	<b>\$ 4,653,455</b>	<b>\$ 4,840,258</b>	<b>\$ 6,600,309</b>	<b>\$ 6,141,696</b>	<b>\$ 6,152,931</b>	<b>\$ 10,280,020</b>	<b>2,519,735</b>	<b>\$ 7,760,285</b>	<b>25%</b>

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Fees and Expenses</b> <b>For the six month period ending December 31, 2023</b> <b>Pension</b>								
	2024		2023		2022		2021	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
<b>Core Fixed Income</b>	<b>1,014,583</b>	<b>2,287,704,103</b>	<b>1,412,142</b>	<b>1,982,992,065</b>	<b>1,591,391</b>	<b>2,344,396,966</b>	<b>1,401,242</b>	<b>2,282,848,163</b>
<i>Investment Advisory Fees</i>	989,977		1,073,446		1,558,075		1,375,451	
<i>Performance Fees</i>			313,985				-	
<i>Miscellaneous Fees and Expenses</i>	24,606		24,711		33,316		25,791	
<b>Public Equity</b>	<b>7,003,749</b>	<b>8,229,412,149</b>	<b>6,326,122</b>	<b>6,860,008,005</b>	<b>7,390,244</b>	<b>7,258,279,054</b>	<b>5,850,569</b>	<b>6,295,655,905</b>
<i>Investment Advisory Fees</i>	6,885,398		6,216,244		7,204,226		5,712,166	
<i>Miscellaneous Fees and Expenses</i>	118,350		109,877		186,018		138,403	
<b>Specialty Credit Fixed Income</b>	<b>43,867,219</b>	<b>3,449,111,420</b>	<b>26,763,395</b>	<b>3,169,416,226</b>	<b>25,775,685</b>	<b>3,159,992,882</b>	<b>17,264,718</b>	<b>2,435,764,675</b>
<i>Investment Advisory Fees</i>	9,314,024		8,272,318		8,375,883		7,320,545	
<i>Performance Fees</i>	15,712,746		7,246,973		12,762,781		8,459,198	
<i>Miscellaneous Fees and Expenses</i>	18,840,449		11,244,103		4,637,021		1,484,975	
<b>Real Estate</b>	<b>2,347,363</b>	<b>1,007,031,285</b>	<b>5,120,746</b>	<b>980,167,711</b>	<b>16,451,186</b>	<b>780,082,609</b>	<b>980,198</b>	<b>584,165,093</b>
<i>Investment Advisory Fees</i>	3,803,771		4,590,896		2,401,864		2,324,269	
<i>Performance Fees</i>	(3,707,401)		(380,882)		12,653,860		(2,070,445)	
<i>Miscellaneous Fees and Expenses</i>	2,250,993		910,732		1,395,462		726,374	
<b>Real Return</b>	<b>2,496,799</b>	<b>873,036,117</b>	<b>2,108,571</b>	<b>451,152,401</b>	<b>2,632,576</b>	<b>1,021,821,360</b>	<b>3,216,441</b>	<b>847,105,839</b>
<i>Investment Advisory Fees</i>	2,099,651		1,176,185		2,001,915		1,985,069	
<i>Performance Fees</i>	147,085		493,101		679,897		1,259,862	
<i>Miscellaneous Fees and Expenses</i>	250,063		439,285		(49,236)		(28,490)	
<b>Private Equity</b>	<b>8,028,455</b>	<b>1,162,891,960</b>	<b>(1,217,614)</b>	<b>1,143,362,622</b>	<b>39,968,415</b>	<b>1,262,539,645</b>	<b>24,365,092</b>	<b>1,139,236,934</b>
<i>Investment Advisory Fees</i>	2,925,557		3,652,032		3,928,841		4,294,168	
<i>Performance Fees</i>	2,383,986		(6,838,180)		33,350,556		17,523,541	
<i>Miscellaneous Fees and Expenses</i>	2,718,912		1,968,535		2,689,018		2,547,383	
<b>Administrative Expense/Cash</b>	<b>2,118,142</b>	<b>737,649,280</b>	<b>1,574,490</b>	<b>813,973,145</b>	<b>1,878,932</b>	<b>612,903,688</b>	<b>1,435,169</b>	<b>266,674,138</b>
<b>Total Investment Fees and Expenses</b>	<b>66,876,308</b>	<b>17,746,836,314</b>	<b>42,087,852</b>	<b>15,401,072,174</b>	<b>95,688,429</b>	<b>16,440,016,204</b>	<b>54,513,429</b>	<b>13,851,450,747</b>

\* Absolute Return was absorbed by Real Return in December 2020

\*\* Opportunistic was absorbed by Specialty Credit in December 2021

CERS Finance Committee Meeting - Investment Trust Budget

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b>								
<b>Investment Fees and Expenses</b>								
<b>For the six month period ending December 31, 2023</b>								
<b>Insurance</b>								
	<b>2024</b>		<b>2023</b>		<b>2022</b>		<b>2021</b>	
	<b>FYTD Fees</b>	<b>Market Value</b>						
<b>Core Fixed Income</b>	<b>342,823</b>	<b>780,518,762</b>	<b>526,658</b>	<b>755,273,150</b>	<b>587,743</b>	<b>855,261,654</b>	<b>568,510</b>	<b>873,074,122</b>
<i>Investment Advisory Fees</i>	334,225		406,870		457,920		558,897	
<i>Performance Fees</i>			112,040		117,337		-	
<i>Miscellaneous Fees and Expenses</i>	8,598		7,748		12,486		9,613	
<b>Public Equity</b>	<b>3,225,651</b>	<b>3,720,705,634</b>	<b>2,916,264</b>	<b>3,159,950,145</b>	<b>3,221,274</b>	<b>3,246,444,061</b>	<b>2,616,659</b>	<b>2,840,620,347</b>
<i>Investment Advisory Fees</i>	3,171,832		2,866,269		3,161,508		2,557,467	
<i>Miscellaneous Fees and Expenses</i>	53,819		49,995		59,766		59,192	
<b>Specialty Credit Fixed Income</b>	<b>19,604,727</b>	<b>1,527,908,553</b>	<b>12,006,819</b>	<b>1,440,474,508</b>	<b>11,449,880</b>	<b>1,449,432,096</b>	<b>7,239,534</b>	<b>1,085,313,532</b>
<i>Investment Advisory Fees</i>	4,026,821		3,715,203		3,748,168		3,373,550	
<i>Performance Fees</i>	7,206,526		3,460,460		5,702,991		3,344,830	
<i>Miscellaneous Fees and Expenses</i>	8,371,380		4,831,156		1,998,721		521,154	
<b>Real Estate</b>	<b>1,223,228</b>	<b>451,520,869</b>	<b>2,141,670</b>	<b>414,400,346</b>	<b>6,801,703</b>	<b>330,413,444</b>	<b>536,259</b>	<b>246,753,396</b>
<i>Investment Advisory Fees</i>	1,719,862		1,913,144		1,021,218		1,015,005	
<i>Performance Fees</i>	(1,461,607)		(161,966)		5,182,012		(795,199)	
<i>Miscellaneous Fees and Expenses</i>	964,973		390,492		598,473		316,453	
<b>Real Return</b>	<b>1,116,868</b>	<b>342,016,500</b>	<b>938,266</b>	<b>175,390,319</b>	<b>1,140,159</b>	<b>432,244,515</b>	<b>1,245,054</b>	<b>361,358,291</b>
<i>Investment Advisory Fees</i>	936,352		530,992		889,226		842,984	
<i>Carried Interest</i>	64,072		201,933		266,344		419,601	
<i>Miscellaneous Fees and Expenses</i>	116,444		205,341		(15,411)		(17,531)	
<b>Private Equity</b>	<b>4,902,486</b>	<b>587,662,239</b>	<b>275,237</b>	<b>573,107,746</b>	<b>22,563,618</b>	<b>595,876,977</b>	<b>16,438,474</b>	<b>548,052,248</b>
<i>Investment Advisory Fees</i>	1,826,381		2,427,153		2,772,848		2,892,530	
<i>Performance Fees</i>	1,279,105		(3,062,207)		18,845,205		12,027,941	
<i>Miscellaneous Fees and Expenses</i>	1,797,000		910,292		945,565		1,518,003	
<b>Administrative Expense/Cash</b>	<b>1,050,278</b>	<b>142,324,349</b>	<b>821,924</b>	<b>223,048,022</b>	<b>963,210</b>	<b>401,003,570</b>	<b>842,635</b>	<b>108,497,980</b>
<b>Total Investment Fees and Expenses</b>	<b>\$ 31,466,061</b>	<b>\$ 7,552,656,905</b>	<b>\$ 19,626,840</b>	<b>\$ 6,741,644,236</b>	<b>\$ 46,727,587</b>	<b>\$ 7,310,676,317</b>	<b>\$ 29,487,125</b>	<b>\$ 6,063,669,916</b>

\* Absolute Return was absorbed by Real Return in December 2020

\*\* Opportunistic was absorbed by Specialty Credit in December 2021



**STRATEGIC PLANNING PROCESS**  
**FINANCE COMMITTEE**

1. **GOVERNANCE**
  - a. **Work with the Office of the CFO on CERS specific Annual Comprehensive Financial Report (ACFR) issues. Fourth Quarter 2025**
  
2. **ORGANIZATIONAL EXCELLENCE**
  - a. **Ensure CERS specific policies and procedures surrounding financial reporting are adequate. First Quarter 2025**
  
  - b. **Establish an Escalation Policy for the Office of the CFO regarding policy decisions for the committee. First Quarter 2025**
  
3. **CUSTOMER SERVICE DELIVERY**
  - a. **Ensure that all regulations related to Participation of CERS Employers and Employer Duties are updated and codified. Third Quarter 2024**
  
4. **INFRASTRUCTURE AND KEY RESOURCES**