

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
SPECIAL CALLED ACTUARIAL COMMITTEE MEETING
APRIL 12, 2023, AT 2:00 P.M.
VIA LIVE VIDEO TELECONFERENCE**

At the Special Called Meeting of the Actuarial Committee of the County Employees Retirement System Board of Trustees held on April 12, 2023, the following members were present: Michael Foster (Chair), Dr. Merl Hackbart, and Dr. Patricia Carver. Staff members present were CERS CEO Ed Owens, III, Rebecca Adkins, Erin Surratt, Victoria Hale, Michael Lamb, Connie Davis, Steve Willer, Ashley Gabbard, Glenna Frasher, Katie Park, and Sherry Rankin. Others present included CERS Trustee George Cheatham, Janie Shaw and Danny White with GRS, and David Lindberg and Craig Morton with Wilshire.

Mr. Foster called the meeting to order.

Ms. Hale read the Opening Legal Statement.

Ms. Rankin took Roll Call.

There being no *Public Comment* submitted, Mr. Foster introduced agenda item *Approval of Minutes – November 2, 2022 (Video 00:02:02 to 00:02:39)*. A motion was made by Dr. Hackbart and seconded by Dr. Carver to approve the minutes as presented. The motion passed unanimously.

Mr. Foster advised that the listed agenda items were also discussed at the November 2022 meeting of the CERS Actuarial Committee. Mr. Foster requested that Wilshire and GRS share updated data with the Committee.

Mr. Foster introduced agenda item *Forward-Looking Return Expectations (Video 00:02:40 to 00:18:50)*. KPPA CIO Steve Willer discussed the Current Portfolio Performance. He reported continued volatility and presented preliminary March data. Craig Morton with Wilshire presented a Capital Market Analysis and Preliminary 2023 Assumptions. He stated that raising the assumed rate of return from 6.25% to 6.50% is reasonable.

Mr. Foster introduced agenda item *Actuarial Assumptions* (Video 00:18:51 to 00:42:06). Danny White and Janie Shaw with GRS presented Demographics information; Mortality Trends, Payroll Growth, and Preliminary 2023 Assumptions.

Mr. Foster introduced agenda item *Discount Rate Change* (Video 00:42:07 to 00:55:00). Mr. Foster requested a motion to increase the CERS assumed rate of return for the hazardous fund to 6.50% as presented. No motion was made; the motion failed. Mr. Foster requested a motion to increase the CERS assumed rate of return for the nonhazardous fund to 6.50% as presented. Dr. Hackbart asked if this item would be discussed and considered at the upcoming CERS Board of Trustees meeting. Mr. Foster and CERS CEO Ed Owens advised that the item would be included on the agenda for the April 19, 2023, CERS Board of Trustees meeting. No motion was made; the motion failed.

Dr. Carver made a motion and was seconded by Dr. Hackbart to *adjourn* the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held on April 12, 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, the Chair of the Actuarial Committee of the County Employees Retirement System Board of Trustees, do certify that the Minutes of Meeting held on April 12, 2023, were approved on November 1, 2023.


Chair of the CERS Actuarial Committee

I have reviewed the Minutes of the April 12, 2023 Board of Trustees Meeting for content, form, and legality.


Executive Director
Office of Legal Services