MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES ANNUAL MEETING
APRIL 16, 2025, AT 2:00 P.M. ET
VIA LIVE VIDEO TELECONFERENCE

At the Annual Meeting of the County Employees Retirement System Board of Trustees held on April 16, 2025, the following members were present: George Cheatham, Dr. Patricia Carver, Michael Foster, Jim Tony Fulkerson, Dr. Merl Hackbart, William O'Mara, Tommy McGraw, and Steven Webb. Staff members present were CERS CEO Ed Owens, III; Ryan Barrow; Rebecca Adkins, Erin Surratt; Victoria Hale; Michael Lamb; Steve Willer; Brian Caldwell; Anthony Chiu; Joe Gilbert; Phillip Cook; Ashley Gabbard; Sandy Hardin; and Sherry Rankin. Others present included Collin Castillo with Johnson, Branco & Brennan, LLC.

1. Mr. Cheatham called the meeting to order.

2. Ms. Hale read the ***Opening Statement***.

3. Ms. Rankin took ***Roll Call***.

4. Mr. Cheatham introduced the agenda item ***Public Comment*** *(Video 00:07:56 to 00:08:02).* Ms. Rankin indicated that no public comment was submitted.

5. Mr. Cheatham introduced agenda item ***Approval of Minutes – March 10, 2025*** *(Video 00:08:02 to 00:08:41).* Mr. Fulkerson made a motion to approve the March 10, 2025, minutes as presented. Mr. O'Mara seconded the motion. The motion passed unanimously.

6. Mr. Cheatham introduced agenda item ***Chairman's Corner*** *(Video 00:08:41 to 00:14:03).* Mr. Cheatham began the meeting by warmly welcoming the two newly appointed Board members, Mr. Steven Webb and Mr. Tommy McGraw. He encouraged the Board members to actively address any queries from retirees and engage collaboratively in addressing issues. Reflecting on the past year, Mr. Cheatham emphasized the Board's accomplishments,

including significant progress in resolving legal challenges and enhancing the organization's efficiency.

He highlighted the resolution of two longstanding legal cases that had spanned seven years and incurred substantial legal costs, noting that these settlements represented a pivotal moment in protecting the system's assets and enabling the closure of other lawsuits nationwide. Mr. Cheatham commended the legal counsel for their dedication to resolving these challenges.

Mr. Cheatham showcased significant governance achievements, including designating pension assets under CERS, initiated through investments in the Arctos Football Fund. This represents a crucial step towards operational independence, alongside ongoing collaboration with legislators on related matters. Operationally, a reduction of one-third in outstanding invoices was achieved, thanks to the joint efforts of ERCE staff, the accounting team, and legal counsel. Strategically, the first-ever CERS Strategic Plan was introduced, aimed at refining organizational priorities and shaping future objectives. Additionally, the publication of the organization's inaugural standalone Annual Comprehensive Financial Report (ACFER) enhanced transparency and upheld best practices in public finance. Financially, the organization has increased our net position by $1.7 billion, with a reported 10.35% gain over the previous year. This progress raised the non-hazardous funding status to 58.39% and the hazardous retirement funding status to 54.03%, with both insurance plans exceeding 100% funding levels. Other achievements included revising the Investment Policy Statement and optimizing asset allocation, aimed at improving oversight, performance, and transparency. Mr. Cheatham concluded by expressing deep gratitude for the Board members, staff, and partners, whose hard work and collaboration made these accomplishments possible.

7. Mr. Cheatham introduced agenda item ***Introduction of Elected Trustees*** *(Video 00:14:03 to 00:14:59).* Mr. Cheatham introduced the newly appointed trustees, starting with Mr. Steven Webb, who currently serves as the finance director for the City of Cincinnati and brings substantial financial expertise to the board. He then introduced Tommy McGraw, a retired

captain of the City of Hopkinsville Fire Department, whose 20-plus years of experience in management and emergency response will be invaluable in his new role.

8. Mr. Cheatham introduced agenda item ***PPW Board of Directors Election*** *(Video 00:14:59 to 00:21:23).* The Board discussed the process for determining who would vote at the PPW Board of Directors election. After deliberating the role and responsibilities of the proxy voter, the Board proceeded to make a motion.

   Mr. Fulkerson made a motion to authorize Steve Willer as CIO to vote the PPW shares, as proxy for CERS, as authorized in the CERS Investment Policy Statement and as set forth in the CERS Investment Voting Policy. Dr. Hackbart seconded the motion. The motion passed unanimously.

   Following a brief discussion, Mr. O'Mara made a motion to submit the name of Mr. J. T. Fulkerson as the CERS Representative for the upcoming PPW Board of Directors' ballot and election. Dr. Carver seconded the motion. The motion passed unanimously.

9. Mr. Cheatham introduced agenda item ***Election of Officers*** *(Video 00:21:23 to 00:30:31).* Mr. Cheatham then moved into the order of business for the election of the officers for the upcoming year, which included selection of the Board Chair and Vice Chair, as well as committee assignments.

   For the position of Board Chair, Mr. Foster made a motion to approve Mr. George "Lisle" Cheatham as Chair by acclamation. Mr. Fulkerson seconded the motion. The motion passed unanimously.

   The Board then proceeded to the election of Vice Chair. Dr. Carver made a motion to approve Mr. Michael Foster for a second term as Vice Chair of the CERS Board for the next year. Mr. McGraw seconded the motion. The motion passed unanimously.

Mr. Cheatham proceeded to appoint members to the various committees for the upcoming term.

- Joint Retiree Health Plan Committee: Dr. Patricia Carver and Tommy McGraw
- KPPA: George Cheatham, Dr. Merl Hackbart, William O'Mara and Dr. Patricia Carver
- KPPA Audit Committee: William O'Mara, George Cheatham and Jim Tony Fulkerson
- KPPA Ad Hoc Regulation Committee: Michael Foster and George Cheatham
- KPPA Ad Hoc Budget Committee: William O'Mara
- DAC/AAC Committee Appointments: Dr. Patricia Carver, Tommy McGraw and Steven Webb
- Actuarial Committee: Michael Foster (Chair), Dr. Merl Hackbart, Dr. Patricia Carver, Steven Webb, and George Cheatham
- Personnel Committee: Jim Tony Fulkerson (Chair), George Cheatham, Michael Foster, William O'Mara, and Dr. Patricia Carver
- Finance Committee: William O'Mara (Chair), George Cheatham, Jim Tony Fulkerson, Dr. Patricia Carver, and Steven Webb
- Investment Committee: Dr. Merl Hackbart (Chair), William O'Mara, George Cheatham, Tommy McGraw, and Dr. Martin Milkman

10. Mr. Cheatham introduced agenda item ***KPPA Update*** *(Video 00:30:31 to 00:38:16).* The meeting continued with a KPPA Update presented by Mr. Barrow, who first shared highlights of the legislative updates.

    Mr. Barrow also touched on the upcoming strategic planning initiatives, noting the transition from planning to implementation. Accomplishments from the multi-year process will be incorporated, with additional discussions planned for future meetings. The Board retreat plans are progressing, with scheduling and budgeting underway. Team members have conducted thorough analysis, with promising options emerging for the retreat's programming and logistics. Attendees expressed enthusiasm for the opportunity to foster connections and engage in meaningful programming.

    Regarding budgeting, it was noted that the agency is in the planning phase for a major capital project. This involves IT assessments and upgrades to the 15-year-old enterprise system.

    Finally, kudos were given to Sherry, Sandy, and other contributors for their efforts in successfully completing new trustee training, which has been positively received and documented for future reference.

11. Mr. Cheatham introduced agenda item ***Closed Session*** *(Video 00:38:16 to 00:39:41).* Mr. Fulkerson made a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(1)(c). The motion was seconded by Mr. O'Mara. The motion passed unanimously.

    Mr. Cheatham read the following closed session statement: A motion having been made in open session to move into a closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege.

Closed Session *(Video - Part 2 - 00:00:22 to 00:01:13).*

Coming back into open session, Mr. Cheatham requested a motion to come out of closed session. Mr. O'Mara made a motion to return to open session. Mr. Fulkerson seconded the motion. The motion passed unanimously. Mr. Cheatham stated that no action was taken as a result of the closed session discussions.

12. There being no further business, Mr. Fulkerson made the motion to ***adjourn***. Dr. Carver seconded the motion. The motion passed unanimously. Mr. Cheatham declared the meeting adjourned.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held April 16, 2025, 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 Board of Trustees of the County Employees Retirement System, do certify that the Minutes of Meeting held on April 16, 2025, were approved on June 9, 2025.

Chair of the Board of Trustees

I have reviewed the Minutes of the April 16, 2025, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services