MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES SPECIAL-CALLED MEETING
APRIL 30, 2025, AT 2:30 P.M. ET
VIA LIVE VIDEO TELECONFERENCE

At the Special-Called Meeting of the County Employees Retirement System Board of Trustees held on April 30, 2025, the following members were present: George Cheatham, Dr. Patricia Carver, Dr. Merl Hackbart, William O'Mara, and Steven Webb. Staff members present were CERS CEO Ed Owens III, Ryan Barrow, Rebecca Adkins, Victoria Hale, Steve Willer, Anthony Chiu, Shaun Case, Sandy Hardin, and Sherry Rankin. Others present included Chris Tessman and Marc Friedberg with Wilshire and Eric Branco with Johnson, Branco & Brennan, LLP.

1. Mr. Cheatham called the meeting to order.

2. Mr. Board read the Opening Statement.

3. Ms. Rankin called Roll.

   Mr. Cheatham introduced agenda item ***Public Comment.*** Ms. Rankin indicated that no public comments were submitted for consideration. *(00:02:45 to 00:02:56).*

4. Mr. Cheatham introduced agenda item ***Chairman's Corner*** *(00:02:56 to 00:03:10).* Mr. Cheatham apologized for the delayed start of the meeting, explaining that the previous session had run longer than anticipated.

5. Mr. Cheatham introduced agenda item ***Investment Office Recommendation*** *(Video 00:02:57 to 00:20:23).* The Board was informed that the Investment Committee did not recommend the proposed real return investment. While the Committee had a quorum present, in accordance with the CERS Board Investment Policy Statement, the required minimum of six Trustee members was not present to proceed with action on the recommendation.

6. The Investment Office presented a recommendation for an additional $100 million commitment to Kraken Resources. The discussion covered asset allocation, industry outlook, and comparative investment opportunities. During the discussion, Dr. Carver inquired about the concerns that led the Committee to withhold a recommendation. Mr. Cheatham outlined several key factors:

    - Energy Market Uncertainty: Concerns about oil and gas price projections and the overall volatility in the energy industry.
    - Limited Review Time: Members had a short window to evaluate the recommendation, making it difficult to conduct thorough due diligence.
    - Lack of Advisor Input: Wilshire, the investment consultant, was not able to offer much insight, which raised concerns about moving forward without their assessment.

    Dr. Hackbart reinforced these points, adding that discussions had also touched on energy pricing, economic conditions, and recent reports indicating negative growth in the first quarter. The constrained timeframe and difficulty gathering the full committee further complicated the decision-making process.

    Mr. Cheatham acknowledged the absence of the required six Trustee members and apologized for the inability to move forward with a formal recommendation at this time. He expressed hope that future opportunities would allow for a more thorough review and better alignment of committee members.

7. There being no further business, Mr. Cheatham **adjourned** the meeting.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held April 30, 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 30, 2025, were approved on June 9, 2025.

Chair of the Board of Trustees

I have reviewed the Minutes of the April 30, 2025, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services