MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES SPECIAL-CALLED MEETING
MARCH 26, 2025, AT 2:00 P.M. ET
VIA LIVE VIDEO TELECONFERENCE

At the Special-Called Meeting of the County Employees Retirement System Board of Trustees held on March 26, 2025, the following members were present: George Cheatham, Dr. Patricia Carver, Michael Foster, Dr. Merl Hackbart, William O'Mara, Betty Pendergrass, and Jerry Powell. Staff members present were CERS CEO Ed Owens III, Ryan Barrow, Erin Surratt, Michael Board, Steve Willer, Anthony Chiu, Joe Gilbert, Brian Caldwell, Ashley Gabbard, Shaun Case, Sandy Hardin, and Sherry Rankin. Others present included Chris Tessman and John Patterson 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.

4. Mr. Cheatham introduced agenda item ***Public Comment.*** Ms. Rankin indicated that no public comments were submitted for consideration. *(00:05:14 to 00:05:23)*

5. Mr. Cheatham introduced agenda item ***Investment Office Recommendation*** *(Video 00:05:23 to 00:15:03)* Dr. Hackbart outlined the background of the recommendation by the Investment Office staff to increase the investment in the Arctos American Football Fund by up to $30 million, including previous investments of $250 million in 2023 and $70 million committed in February of this year. He highlighted potential savings of $79,000 annually with an incremental $5 million investment and supported the recommendation from the investment staff. Mr. Willer provided further details on the allocation impacts and emphasized the benefits of the recommendation, including reduced management fees and enhanced portfolio performance. Mr. Chiu elaborated on the attractiveness of the investment due to its contracted cash flow streams and scarce assets, noting the potential for impactful results across several teams over the next 18 months.

Mr. Cheatham made a motion to ratify the Investment Committee's approval to invest an additional amount of up to $30 million of the Real Return allocation into the Arctos American Football Fund, subject to successful contract negotiations, as presented. Dr. Hackbart seconded the motion. The motion passed unanimously.

6. Mr. Cheatham introduced agenda item ***Closed Session*** *(Video 00:15:03 to 00:16:27).* Ms. Pendergrass made a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(1)(c). The motion was seconded by Dr. Carver. The motion passed unanimously.

   Mr. Branco 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 - 00:00:21 to 00:01:48).*

   Coming back into open session, Mr. Cheatham requested a motion to come out of closed session. Dr. Hackbart made the motion to return to open session. Mr. Powell seconded the motion. The motion passed unanimously. Mr. Cheatham stated that no action was taken while in closed-session discussions. As a result of the discussion while in closed session, Mr. Cheatham requested a motion to accept the settlement agreement as discussed in closed session with trustees and former officers. Mr. O'Mara made said motion. Mr. Powell seconded the motion. The motion passed unanimously.

7. There being no further business, Mr. Cheatham requested a motion to **adjourn.** Mr. Powell made a motion to adjourn. Ms. Pendergrass seconded the motion. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held March 26, 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 March 26, 2025, were approved on June 9, 2025.

Chair of the Board of Trustees

I have reviewed the Minutes of the March 26, 2025, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services