

**BATAVIA POLICE PENSION BOARD
MEETING MINUTES
FEBRUARY 10, 2021**

NOTE: These minutes are not a word-for-word transcription of the statements made at the meeting, nor intended to be a comprehensive review of all discussions. They are intended to make an official record of the actions taken by the Board and to include some description of discussion points as understood by the minute-taker. They may not reference some of the individual attendee's comments, nor the complete comments if referenced. In accordance with Governor Pritzker's applicable Executive Order related to COVID-19, this meeting was held via teleconference and Skype.

President Kaluzny called the meeting to order at 8:00 a.m. on 02/10/2021.

Roll Call: Jason Kaluzny, President (Skype); Ralph Beck (In Person), Vice President; Dennis Thomas, Trustee (In Person); Chris Potthoff, Secretary (Skype); Rob Knanishu, Trustee (Skype)

Members Absent: None

Others Present: Jon Willhite, UBS (Skype); Jeff Goodloe, PGM (Skype); Derek Flessner, Lauterbach & Amen (Skype)

APPROVAL OF MEETING MINUTES

Motion: To approve the minutes of the Regular Meeting of 11/18/2020 as presented.
Maker: Kaluzny
Second: Potthoff
Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

INVESTMENT ACTIVITIES

Willhite update the Board on activities from the last meeting. Willhite reported that the portfolio has received a higher return at a lower risk than the benchmark over the last 3 years. Discussion was held on the performance, risk, return, ranking, capture ratio, etc. of the portfolio.

The portfolio's beginning market value was \$34,446,948 with an ending market value of \$37,087,300 up 9.85% for the quarter, 11.55% YTD and 6.33% since inception. Discussion was held on the performance of each manager. Emphasis on the newly hired managers, which are doing very well. Rebalancing requires an increase in the Cash Flow, for monthly payments, to \$215,000, contributions remain the same, and increase transfer cap to \$215,000.

Motion: To increase the monthly payouts to \$215,000
Maker: Beck
Second: Potthoff

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Motion: To increase the transfer cap from \$210,000 to \$215,000

Maker: Beck

Second: Knanishu

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Discussion was held on rebalancing the portfolio to within the guidelines and cash surplus.

Motion: To rebalance as follows: \$100,000 from the Vanguard S&P 500; \$150,000 from the Riverbridge SMID; \$150,000 from the Vanguard Extended Markets; \$90,000 from Chilton; 100% of the proceeds (\$490,000) to the UBS Money Market Account for expenses and pension payments.

Maker: Beck

Second: Thomas

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

OLD BUSINESS

Motion: To approve the 2021 COLA increases as presented.

Maker: Kaluzny

Second: Potthoff

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

ACCOUNTANT'S REPORT/PRESENTATION OF BILLS FOR DISBURSEMENT

Motion: To Financial Monthly Report for the period ending October 31, 2020 as presented.

Maker: Beck

Second: Thomas

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Motion: To Financial Monthly Report for the period ending November 30, 2020 as presented.

Maker: Beck

Second: Thomas

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Motion: To Financial Monthly Report for the period ending December 31, 2020 as presented.

Maker: Beck

Second: Thomas

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Motion: To approve payment for Invoice #710052 from Cheryl Shimp for transcription services in the amount of \$75.00 and Invoice #0011719 in the amount of \$219.25 from PGM for legal services as presented.

Maker: Kaluzny

Second: Potthoff

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

APPLICATIONS FOR MEMBERSHIP

None.

APPLICATIONS FOR BENEFITS

Mercil Disability – Kaluzny read a letter from Dr. Fernandez reference the current disability status of Scott Mercil. Dr. Fernandez found that Officer Mercil remains at full disability and is unable to perform the duties of a police officer. Due to COVID restrictions, Mercil submitted himself to his current treating physician. A more thorough examination will be conducted later this year. Goodloe will begin this process.

Motion: To accept Dr. Fernandez’s report and continue the disability benefits for Scott Mercil for another year subject to an annual examination.

Maker: Kaluzny

Second: Beck

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

ATTORNEY REPORT

Goodloe reported that in terms of consolidation, the permanent board elections have taken place. The permanent board is made up of police officers from Aurora, Bloomington, and Peoria. The municipal representatives are from Lake Forest, Wheaton, Macomb and Brad Cole, Executive Director of the Illinois Municipal League. A meeting was recently held on 01/08/2021, details may be found on the IML website. The board is looking to hire a website design firm to put a website together. The consolidation board is in the process of hiring a general investment consultant. The

RFP has been issued and once proposals are received, a review process will be conducted. The goal is to hire an investment consultant sometime in March 2021. Goodloe noted that the Fire Consolidation Board has hired the firm of Marquette and Associates, which is a well-known Chicago firm. It is believed that the Board will most likely oversee investments through 2021 with directive in 2022 for transferring its funds.

Goodloe reported that there is a pending lawsuit, which will be filed soon, including down state fire and police pension funds, who have joined together, to challenge this consolidation law. The lawsuit is seeking to bring State Constitutional Challenges to consolidation. Once the complaint has been filed, Goodloe will review and provide an update to the Board.

Goodloe reported that the statutory minimum for pension funding is 90% funded by the year 2040. IML would like to move this out to 2050. House Bill 308 was introduced to do this. Will continue to monitor.

Goodloe reported on a lawsuit with the New Lenox Police Department. This is an Active-Duty case. A Detective, on duty, is going into a courthouse to testify before a grand jury, walks in with a subpoena and documents, testifies and while leaving the courthouse, steps off the curb and hyper extends his knee and becomes disabled. Applies for a line-of-duty disability pension and the pension board denies the application and issues a non-duty disability. The board's reasoning was that the officer was not performing an active duty when the officer stepped off the curb. The officer sued and the trial court reversed the pension board's decision stating that the officer was, in fact, entitled to a line-of-duty disability pension. The pension board appealed, and the Third District Appellate Court reversed the trial court and reinstated the pension board's decision siting the officer was only entitled to a non-duty disability pension as the officer was not performing an active police duty inheritably involving special risk not ordinarily assumed by citizens in the ordinary walks of life. The officer was not responding to a citizen's call for help, he was just stepping off a curb to get back in his vehicle to return to the police station.

NEW BUSINESS

2020 IDOI – Flessner stated that Lauterbach & Amen (L&A) has completed the December financials, which were recently approved. The year-end paperwork was submitted to the City for the audit. Will begin the process of uploading the salary and financial data to the IDOI. Once that is complete, the actuaries will be able to complete the tax levy report.

Statement of Economic Interest Forms – Potthoff noted that the Statement of Economic Interest Forms are due May 1, 2021. These statements may be filled out on-line.

Elections & Appointments – The seats up for election and appointments are as follows: 2 Active Member; 1 Retired/Disabled Member; 1 Appointment (Beck). Beck noted that his appointment is up this year and has submitted a letter of resignation to the Mayor after 30 plus years of service on the Batavia Police Pension Board. Copy to the Board. This resignation is effective in May to aid

in the election process and, hopefully, work with the newly appointed trustee. Nomination letters will be sent out for this process. Kaluzny noted that he will not be running in the next election.

Closed Session Minutes – Per Statute, Closed Session Minutes must be reviewed bi-annually. There are no Closed Session Minutes to review.

PUBLIC COMMENTS

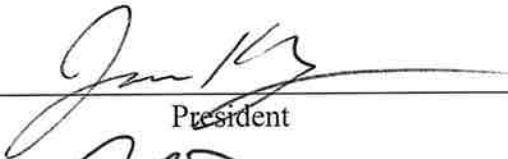
None.

ADJOURNMENT


There being no further business a motion was made by President Kaluzny to adjourn the meeting. Seconded by VP Beck.

Roll Call: Kaluzny – Aye, Beck – Aye, Thomas – Aye, Potthoff – Aye, Knanishu – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

The meeting was adjourned at 8:46 a.m.



President



Secretary