

**BATAVIA POLICE PENSION BOARD
MEETING MINUTES
MAY 18, 2022**

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.

President Kaluzny called the meeting to order at 8:04 a.m. on 05/18/2022.

Roll Call: Jason Kaluzny, President (In person); Tim O'Brien, Vice President (Zoom); Chris Potthoff, Secretary (in person); Laura Newman, Trustee (In person)

Members Absent: Robert Knanishu, Trustee

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

APPROVAL OF MEETING MINUTES

Motion: To approve the minutes of the Regular Meeting of 02/09/2022 as presented.

Maker: Kaluzny

Second: Newman

Roll Call: Potthoff – Aye, O'Brien – Aye, Newman – Aye, Kaluzny – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

INVESTMENT ACTIVITIES

Willhite update the Board on activities from the last meeting.

The portfolio's beginning market value was \$41,307,866 with an ending market value of \$37,969,727 down -6.70% for the quarter, up .71% for the year and 5.90% since inception. Willhite gave an overview of the investment earnings, risk taken, asset allocation, etc. The Board reviewed the individual managers performance.

Discussion was held on rebalancing the portfolio. Need \$588,934 to pay beneficiaries for the next 3 months. Willhite recommended taking \$200,000 from Invesco Equally-Weighted and \$389,000 from Vanguard Extended and move to the UBS cash account. It was also noted that tax levy monies should be received in June there is also the lawsuit that the consolidation is unconstitutional, which the Court is scheduled to issue its ruling on May 20, 2022.

If the Court upholds the legislation as constitutional, it means that consolidation will continue to move forward. What this means for the Fund is that they would have to begin transferring monies around June 24, 2022. This is the last scheduled transfer for police pension funds. The Fund will be required to submit all of the paperwork to IPOPIF by 06/03/2022. Assets may then be frozen around 06/10/2022. If the Court rules that the law is unconstitutional, more than likely, will take a wait and see approach. There is also the possibility of a stay, pending appeals, which would mean that consolidation would still continue. Unknown if the 06/24/2022 transfer date is real as IPOPIF has indicated that they will notify everyone of their assigned transfer date. Nothing has been decided.

A lot of the paperwork may be completed at this meeting to include the Resolution Establishing Authorized Agents for IPOPIF, Exhibit B – Notice of Transfer, State Street forms, Cash Flow forms, etc. If the Board wishes to move forward with the 06/24/2022 date, need to make sure enough monies are on hand to cover benefit payments through the transition. It was noted that tax levy monies last June was approximately \$1.3M. Willhite stated that these monies are sent directly to UBS. What many of the boards have been doing is completing all the paperwork and holding it all for a final ruling. Discussion continued.

Motion: To rebalance the portfolio as recommended.
Maker: Kaluzny
Second: Potthoff
Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Motion: To accept the Investment Report as presented.
Maker: Kaluzny
Second: Newman
Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Investment Policy Statement – No action required.

Resolution Establishing Authorized Agents for IPOPIF – This resolution was drafted at the last meeting. Kaluzny and Potthoff are the Authorized Agents. Just need signatures on the resolution. Will hold the resolution pending the court ruling 05/20/2022.

Exhibit B – Also approved at the last meeting. Just need signatures and will hold pending the court ruling.

State Street Bank eCFM Form – This is the form that establishes the users who have the authority to transfer monies from the Harris Bank account to State Street Bank and then to request funds back from State Street to the Harris account. Transferring monies over is a one-step process and requires only one person. Transferring money back from State Street requires one person to initiate the request and another person (listed on the form) has to authorize the transaction. These monies may only be transferred to the Harris Bank account. The 2 Authorized Agents are automatically

on this form and the Board may then use a resolution to establish an additional person, someone familiar with the Fund, someone from Lauterbach & Amen. Lauterbach & Amen has delegated 2 employees from their office to serve as Authorized Account Representatives: Kelly Calgaro is the agent for the Fund.

Motion: To approve Resolution 2022-02 establishing Kelly Calgaro as an authorized account representative and approve the eCFM form from State Street Bank establishing Jason Kaluzny, Chris Potthoff and Kelly Calgaro as authorized users.
Maker: Kaluzny
Second: O'Brien
Roll Call: Kaluzny – Aye, O'Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Consolidation Interim Cash Management Policy – Goodloe stated that the Fund is good, at this time, with the rebalancing and tax levy monies. Will reassess as things progress if more monies are needed.

Employee/Employer Contribution Deposits – Goodloe stated that they are going to keep going to UBS pending the final transfer.

Local Account & Collateralization – This is reference to the Harris Bank Account and was approved at the last meeting. Need an executed copy of the Pledge Depository Agreement to be forwarded to L&A (Flessner) so that it may be taken to the Harris Bank for signatures.

OLD BUSINESS

Statements of Economic Interest – The annual Statements of Economic Interest were due on 05/01/2022. Kaluzny, Potthoff and Newman reported they have completed these statements. O'Brien stated that the Statement was not sent to him. Newman stated that he should be receiving something soon that will provide him with the link to complete this.

Wakeley Portability – Still awaiting on check from Dixon PD. Flessner will follow-up with Dixon.

Annual IDOI Statement/Audit – Flessner reported that a draft of the IDOA was sent out to the trustees for their review. This is due the end of June. Any questions or changes should be directed to Flessner. Table to August meeting. The City of Batavia has received a draft of the audit, which should be finalized soon. Table to the August meeting.

Actuarial Valuation – Anthony Gedvilas gave an overview of the annual actuarial valuation. A recommended contribution of \$2,556,545 was presented, which is a decrease of -3.36%. This decrease was due to an increase in assets. It is predicted that benefit payments will increase by 53% over a 5-year period and a 92% increase over the next 10 years. The GASB 67/68 numbers were included in this report and noted that the City has been historically contributing at or above the recommended contribution. Table to the August meeting.

Trustee Elections & Appointments – Goodloe reported that the Board had discussed staggering members elections but was tabled pending consolidation and changes in the Rules & Regulations. Unknown what IPOPIF rules will be in terms of cash management and wanted to include all of this in an update. Active/Retired Member terms are up in 2023. Knanishu is due to reappointment this year. Newman was appointed for a 5-year term.

ACCOUNTANT’S REPORT/PRESENTATION OF BILLS FOR DISBURSEMENT

Flessner gave an overview of the March 2022 Financials. Noted that the IDOI Compliance Fee has not been received. Should be forthcoming.

Motion: To Financial Monthly Report for the period ending January 31, 2022 and February 28, 2022 as presented.

Maker: Kaluzny

Second: Potthoff

Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Motion: To Financial Monthly Report for the period ending March 31, 2022 as presented.

Maker: Kaluzny

Second: Potthoff

Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Motion: To approve invoices for payment as presented: PGM LLC for legal services, Invoice #000185 in the amount of \$4017.39; Invoice #2112131DA; for Invoice #710057 from Cheryl Shimp for transcription services in the amount of \$120.00; Invoices for Evaluations for Jensen: INSPE – Phillips #74066 dated 03/07/2022 for \$1350.00, Goldstein #74358 dated 03/30/2022 for \$2550.00, Overmeir #74553 dated 04/13/2022 for \$2822.40.

Maker: Kaluzny

Second: Newman

Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

APPLICATIONS FOR MEMBERSHIP

Officer Travis Kurtz is a lateral transfer from Sandwich PD. No portability paperwork has been received at this time. Should be forthcoming.

Motion: To approve Travis Kurtz’s application for admission into the Batavia Police Pension Fund as a Tier 1 member effective 04/04/2022.

Maker: Kaluzny
Second: Potthoff
Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

APPLICATIONS FOR BENEFITS

Retirement - Eul – Chief Daniel Eul has submitted paperwork for retirement. He was hired 09/12/1994, last day worked 09/12/2022, first day of pension 09/13/2022, leaves with 28 years of creditable service at a 70% rate, age at retirement 50 yoa, applicable salary of \$180,458.93 with a monthly pension of \$10,526.77.

Motion: To approve Application for Retirement Benefits for Chief Daniel Eul effective 09/13/2022 as presented.

Maker: Kaluzny
Second: Potthoff
Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Jensen Disability – Goodloe reported that 06/28, 06/29 or 06/30 are the proposed hearing dates. After discussion, Tuesday, 06/28/2022 was chosen beginning at 9:00 a.m. Noted the exhibits are complete, will be emailed out and Goodloe will send out a Notice of Hearing. Goodloe stated that members should not discuss this or disclose any information reference this hearing. Discussion was held on how the hearing will be conducted, witnesses, dispositions (if desired), subpoena powers, etc.

ATTORNEY REPORT

Goodloe reported on a bill reference Survivor Pension. The rules have been that if an officer is granted a retirement pension and gets married after and then passes, the surviving spouse is not eligible for said retirement pension. There is also confusion reference a disability pension with the same circumstances. IDOI says no, but there is a case which states that it doesn’t matter, disability or retirement, if you get married after being granted a pension and then you pass, your surviving spouse is not entitled to a survivor’s pension. Public Act 102-811 changes that. It states that in this situation, provided that the marriage has lasted for at least 5 years and the survivor has obtained the age of 62, the survivor is entitled to a survivor pension, however, it can not last for more than 15 years. This Act applies regardless of when the pension was granted.

Goodloe reported on the transfer window for IMRF pensions, for certain law enforcement related positions. The problem with the statute, is that it did not allow people to transfer CSO time, Dispatch time, Administration time, etc. There are 2 bills, which have both passed and 1 has been signed into law, which would reopen this window and allow these individuals to transfer their

time. The Senate Bill that passed is now law – 102-857. This gives individuals a 6-month window beginning July 23, 2022; the administrative time from IMRF or as a county corrections officer with IMRF. Another piece of legislation (HB 4209 – awaiting Governor’s signature) would reopen this window with an expiration date of June 30, 2023, to make application. All monies (is required), would have to be paid by September 30, 2023.

NEW BUSINESS

Willhite inquired about the June 1 transfer date. Goodloe noted that the Exhibit B letter will have the 06/24/2022 date on it. The June 1 date is no longer the deadline. IPOPIF will notify everyone of their new assigned transfer dates. Exhibit B letter will be forthcoming.

Executive Session – None.

PUBLIC COMMENTS

None.

ADJOURNMENT


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

Motion: To approve adjourn the meeting at 9:22 a.m.
Maker: Kaluzny
Second: Newman
Roll Call: Kaluzny – Aye, O’Brien – Aye, Newman – Aye, Potthoff – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

The meeting was adjourned at 9:22 a.m. The next regular meeting will be August 10, 2022.



President



Secretary