

BATAVIA POLICE PENSION BOARD
MEETING MINUTES
AUGUST 11, 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.

Meeting called to order by President Kaluzny on August 11, 2021, at 8:02 a.m.

Roll Call: Jason Kaluzny, President (in person); Tim O'Brien, Trustee (via Skype); Chris Potthoff, Secretary (via Skype); Rob Knanishu, Trustee (via Skype)

Members Absent: 1 Vacant

Others Present: Jon Willhite, UBS (via Skype); Jeff Goodloe, PGM (via Skype); Derek Flessner, Lauterbach & Amen (via Skype); Greg Kiesewetter, Cook Castle (8:25 a.m.)

MEETING MINUTES

Motion: To approve the minutes of the Regular Meeting of May 12, 2021; Special Meeting of June 9, 2021; and Special Meeting of July 21, 2021, as presented.

Maker: Kaluzny

Second: Knanishu

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

INVESTMENTS

Willhite gave an overview of rebalancing from the special meeting. Trustee page to be updated with new members. Willhite stated that the portfolio outperformed its benchmark for the last quarter. The portfolio began the quarter at \$40,128,567 up 5.53% and was \$40,833,535 as of 08/06/2021. The portfolio was up 7.18% for the year and 6.69% since inception. Discussion was held on risk, risk adjusted basis versus peers, sharp ratio, standard deviation, etc.

Willhite gave an overview of the money managers performances. It was noted that Riverbridge was up 34.95% for the year. Fixed income managers were all down apart from Blackrock. Blackrock was included in the portfolio to offset the other fixed income managers as they have a different managing style. No suggestions or recommendations for change.

Discussion was held on the Rebalancing Spreadsheet. This discussion included how much money will be required to pay benefits and expenses over the next several months. It was recommended to take \$169,000 from Vanguard Extended Markets and transfer same to the UBS Cash Account.

Motion: To approve the transfer of \$169,000 from the Vanguard Extended Markets to the UBS Cash Account to pay benefits and expenses.

Maker: Kaluzny

Second: O'Brien

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

Motion: To accept the Investment Activity Report as presented.

Maker: Kaluzny

Second: Potthoff

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

Fiduciary Insurance – At 8:25 Greg Kiesewetter joined the meeting to discuss Fiduciary Insurance. Discussion was held on continuing the Fiduciary Insurance policy with a \$1M Liability and \$250,000 Trustee Claim Coverage as well as \$50,000 for benefit overpayments and \$100,000 in cyber protection with a total premium of \$6846.00 for coverage from 09/01/2021 to 09/01/2022.

OLD BUSINESS

Board Officers – To date, there has not been a mayoral appointment to the Board. Will follow up with the City.

Motion: To approve the following Board Officers: Jason Kaluzny – President; Tim O'Brien – Vice President; Chris Potthoff – Secretary; Robert Knanishu – Asst. Secretary.

Maker: Kaluzny

Second: O'Brien

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

Annual Audit – Flessner reported that the audit was finalized. Auditors noted it was a clean audit with no issues. As members have not had an opportunity to review the final audit, table to the next meeting.

ACCOUNTING/FINANCIAL REPORTS

Flessner gave an overview of the July Financials.

Motion: To approve the Financial Reports for the following: April 30, 2021; May 31, 2021; June 30, 2021; and July 31, 2021, as presented.

Maker: Kaluzny

Second: Knanishu

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

Motion: To approve the following invoices: Invoice #0011996 from PGM in the amount of \$370.50 for legal services; Invoice #710054 from Cheryl Shimp in the amount of \$125.00 for transcription services; Reimbursement to Chris Potthoff for Trustee Training in the amount of \$485.00.

Maker: Kaluzny

Second: Knanishu

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

APPLICATIONS FOR MEMBERSHIP

None.

APPLICATIONS FOR BENEFITS

Scott Mercil – Goodloe reported that an annual examination was set up with California Medical Evaluators. Should get a report back in September or October. Cost for this examination could be anywhere from \$1000 to \$2000. Table to the next meeting.

ATTORNEY REPORT

Goodloe reported on Public Act 102-63, which allows a police officer in an Article 3 Police Pension Fund to transfer to an Article 4 Fire Fund. Individuals may transfer up to 8 years of creditable service.

Public Act 102-113 opens a 6-month window beginning July 23, 2021, for individuals to convert their IMRF to an Article 3 Fund. Letter will be forthcoming.

Consolidation – The Fire Consolidation Board looks to start transferring monies beginning in October. The Police Consolidation Board is not as far along to get this process moving. The Police Consolidation Board is still in the process of getting a team of advisors together to make this transfer. The lawsuit against consolidation filed in Kane County is still pending. The defendants filed a motion to dismiss and last week, the plaintiffs filed a motion for a temporary restraining order to try to get the courts to put everything on hold. A status hearing was set for today with another status hearing scheduled for September 8. Pleadings are going back and forth, should know more by the November meeting.

NEW BUSINESS

Military Buy-Back – Still running numbers. Will bring back to the Board once all numbers are in and officers have reviewed their options.

Portability – Still working with the actuary department on the true cost. Once all documentation is received, Wakeley will be able to review his options.

Municipal Compliance Report – The recommended tax levy within the MCR is \$2.645M.

Motion: To approve the Municipal Compliance Report as presented and to recommend a tax levy to the City of Batavia of \$2.645M.

Maker: Kaluzny

Second: Potthoff

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

Resolution – The Police Consolidation Board has requested that every fund propose a resolution authorizing representatives to the Consolidation Fund. These representatives would work as liaisons between the Consolidation Board and the Fund.

Motion: To make Jason Kaluzny and Chris Potthoff as the Authorized Representatives for the Batavia Police Pension Board to the Police Consolidated Fund.

Maker: O’Brien

Second: Knanishu

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

Closed Session Minutes – No Closed Session Minutes to discuss.

O’Brien inquired as to his obligations for Trustee Training. As O’Brien was a previous trustee on the Board, at least 8 hours of trustee training is required annually as well as 4 hours of consolidation training. Training reference the Open Meetings Act is also recommended, however, that training site has been down for several months.

PUBLIC COMMENTS


None.

ADJOURNMENT


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

Motion: To adjourn the meeting at 9:08 a.m.
Maker: Kaluzny
Second: Knanishu
Roll Call: Kaluzny – Aye, Potthoff – Aye, O’Brien – Aye, Knanishu – Aye. 4 Ayes, 0 Nays, 0 Absent, 1 Vacant. All in favor. Motion carried.

The meeting was adjourned at 9:08 a.m.



President



Secretary