

**BATAVIA POLICE PENSION BOARD  
SPECIAL MEETING MINUTES  
SEPTEMBER 18, 2019**

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 of the Batavia Police Pension Board to order at 9:00 a.m.

**ROLL CALL**

Members Present: Jason Kaluzny, President; Ralph Beck, Vice President; Dennis Thomas, Trustee; Robert Knanishu, Trustee; and Chris Potthoff, Secretary (arrived 9:03 a.m.)

Members Absent: None

Others Present: John Falduto, Sawyer Falduto; Tom Sawyer, Sawyer Falduto; Ray Caprio, NIS; Mark Anderson, NIS; and John Willhite, UBS; Robert Vaughn, UBS

The purpose of this meeting is to discuss RFP's for Consultant and choose a Consultant for the Batavia Police Pension Fund.

The following vendors were invited to give presentations: Sawyer Falduto; National Investment Services (NIS); and UBS

First presentation Sawyer Falduto Asset Management, LLC (9:03 a.m.). Presentation included information reference the firm, how assets are managed on behalf of the police and fire pension fund clients, custody, pension payments, transfer of monies to fund pension payments, fees, etc. Sawyer Falduto currently has 163 Illinois Police/Fire Pension Funds as clients including the Batavia Firefighters Pension Fund. Sawyer Falduto has been in business since 2007 and currently has approximately \$1 billion dollars of assets under management. Stated they have 100% retention of Police/Fire clients since inception. Sawyer Falduto is an independent firm and doesn't accept compensation from anyone other than the fees charged for services rendered. Presentation discussed management styles, investments, holdings, sector weightings, benchmarks, performance, indexes, fees, basis points on portfolio, custodial fees, etc. After the presentation, the Board paused for discussion.

Break 9:58

Return 10:05

National Investment Services presentation began at 10:05 a.m. NIS is an independently owned firm with offices in Chicago and Milwaukee. NIS has been around since 1993 and currently has about 20 police/fire pension clients in Illinois to include the Naperville Police Pension Fund. The

firm currently manages approximately \$8.5B in assets. Prides themselves on being compliant with the Illinois Pension Code while maximizing returns for a very low cost. The presentation included investment objectives and strategy designed for Illinois Article 3 & 4 pension funds, active vs. passive management, performance, fees, fixed income strategies, investment philosophy & process, custodian (US Bank), diversification, corporate/treasury bonds, etc.

Break 10:41  
Return 10:43

Discussion held on presentations from Sawyer Falduto and NIS.

Last presentation was UBS at 11:00 a.m. Presentation noted that UBS is not able to enter into a discretionary contract with the Board as they are the custodian of assets and this is not allowed per Illinois Statutes. Fees for UBS is 15 basis points and fees assessed by the money managers are fully disclosed in their contracts. Presentation included the challenges of investing with Illinois Statutes, global presence of UBS, historical review of investing in Illinois, risk profile, capital market assumptions, asset allocations, long term perspective, cyber security, third party performance reports, research, history of asset classes, etc. Vaughn noted that UBS is a 157-year old firm with 60,000 employees in over 52 countries. UBS has a group philosophy and manages \$3.1 trillion dollars in assets.

Break Noon  
Return 12:05

After discussions, the Board determined that NIS was out of the running. The choice of consultants was between Sawyer Falduto Asset Management and UBS Institutional Consulting Group.

**Motion:** To stay with UBS as the Consultant for the Batavia Police Pension Fund.  
**Maker:** Thomas  
**Second:** Beck  
**Roll Call:** Thomas – Aye, Beck – Aye, Potthoff – Nay, Knanishu – Nay, Kaluzny – Aye. 3 Ayes, 2 Nays, 0 Absent. Motion carried.

Contract review will be at the November meeting.

Payment of Invoices – Invoices presented for approval.

**Motion:** To approve Invoice #61048 for Cheryl Shimp in the amount of \$75.00 for transcription services; IPPFA annual membership in the amount of \$795.00.  
**Maker:** Knanishu  
**Second:** Thomas  
**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

**PUBLIC COMMENTS**


None.

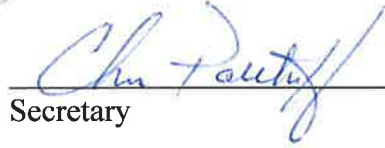
**ADJOURNMENT**

There being no further discussion. A motion was made by Beck to adjourn the meeting. Seconded by Thomas. All in favor. Motion carried.

4 Ayes      0 Nays      1 Absent

The meeting was adjourned at 2:07 p.m.

  
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President

  
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Secretary