



PATRICK J. O'CONNOR

ALDERMAN, 40TH WARD
5850 NORTH LINCOLN AVENUE
CHICAGO, ILLINOIS 60659
TELEPHONE: 773-769-1140
FAX: 773-769-3804
EMAIL: ward40@cityofchicago.org



CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER

CITY HALL - ROOM 300
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-6858
FAX 312-744-8548

COMMITTEE MEMBERSHIPS

WORKFORCE DEVELOPMENT AND AUDIT
(CHAIRMAN)

FINANCE
(VICE-CHAIRMAN)

AVIATION

BUDGET AND GOVERNMENT OPERATIONS

EDUCATION AND CHILD DEVELOPMENT

RULES AND ETHICS

September 5, 2012

Mr. Jim Mohler, Executive Director
Municipal Employees' Annuity and
Benefit Fund of Chicago
321 N. Clark Street Ste. 700
Chicago, Il 60654

HIGH PRIORITY: Pension Hearings in City Council Chambers October 1, 2012
requesting your attendance

Dear Mr. Mohler:

On Monday, October 1, 2012 the Workforce Development and Audit Committee will hold a hearing beginning at 9 a.m., the purpose of which is to examine the state of the City's pension funds as set forth in the attached resolution introduced on June 27th, 2012. On September 12, 2012 a substitute ordinance will be introduced at City Council with respect to the October 1st, 2012 hearings. We would greatly appreciate your attendance as the Executive Director, as well as Michael Walsh, CIO and attendance by a representative actuary from Gabriel Roeder Smith and Co. Please be prepared to speak on a variety of topics related to the Funds. The purpose of the hearings is to inform Council members and Chicagoans in general, as to the financial status of the various funds. We greatly appreciate your assistance in this regard.

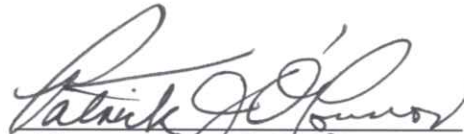
In the event that you believe that the above named individuals cannot appear and there is another individual within the Municipal Employees' Annuity and Benefit Fund of Chicago that would be able to better testify before the committee, please make sure that they are present at the time of the hearing and inform our office of the additional individuals that will be in attendance.

September 5, 2012 – Page 2
Pension Hearings

The hearings will take place in the Council Chambers, please arrive at 9:00 a.m. If you have any questions regarding the foregoing, kindly direct them to Chenin Kilduff Kienzler of the Committee on Workforce Development and Audit at 312-744-1244. If you wish to speak with me directly, I can be reached at 312-744-6858.

Obviously, the state of our City's pensions is of the utmost importance and priority and we ask that you do your best to make yourself fully available for the hearings on September 26, 2012. In the event that any individual who should be present to testify is not available on the above mentioned date because of a serious conflict please contact the Committee staff to inform them of this conflict. We appreciate your cooperation in advance.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Patrick J. O'Connor". The signature is fluid and cursive, with a large initial "P" and "O".

Alderman Patrick J. O'Connor
Chairman of the Workforce
Development and Audit Committee



Office of the City Clerk



R2012-802

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:

9/12/2012

Sponsor(s):

O'Connor, Patrick (40)
Smith, Michele (43)
Jackson, Sandi (7)
Resolution

Type:

Resolution

Title:

Call for hearing(s) on fiscal liability of City Pension Funds
Committee on Workforce Development and Audit

Committee(s) Assignment:

RESOLUTION

WHEREAS, the General Assembly of the State of Illinois, recognizing the unique size and complexity of the City of Chicago among the municipalities of the State, has established separate funds to provide benefits for retired employees of the City; and

WHEREAS, those funds are the Policemen's Annuity and Benefit Fund; the Firemen's Annuity and Benefit Fund; the Municipal Employees', Officers', and Officials' Annuity and Benefit Fund; the Laborers' and Retirement Board Employees' Annuity and Benefit Fund; Chicago Teacher's Pension Fund; Park Employees' Annuity and Benefit Fund of Chicago, (hereinafter referred to as "the City Pension Funds"); and

WHEREAS, all of the City Pension Funds have managing boards composed of elected annuitants, elected employees, public officials and appointees; and

WHEREAS, the purposes of the various City Pension Funds are to provide disability income to injured police officers, firefighters and laborers; and to provide safe and secure retirement income for employees covered by the City Pension Funds; and

WHEREAS, the City Pension Funds are supported financially by contributions of current employees and contributions of the City government, all as provided by statute; and

WHEREAS, recent news reports concerning the condition of pension funds of the government of the State of Illinois and of school districts outside the City of Chicago have caused concern among Chicago residents and employees about the condition of the City Pension Funds; and

WHEREAS, pursuant to state law, each of the City Pension Funds is a separate corporate entity, not subject to the direct control of the City government; and

WHEREAS, the Illinois General Assembly is expected to take action concerning the pension funds of the State of Illinois and of school districts outside the City of Chicago; and

WHEREAS, a viable pension system is necessary in order to attract and keep competent and highly motivated employees to provide necessary services to the residents and businesses of the City of Chicago; and

WHEREAS, it is important and necessary that the City of Chicago assess the condition of the City Pension Funds, inform City residents and businesses of the status of the City Pension Funds, and formulate recommendations for any legislation that may be necessary or appropriate to protect the financial viability of the City Pension Funds; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHICAGO that the City Council, through its Committee on Workforce Development and Audit, conduct hearings into the fiscal condition, operations, investment practices, and present and future viability of the City Pension Funds described in the preamble hereof; and

BE IT FURTHER RESOLVED that the Committee on Workforce Development and Audit invite appropriate representatives of the City Pension Funds to testify concerning the fiscal condition, operations, investment practices, and present and future viability of their respective City Pension Funds; and

BE IT FURTHER RESOLVED that invitations to testify be extended to the board members, chief actuaries and investment officers of the various City Pension Funds, in addition to such other persons as the Committee may determine to be appropriate; and

BE IT FURTHER RESOLVED that all of the foregoing be done with a view toward developing recommendations to the Illinois General Assembly for legislation to protect, secure and enhance the City Pension Funds and to promote the confidence of the public in the viability of the City Pension Fund.

Jandi Jacobson 7th *Joel Mans* 1st *William P. V.* (4)
Leslie V. Houston 5th *Pat Dowell* 31st
John Thompson 16th *Algerman Patrick J. O'Connor*, 40th Ward *Pat A. (6)*
Carin Austin 34th *Michele Smith* Alderman Michele Smith, 43rd Ward *Michael Smith* 42
B 42
Scott Waggoner 32
Richard Miller 33
Ray Seng = 31st *John A. Pops* 10th
Robert J. Hatcher 25th *Margaret Lemis* 39
James 30 *Mary O'Connor* 41
Waniff Collins 45 *James* 46 *James* 47
Michael D. Hill 21 *James* 48 *Edward M. Baker* 14