

REPORT OF THE FINANCE SUBCOMMITTEE ON PENSION

PUBLIC HEARING

January 19, 2011

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Gainer, Vice Chairman Goslin, Commissioners Murphy, Schneider, Suffredin and Tobolski (6)

Absent: Commissioner Steele (1)

Also Present: Commissioner Daley; Maria Pappas – Cook County Treasurer

Ladies and Gentlemen:

Your Finance Subcommittee on Pension of the Board of Commissioners of Cook County held a public hearing pursuant to notice on Wednesday, January 19, 2011 at the hour of 9:00 A.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered the following item and, upon adoption of this report, the recommendations are as follows:

310520 AMENDMENT TO ORDINANCE, CHAPTER 2, ARTICLE IV, SECTION 2-243 (TAXING DISTRICT DEBT DESCLOSURE) (PROPOSED ORDINANCE AMENDMENT). Transmitting a Communication, dated December 20, 2010 from MARIA PAPPAS, Cook County Treasurer by JOSEPH M. FRATTO, Chief Deputy Treasurer. Submitting a Proposed Ordinance Amendment sponsored by President, TONI PRECKWINKLE, JOHN P. DALEY and BRIDGET GAINER, County Commissioner and Co-Sponsored by EARLEAN COLLINS, JOAN PATRICIA MURPHY, PETER N. SILVESTRI, WILLIAM BEAVERS, JERRY BUTLER, JOHN A. FRITCHEY, JESUS G. GARCIA, ELIZABETH "LIZ" DOODY GORMAN, GREGG GOSLIN, EDWIN REYES, TIMOTHY O. SCHNEIDER, DEBORAH SIMS, ROBERT B. STEELE, LARRY SUFFREDIN and JEFFREY R. TOBOLSKI, County Commissioners.

PROPOSED ORDINANCE AMENDMENT

AMENDMENT TO TAXING DISTRICT DEBT DISCLOSURE ORDINANCE

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 2, Article IV Officers and Employers, Division 4 Treasurer, Section 2-243 of the Cook County Code is hereby amended as follows:

Sec. 2-243. Taxing district debt disclosure.

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a. *Definitions.*

Audited financial statements, current debt, current liabilities, long term debt and long term liabilities shall have the same meanings as defined by Generally Accepted Accounting Principles, as promulgated from time to time, by the American Institute of Certified Public Accountants, and shall conform with the accounting principles and auditing standards generally accepted in the United States.

Taxing District shall have the same meaning as defined by 35 ILCS 200/1-150.

Total Pension Liability shall mean the sum total of all liabilities of a Taxing District in respect of the pension and retirement obligations of such Taxing District.

Total Unfunded Pension Liability shall mean the sum total of all unfunded liabilities of a Taxing District in respect of the pension and retirement obligations of such Taxing District.

(b) *Duty of Taxing Districts to disclose all debt.* Each Taxing District shall, on or before the last Tuesday in December, provide to the Office of the Cook County Treasurer, in the electronic format required by Office of the Cook County Treasurer, a full, complete, unabridged and unedited copy of such Taxing District's most recent, full, complete, unabridged and unedited, audited financial statement (along with any and all auditor's notes and comments on such audited financial statements), including but not limited to the accompanied by such Taxing District's written disclosure of any and all actual or contingent the following information:

(i) current debt;

(ii) current liabilities;

(iii) long term debt;

(iv) long term liabilities;

~~(v)(1)~~ sum total of all debts and liabilities from such audited financial statement(s);

~~(vi)(2)~~ sum total of gross tax levy for the most recent tax year; and

~~(vii)(3)~~ gross operating budget revenue for the most recent fiscal year;

(4) Total Pension Liability;

(5) Total Unfunded Pension Liability, which shall be denoted as a separate line item below Total Pension Liability;

(6) name of the chief elected official of the Taxing District; and

(7) if the Taxing District is a county, city, village, or incorporated town, the current total population of such Taxing District.

(c) In the event that a Taxing District does not have an audited financial statement for the most recent fiscal year, such Taxing District shall in lieu thereof provide to the Office of the Cook County Treasurer the most recent unaudited financial statement of such Taxing District, provided in all events that such unaudited financial statement shall include disclosures of the subject Taxing District's actual or contingent current debt, current liabilities, long term debt and long term liabilities. A Taxing District, whose audited financial statements are included and/or consolidated in the audited

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financial statements of another ~~taxing district~~ Taxing District, is not required to separately provide the required ~~audited~~ financial statements in the event said other ~~taxing district~~ Taxing District is in compliance with the requirements of this Ordinance

- (d) Independent of the duty of Taxing Districts to make annual disclosures pursuant to subsection (b) above, within 60 days following the effective date of this Ordinance each Taxing District shall provide to the Office of the Cook County Treasurer, in the electronic format required by the Office of the Cook County Treasurer, a written disclosure containing the information required under subsections (b)(4), (b)(5), (b)(6) and (b)(7) above.
- ~~(e)~~(e) *Duty of Treasurer to make available disclosure of debt.* The Office of the Cook County Treasurer shall:
- (1) Create an electronic repository for the storage of all financial disclosures made by such ~~taxing districts~~ Taxing Districts; and,
 - (2) ~~Shall cause~~ Cause to be published on each regularly issued real estate tax bill the website address which provides electronic access to taxpayers and other interested parties of such financial disclosures by such ~~taxing districts~~ Taxing Districts.
- (f) Publication of disclosures. The Office of the Cook County Treasurer may, in the sole discretion of the Cook County Treasurer:
- (1) Publish, on the Cook County Treasurer's official website, the names of any Taxing Districts that have failed to comply fully with the requirements of this Ordinance; and
 - (2) Publish from time to time (but in no event more frequently than twice per calendar year) in one or more newspapers having a circulation within Cook County (i) any disclosures provided by Taxing Districts pursuant to this Ordinance and/or (ii) the names of any Taxing Districts that have failed to comply fully with the requirements of this Ordinance.

Effective Date: This Ordinance Amendment shall be effective on February 1, 2011.

***Referred to the Finance Subcommittee on Pension on January 4, 2011.**

Cook County Treasurer Maria Pappas delivered remarks and answered questions from the Commissioners.

Treasurer Pappas requested that Chairman Gainer enter into the record Municipal Code 65 ILS 5/3.1-35-60, 65 ILS 5/3.1-35-65, 65 ILS 5/3.1-35-70, 65 ILS 5/3.1-35-75, 65 ILS 5/3.1-35-80, and 65 ILS 5/3.1-35-85.

Chairman Gainer stated that for the next Finance Subcommittee on Pension meeting she would supply information regarding the return on the County's pension fund's investments.

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Commissioner Suffredin, seconded by Commissioner Tobolski, moved the approval of Communication No. 310520. The motion carried.

Commissioner Schneider moved to adjourn the meeting, seconded by Vice Chairman Goslin. The motion carried and the meeting was adjourned.

YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION
WITH REGARD TO THE MATTER NAMED HEREIN:

Communication Number 310520

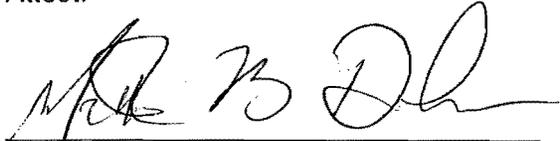
Approved

Respectfully Submitted,
Finance Subcommittee on Pension



Bridget Gainer, Chairman

Attest:



Matthew B. DeLeon, Secretary

The transcript for this meeting is available in the Office of the Secretary to the Board, 118 North Clark Street, Room 567, Chicago, IL 60602.

Library References

Municipal Corporations ⇨170, 380.
WESTLAW Topic No. 268.
C.J.S. Municipal Corporations §§ 545, 1880.

5/3.1-35-60. Treasurer; receipts and expenditures

§ 3.1-35-60. Treasurer; receipts and expenditures. The municipal treasurer shall report to the corporate authorities, as often as they require, a full and detailed account of all receipts and expenditures of the municipality, as shown by the treasurer's books, up to the time of the report.

Laws 1961, p. 576, § 3.1-35-60, added by P.A. 87-1119, § 2, eff. May 13, 1993.
Formerly Ill.Rev.Stat., ch. 24, § 3.1-35-60.

Historical and Statutory Notes

For purpose of P.A. 87-1119, see note following 65 ILCS 5/3.1-5-5.

Prior Laws:

Laws 1871-72, p. 218, Art. VII, § 10.
S.H.A. ch. 24, § 110.
Laws 1941, vol. 2, p. 19, § 9-62.

Laws 1947, p. 542, § 1.
Laws 1957, p. 337, § 1.
S.H.A. ch. 24, § 9-62.
Laws 1961, p. 576, § 3-10-5.
Laws 1963, p. 2160, § 1.
Ill.Rev.Stat.1991, ch. 24, § 3-10-5.
65 ILCS 5/3-10-5 (1992).

Cross References

Property taxes.

County collector, due date for payments to other authorities, see 35 ILCS 200/20-140.
Township collector, payment to taxing districts, see 35 ILCS 200/20-50.

Library References

Municipal Corporations ⇨885.
WESTLAW Topic No. 268.
C.J.S. Municipal Corporations § 1885.

5/3.1-35-65. Treasurer; annual accounts

§ 3.1-35-65. Treasurer; annual accounts.

(a) Within 6 months after the end of each fiscal year, the treasurer of each municipality having a population of less than 500,000, as determined by the last preceding federal census, shall annually prepare and file with the clerk of the municipality an account of moneys received and expenditures incurred during the preceding fiscal year as specified in this Section. The treasurer shall show in the account:

(1) All moneys received by the municipality, indicating the total amounts, in the aggregate, received in each account of the municipality, with a general statement concerning the source of receipts. In this paragraph, the term "account" does not mean each individual taxpayer, householder, licensee, utility user, or other persons whose payments to the municipality are credited to a general account.

(2) Except as provided in paragraph (3) of this subsection (a), all moneys paid out by the municipality during the fiscal year exceeds \$2,500 in the aggregate, giving the name of each person to whom moneys were paid and the total paid to each person.

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(3) All moneys paid out by the municipality as compensation for personal services, giving the name of each person to whom moneys were paid and the total amount paid to each person from each account.

(4) A summary statement of operations for all funds and account groups of the municipality, as excerpted from the annual financial report as filed with the appropriate State agency.

(b) Upon receipt of the account from the municipal treasurer, the municipal clerk shall publish the account at least once in one or more newspapers published in the municipality or, if no newspaper is published in the municipality, then in one or more newspapers having a general circulation within the municipality. In municipalities with a population of less than 500 in which no newspaper is published, however, publication may be made by posting a copy of the account in 3 prominent places within the municipality.

Laws 1961, p. 576, § 3.1-35-65, added by P.A. 87-1119, § 2, eff. May 13, 1993. Amended by P.A. 89-63, § 5, eff. June 30, 1995. Formerly Ill.Rev.Stat., ch. 24, § 3.1-35-65.

Historical and Statutory Notes

For purpose of P.A. 87-1119, see note following 65 ILCS 5/3.1-5-5.

Laws 1961, p. 576, § 3-10-5.1, added by Laws 1963, p. 2160, § 1. P.A. 84-640, § 1. P.A. 85-1178, § 1. Ill.Rev.Stat.1991, ch. 24, § 3-10-5.1. 65 ILCS 5/3-10-5.1 (1992).

Prior Laws:

Laws 1961, p. 3265, § 1. S.H.A. ch. 24, § 1201.1

Cross References

Property taxes.

County collector, due date for payments to other authorities, see 35 ILCS 200/20-140. Township collector, payment to taxing districts, see 35 ILCS 200/20-50.

Library References

Municipal Corporations ¶885. WESTLAW Topic No. 268. C.J.S. Municipal Corporations § 1385.

Notes of Decisions

Publication 2 Purpose 1

1. Purpose

Object of Laws 1871-72, p. 218, art. VII, § 10, was to secure a publication of such report that the inhabitants might know how the money was expended, and the city clerk was only made a means for causing such publication and the fact that he may have caused its publication or that some other officer of the city may have done so, made no difference. Cassidy v. Kirkpatrick, 1921, 211 Ill.App. 196.

2. Publication

Provision requiring city clerk to publish treasurer's report in a newspaper published in the city creates an unquestioned obligation upon the clerk and does not require that the council first act either in making an appropriation to pay expenses thereof or in authorizing liability against city. People ex rel. Ledbetter v. Hadfield, App.1942, 45 N.E.2d 45, 315 Ill.App. 245.

The word "shall" relative to publication by clerks, must be given its common and ordinary meaning as construed in an imperative sense. People ex rel. Ledbetter v. Hadfield, App.1942, 45 N.E.2d 45, 316 Ill.App. 245.

5/3.1-35-70. Treasurer; copy of report filed with collector

§ 3.1-35-70. Treasurer; copy of report filed with collector. Within 6 months after the end of each fiscal year the treasurer of each municipality, as

provided in Section 3.1-35-65, shall file with each town or county collector of taxes who collects taxes levied by the municipality a copy of the annual account that is required to be filed with and published by the municipal clerk, as provided in Section 3.1-35-65, together with an affidavit of the municipal clerk stating that the copy is a true and correct copy of the annual account filed with the clerk, that it was published or posted as required by Section 3.1-35-65, the date of the filing and publication or posting, and, if published, the newspaper in which it was published.

Laws 1961, p. 576, § 3.1-35-70, added by P.A. 87-1119, § 2, eff. May 13, 1993.
Formerly Ill.Rev.Stat., ch. 24, § 3.1-35-70.

Historical and Statutory Notes

For purpose of P.A. 87-1119, see note following 65 ILCS 5/3.1-5-5.

Laws 1961, p. 576, § 3-10-5.2, added by Laws 1963, p. 2160, § 1.

Prior Laws:

Laws 1961, p. 3265, § 2.
S.H.A. ch. 24, § 1201.2.

P.A. 84-640, § 1.

Ill.Rev.Stat.1991, ch. 24, § 3-10-5.2.

65 ILCS 5/3-10-5.2 (1992).

Cross References

Property taxes.

County collector, due date for payments to other authorities, see 35 ILCS 200/20-140.

Township collector, payment to taxing districts, see 35 ILCS 200/20-50.

Library References

Municipal Corporations Ⓢ885.

WESTLAW Topic No. 268.

C.J.S. Municipal Corporations § 1885.

5/3.1-35-75. Treasurer; failure to file account

§ 3.1-35-75. Treasurer; failure to file account. If a municipal treasurer fails to file the annual account and affidavit with the town or county collector within 6 months after the end of a fiscal year as required by Section 3.1-35-70, the town or county collector, as the case may be, shall withhold payment to the treasurer of any and all moneys due the municipality after the expiration of that 6 month period and until the annual account and affidavit are received by the collector. The failure of a municipal treasurer or municipal clerk to comply with the provisions of Sections 3.1-35-65 and 3.1-35-70 within 6 months after the end of a fiscal year shall not preclude the treasurer or clerk or the other officers of the municipality from preparing, publishing or posting, and filing the annual account and affidavit after the expiration of that 6 month period. If the clerk, treasurer, or other officers later comply with the provisions of this Division 35, the town or county collector, as the case may be, shall pay over to the municipal treasurer the moneys withheld by the collector immediately upon the filing of the annual account and affidavit with the collector.

Laws 1961, p. 576, § 3.1-35-75, added by P.A. 87-1119, § 2, eff. May 13, 1993.
Formerly Ill.Rev.Stat., ch. 24, § 3.1-35-75.

Historical and Statutory Notes

For purpose of P.A. 87-1119, see note following 65 ILCS 5/3.1-5-5.

Prior Laws:

Laws 1961, p. 3265, § 4

S.H.A. ch. 24, ¶ 1201.4. P.A. 84-640, § 1.
Laws 1961, p. 576, § 3-10-5.3, added by Ill.Rev.Stat.1991, ch. 24, ¶ 3-10-5.3.
Laws 1963, p. 2160, § 1. 65 ILCS 5/3-10-5.3 (1992).

Cross References

Property taxes.
County collector, due date for payments to other authorities, see 35 ILCS 200/20-140.
Township collector, payment to taxing districts, see 35 ILCS 200/20-50.

Library References

Municipal Corporations ¶ 170, 385.
WESTLAW Topic No. 268.
C.J.S. Municipal Corporations §§ 545, 1835.

5/3.1-35-80. Violations and penalties

§ 3.1-35-80. Violations and penalties. A public officer who fails, neglects, or refuses to discharge any duty imposed on that officer by Sections 3.1-35-65 through 3.1-35-75, or who violates any provisions of Sections 3.1-35-65 through 3.1-35-80, is guilty of a petty offense and upon conviction shall be fined not less than \$25 nor more than \$100, in addition to any other penalties prescribed by law.

Laws 1961, p. 576, § 3.1-35-80, added by P.A. 87-1119, § 2, eff. May 13, 1993.
Formerly Ill.Rev.Stat., ch. 24, ¶ 3.1-35-80.

Historical and Statutory Notes

For purpose of P.A. 87-1119, see note following 65 ILCS 5/3.1-5-5. Laws 1961, p. 576, § 3-10-5.4, added by Laws 1963, p. 2160, § 1.

Prior Laws:

Laws 1961, p. 3265, § 5. P.A. 77-2500, § 1.
S.H.A. ch. 24, ¶ 1201.5. Ill.Rev.Stat.1991, ch. 24, ¶ 3-10-5.4.
65 ILCS 5/3-10-5.4 (1992).

Cross References

Property taxes.
County collector, due date for payments to other authorities, see 35 ILCS 200/20-140.
Township collector, payment to taxing districts, see 35 ILCS 200/20-50.

Library References

Municipal Corporations ¶ 174, 1041.
WESTLAW Topic No. 268.
C.J.S. Municipal Corporations §§ 549, 2215.

5/3.1-35-85. Treasurer; special assessment funds

§ 3.1-35-85. Treasurer; special assessment funds. All money received on a special assessment shall be held by the municipal treasurer as a special fund to be applied to the payment of the improvement for which the assessment was made, and the money shall be used for no other purpose, except to reimburse the municipality for money expended for the improvement.

Laws 1961, p. 576, § 3.1-35-85, added by P.A. 87-1119, § 2, eff. May 13, 1993.
Formerly Ill.Rev.Stat., ch. 24, ¶ 3.1-35-85.