

APPROVE SETTLEMENT OF THE BOARD OF TRUSTEES OF THE PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO v. BOARD OF EDUCATION OF THE CITY OF CHICAGO
CASE NO. 09 CH 25730

THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

DESCRIPTION:

The Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago ("Board of Trustees") filed a complaint asserting the Board of Education of the City of Chicago ("Board of Education") failed to provide and certify certain payroll-related data pursuant to 40 ILCS 5/17-132 ("Litigation") and has asserted its intention to file an amended complaint asserting that the Board of Education has continued to violate 40 ILCS 5/17-132 as amended on July 1, 2011 ("Amended Litigation"). The Board of Education has denied liability for either claim and has negotiated a settlement, subject to Board of Education approval, wherein the Board of Education will pay the Board of Trustees the sum of \$300,000.00 and create an automated computer system in exchange for the agreement by the Board of Trustees to: dismiss the Litigation, waive the right to file the Amended Litigation, and work collaboratively with the Board of Education to create the automated computer system. The settlement agreement will permit recovery of attorney's fee in the event of a breach.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: Charge to the General Fund for non-tort legal settlements, Account #12470-115-54530-231122-000000
FY 2012 \$300,000.00

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement(s), and all ancillary documents related thereto, including the details of the implementation plan.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26,1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

APPROVED,



PATRICK J. ROCKS
General Counsel *WRM*

WITHIN APPROPRIATION:



DAVID WATKINS
Chief Financial Officer