

September 26, 2018

APPROVE SETTLEMENT OF CLAIMS WITH THE BOARD OF TRUSTEES OF THE PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO AGAINST THE BOARD OF EDUCATION OF THE CITY OF CHICAGO AND SATISFY JUDGMENT FOR THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN CASE NO. 10 CH 29362

THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

DESCRIPTION: The Public School Teachers' Pension and Retirement Fund of Chicago v. the Board of Education of the City of Chicago has threatened to commence litigation seeking to recover allegedly delinquent contributions for the period of fiscal years 2014 through 2016, interest, penalties, fees and costs from the Board of Education of the City of Chicago. The Board denies that it is delinquent. Additionally, the Board obtained a judgment in the amount of \$10,449,000 against the Board of Trustees in Case No. 10 CH 29362, which judgment remains unsatisfied. The Board and the Trustees have agreed to resolve their disputes by payment to the Board of Trustees from the Board of Education of \$14,300,000.00, which will satisfy all claims for delinquent contributions, penalties, interest and costs made by the Board of Trustees and satisfy the judgment in favor of the Board of Education in Case No. 10 CH 29362.

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

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

FINANCIAL: Charge \$14,300,000.00 to Department of Finance
Budget Classifications Fiscal Year 2019.....12470-115

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

GENERAL CONDITIONS:

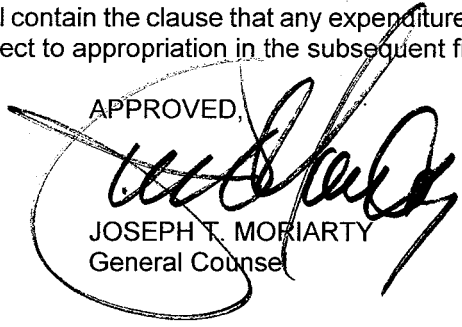
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel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

JOSEPH T. MORIARTY
General Counsel