



## ***DUPAGE MAYORS AND MANAGERS CONFERENCE***

*an association of municipalities representing over 1,000,000 people*

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### **DuPAGE OFFICIALS APPLAUD SIGNING OF PENSION REFORM BILL**

A year-long effort by municipal officials in DuPage County to reform the ethics, regulations, and transparency of public safety pension systems reached success with the Governor signing House Bill 5088 into law on August 29. Along with city and village officials and municipal organizations across the state, the DuPage Mayors and Managers Conference made pension reform its top legislative priority for 2008.

“Municipalities are constantly forced by the state legislature to accept police and fire pension increases that raise costs to local residents and divert limited resources from other needs,” explained Lisle Mayor Joe Broda, President of the Conference. “But these pension systems have not had effective ethics, oversight or reporting responsibilities.”

Municipal public safety pension systems are administered by a board comprised mostly of police officers and firefighters. In effect, decisions on pension matters affecting police officers and firefighters are made by police officers and firefighters. “Without affecting members’ pension benefits, we believe these reform measures were needed to make these pension systems more accountable to the public,” said Addison Mayor Larry Hartwig, Director of the Conference’s Legislative Committee.

House Bill 5088 introduces the following provisions into the police and firefighter pension systems:

- Ethics requirements for pension fund fiduciaries;
- Contractual disclosure requirements for vendors seeking business with police and firefighter pension funds;
- Public transparency of pension fund performance;

- Anti-fraud protection for pension awards;
- Verification of pension payment calculations to avoid benefit award errors;
- More detailed fiscal notes on introduced pension legislation;
- Publication of pension study every two years by the Commission on Governmental Forecasting and Accountability that includes an analysis of the factors that have caused unfunded liability;
- More frequent pension audits by the Illinois Department of Financial and Professional Regulation.

These basic reform issues are welcome improvements, but more is needed. “The legislature must reinstate the ‘agreed bill’ process, whereby the public safety unions and the municipalities must agree on any pension increases or sweeteners approved by the legislature,” suggested Broda. “When the legislature approves an increase, they don’t have to pay for it – our residents have to pay for it. On behalf of those residents, we need to be part of this process.”

Founded in 1962, the DuPage Mayors and Managers Conference is a council of 34 municipalities representing over 1,000,000 people. For more information on the Conference, visit [www.dmmc-cog.org](http://www.dmmc-cog.org) or call (630) 571-0480.

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