

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **SB 1179, as amended by SA 1** March 6, 2007

SPONSOR (S): Link

SYSTEM(S): Metropolitan Water Reclamation District Pension Fund

FISCAL IMPACT: SB 1179, as amended by SA 1, will not have a substantial impact on the underlying bill and will not impact MWRD's contributions to its OPEB trust funds.

SUBJECT MATTER: SB 1179, as amended by SA 1, retains the underlying bill and adds a requirement that an OPEB trustee shall adopt an investment policy consistent with the standards articulated in the Public Funds Investment Act. In addition, the bill specifies that the OPEB trust investment policy shall provide for the availability of training for Board members.

FISCAL IMPACT: SB 1179, as amended by SA 1, will not have a substantial impact on the underlying bill and will not impact MWRD's contributions to its OPEB trust funds.

COMMENT: Section 2.5 of the Public Funds Investment Act (30 ILCS 235/2.5) calls for a public agency to adopt a written investment policy. The level of detail and complexity of the investment policy shall be appropriate to the nature of the funds. The policy shall address safety of principal, liquidity of funds, and return on investment and shall require that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due.

DH:dkb
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