

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

**Amended Ethics Policy
Adopted: February 24, 2010
Revised 05/26/2021**

PREAMBLE

WHEREAS, the Illinois General Assembly enacted the State Officials and Employees Ethics Act (Public Act 93-615, effective November 19, 2003, as amended by Public Act 93-617, effective December 9, 2003, and as amended by Public Act 96-0006, effective April 3, 2009, hereinafter collectively referred to as the "Act"), which is a comprehensive revision of State statutes regulating ethical conduct, political activities and the solicitation and acceptance of gifts by public officials, fiduciaries, and Employees; and

WHEREAS, the Act requires all units of local government and retirement systems to adopt resolutions or policies regulating the political activities of, and the solicitation and acceptance of gifts by, the Trustees and Employees of such units "in a manner no less restrictive" than the provisions of the Act; and

WHEREAS, it is the clear intention of the Act to require public entities to implement regulations that are at least as restrictive as those contained in the Act, and to promote the highest ethical conduct expected of fiduciaries who are responsible for the expenditure of public funds and the protection of retirement benefits;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO RETIREMENT FUND, AS FOLLOWS:

ARTICLE 1 – DEFINITIONS

For purposes of this Resolution, the following terms shall be given these definitions:

"Board of Trustees" means the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund, which is created, set apart, maintained and administered, in a manner prescribed by Illinois Statute (40 ILCS 5/13).

"Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, (iii) relating to an Employee's election to the Board of Trustees, or (iv) that are otherwise in furtherance of the person's official duties.

"Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in Section 1-3 of the Election Code (10 ILCS 5/1-3).

"Collective bargaining" has the same meaning as that term is defined in Section 3 of the Illinois Public Labor Relations Act (5 ILCS 315/3).

"Compensated time" means, with respect to an Employee, any time worked by or credited to the Employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this Resolution, does not include any designated holidays, vacation periods, personal time, compensatory time off or any period when the Employee is on a leave of absence. With respect to Trustees or Employees whose hours are not fixed, "compensated time" includes any period of time when the Trustee is on premises under the control of the employer

and any other time when the Trustee or Employee is executing his or her official duties, regardless of location.

“Compensatory time off” means authorized time off earned by or awarded to an Employee to compensate in whole or in part for time worked in excess of the minimum work time required of that Employee as a condition of his or her employment.

“Contribution” has the same meaning as that term is defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4).

“District” means the Metropolitan Water Reclamation District of Greater Chicago, an Illinois special district and unit of local government, whose Employees and retirees are served by the MWRD Retirement Fund.

“Employee” means a person employed by the MWRD Retirement Fund, whether on a full-time or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of the Employer with regard to the material details of how the work is to be performed, but does not include an independent contractor.

“Employer” means the MWRD Retirement Fund.

“Executive Director” means the Executive Director of the MWRD Retirement Fund

“Gift” means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of a Trustee or Employee.

“Leave of absence” means any period during which an Employee does not receive (i) compensation for employment, (ii) service credit towards pension benefits, and (iii) health insurance benefits paid for by the Employer.

“Political activity” means any activity in support of or in connection with any campaign for elective office, except for election as a Trustee of the Fund, or for any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action, (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official duties.

“Political organization” means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Election Code (10 ILCS 5/9-3), but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

“Prohibited political activity” means:

- (a) Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
- (b) Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
- (c) Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
- (d) Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- (e) Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.

- (f) Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.
- (g) Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
- (h) Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
- (i) Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
- (j) Preparing or reviewing responses to candidate questionnaires.
- (k) Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
- (l) Campaigning for any elective office or for or against any referendum question.
- (m) Managing or working on a campaign for elective office or for or against any referendum question.
- (n) Serving as a delegate, alternate, or proxy to a political party convention.
- (o) Participating in any recount or challenge to the outcome of any election.

“Prohibited source” means any person or entity:

- (a) seeking official action (i) by a Trustee or (ii) by an Employee, or by the Trustee or another Employee directing that Employee;
- (b) doing business or seeking to do business (i) with the Trustee or (ii) with an Employee, or with the Trustee or another Employee directing that Employee;
- (c) conducting activities regulated (i) by the Trustee or (ii) by an Employee, or by the Trustee or another Employee directing that Employee;
- (d) with interests that may be substantially affected by the performance or non-performance of the official duties of the Trustee or Employee; or
- (e) that is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a Prohibited Source does not become a Prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors.

“Senior Staff” means those Employees who are fiduciaries under the Illinois Pension Code, including but not limited to the Executive Director, Operations Manager, and Financial Analyst.

“Spouse” means a party to a lawful marriage, civil union, or domestic partnership.

“Trustee” means a person who holds by election or appointment the office of Trustee created by statute (40 ILCS 5/13-701), regardless of whether the individual is compensated for service in his or her official capacity as a member of the Board of Trustees.

ARTICLE 2 – CODE OF CONDUCT

Section 2-1. Trustees and Employees shall comply with the Board of Trustees’ Bylaws and Rules, as amended, including but not limited to Article VIII (Ethics Requirements), this Resolution, and all applicable provisions of the Illinois Pension Code.

Section 2-2. Trustees and Senior Staff owe a fiduciary duty to the MWRD Retirement Fund and shall act consistently with that duty, including but not limited to: (a) in good faith; (b) in the best interest of the MWRDRF Retirement Fund and its participants and beneficiaries; (c) with prudence

and reasonable care; (d) with skill, competence, and diligence; and (e) fairly, objectively, and impartially with all participants and beneficiaries.

Section 2-3. Trustees and Employees shall respect and protect privileged and confidential information to which they have access by virtue of their position as Trustees or Employees.

Section 2-4. Trustees shall recuse themselves whenever a matter comes before the Board of Trustees as to which a conflict, a potential conflict, or the appearance of a conflict of interest may exist, unless, after full disclosure at a public Board of Trustees' meeting of the facts underlying the appearance of a conflict, the Board of Trustees determines that no conflict or potential conflict exists. A Trustee shall not vote on matters as to which a conflict or potential conflict of interest exists.

ARTICLE 3 – PROHIBITED POLITICAL ACTIVITIES

Section 3-1. No Trustee or Employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No Trustee or Employee shall intentionally use any property or resources of the MWRD Retirement Fund or the District in connection with any prohibited political activity.

Section 3-2. At no time shall any Trustee or Employee intentionally require any other Trustee or Employee to perform any prohibited political activity (i) as part of that Trustee or Employee's duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as holidays, vacation or personal time off).

Section 3-3. No Trustee or Employee shall be required at any time to participate in any prohibited political activity in consideration for that Trustee or Employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any Trustee or Employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

Section 3-4. Any Contributions made by a person who has done business, is doing business with, or is seeking to do business with the MWRD Retirement Fund shall be made in accordance with the provisions of the Election Code, 10 ILCS 5/1-1 *et seq.*, as amended, and Section 206 of the Investment Advisers Act of 1940 and SEC Rule 206(4)-5 (16 CFR 275.206(4)-5).

Section 3-5. Nothing in this Article prohibits activities that are permissible for a Trustee or Employee to engage in as part of his or her official duties, including duties or activities related to the annual election for Trustee, together with those provided in the MWRD Retirement Fund Rules of Election, or activities that are undertaken by a Trustee or Employee on a voluntary basis which are not prohibited by this Resolution. Nothing in this Resolution shall apply to or restrict the Rules of Election used for Employee-Trustees.

Section. 3-6. No person in a position that is subject to recognized merit principles of public employment shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

ARTICLE 4 – GIFT BAN

Section 4-1. Gift Ban. Except as permitted by this Article, no Trustee or Employee, and no Spouse of or immediate family member living with any Trustee or Employee (collectively referred to herein as "recipients"), shall intentionally solicit or accept any gift from any Prohibited Source, as defined herein, or which is otherwise prohibited by law, resolution or otherwise. No Prohibited Source shall intentionally offer or make a gift that violates this Section.

Section 4-2. Exceptions. Section 3-1 is not applicable to the following:

- (a) Opportunities, benefits, and services that are available on the same conditions as for the general public.
- (b) Anything for which the Trustee or Employee, or his or her Spouse or immediate family member, pays the fair market value.
- (c) Any (i) contribution that is lawfully made under the Election Code or (ii) activities associated with a fundraising event in support of a political organization or candidate.
- (d) Educational materials.
- (e) A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, and including the father, mother, grandfather, or grandmother of the individual's Spouse and the individual's fiancé or fiancée.
- (f) Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her Spouse or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as: (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals; (ii) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (iii) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other Trustees or Employees, or their Spouses or immediate family members.
- (g) Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to consume which are delivered by any means.
- (h) Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of a Trustee or Employee), if the benefits have not been offered or enhanced because of the official position or employment of the Trustee or Employee, and are customarily provided to others in similar circumstances.
- (i) Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intra-governmental gift" means any gift given to a Trustee or Employee from another Trustee or Employee, and "inter-governmental gift" means any gift given to a Trustee or Employee by a Trustee or Employee of another governmental entity.
- (j) Bequests, inheritances, and other transfers at death.
- (k) Any item or items from any one Prohibited Source during any calendar year having a cumulative total value of less than \$100.

An educational mission and travel expenses for a meeting to discuss State business are not exceptions to the Gift Ban.

Each of the exceptions listed in this Section is mutually exclusive and independent of every other.

Section 4-3. Disposition of gifts. A Trustee or Employee, his or her Spouse or an immediate family member living with the Trustee or Employee, does not violate this Resolution if the recipient promptly takes reasonable action to return a gift from a Prohibited Source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded.

ARTICLE 5 – ETHICS OFFICER

Section 5-1. The Executive Director shall be designated as the Ethics Officer for the MWRD Retirement Fund. When an ethics question arises that relates to or involves the Executive Director, the duties of the Ethics Officer shall be delegated to a Trustee.

Section 5-2. The Ethics Officer shall provide guidance to the Trustees and Employees of the MWRD Retirement Fund concerning the interpretation of and compliance with the provisions of this Resolution and State ethics laws. The Ethics Officer shall perform such other duties as may be delegated by the Board of Trustees.

ARTICLE 6 – PROHIBITION ON MONETARY GAIN FROM MWRD RETIREMENT FUND INVESTMENTS

No Trustee or Employee or such Trustee’s or Employee’s Spouse shall knowingly have any direct interest in the income, gains, or profits of any investment made on behalf of the MWRD Retirement Fund, or receive any compensation or anything of value for services in connection with any investment. No Trustee or Employee or such Trustee’s or Employee’s Spouse shall become an endorser or surety, or in any manner an obligor for money loaned or borrowed from the MWRD Retirement Fund. For the purposes of this Section, an annuity otherwise provided in accordance with the Illinois Pension Code or any income, gains, or profits related to any non-controlling interest in any public securities, mutual fund, or other passive investment is not considered monetary gain on investments. A violation of this provision is a Class 3 felony.

ARTICLE 7 – PROHIBITION ON FRAUDULENT STATEMENTS

No Trustee or Employee shall knowingly make any false statement or falsify or permit to be falsified any record of the MWRD Retirement Fund in an attempt to defraud the MWRD Retirement Fund. A violation of this provision is a Class 3 felony.

ARTICLE 8 – PROHIBITION ON CONTINGENT AND PLACEMENT FEES

No Trustee or Employee shall retain a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of the MWRD Retirement Fund for compensation, contingent in whole or in part upon the decision or procurement.

ARTICLE 9 – PENALTIES

- (a) In addition to any other applicable penalty, whether criminal, statutory or civil, an Employee who intentionally violates any provision of this Resolution is subject to discipline or discharge.
- (b) In addition to any other applicable penalty, whether criminal, statutory or civil, a Trustee who intentionally violates any provision of this Resolution may be subject to appropriate sanctions, including but not limited to, public censure or requested resignation by the Board of Trustees.
- (c) Nothing in this Resolution shall preclude the MWRD Retirement Fund from maintaining an action against any person in violation of this Resolution or law, including but not limited to, recovering damages.

ARTICLE 10 - STATEMENT OF ECONOMIC INTEREST

All Trustees, as certified by the MWRD Retirement Fund Executive Director every February 1, and any other Employee designated by the Board of Trustees shall file with the Cook County Clerk, on

or before every May 1, a verified written statement of economic interest meeting the requirements of Section 4A-102 of the Illinois Governmental Ethics Act, 5 ILCS 420/4A-102. If an Employee designated by the Board of Trustees to file a statement of economic interest is not otherwise required to file such a statement with the Cook County Clerk, the statement will be submitted to the Board of Trustees. If a Trustee or designated Employee is required to file a statement of economic interest in any other capacity, only one statement containing the necessary information relating to all capacities needs to be filed with the Cook County Clerk. Failure to file an accurate and timely statement of economic interest can result in the Trustee's ineligibility for office.

ARTICLE 11 - ETHICS TRAINING

All Trustees shall attend annual ethics training of at least eight (8) hours. Such training shall include training on ethics, fiduciary duty, investments, and any other curriculum important to the administration of the MWRD Retirement Fund, as approved by the Board of Trustees. The Board of Trustees shall certify annually each Trustee's compliance with this requirement by submitting a certification to the Division of Insurance of the Illinois Department of Financial and Professional Regulation, or other designated State entity.

ARTICLE 12 -TRAVEL

Travel and related expenses for attending authorized educational and organizational conferences must be approved by a majority of the Board of Trustees prior to the travel or attendance at the education and organizational conferences or seminars, and must be in conformance with any travel or educational reimbursement policy adopted by the MWRD Retirement Fund. Only education conferences and seminars relating primarily to the MWRD Retirement Fund's business or administration shall be reimbursable. Additionally, if the reimbursement relates to an educational conference or seminar, the Trustee or Employee must provide a copy of the sponsor's certificate of attendance, if a certificate is available, or must certify that she or he attended at least 75% of the workshops or sessions available, unless good cause is shown for the Trustee's absence.

ARTICLE 13 - EFFECTIVE DATE

This Amended Resolution shall become effective immediately upon its passage.

DATED: June 1, 2021

APPROVED:



Board of Trustees of the MWRD Retirement Fund

Approved as to Form and Legality



JOSEPH M. BURNS
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