

Toronto Civic Employee's Pension and Benefit Fund - Representation on the Pension Committee

(City Council on December 14, 15 and 16, 1999, adopted this Clause, without amendment.)

The Administration Committee recommends the adoption of the following report (November 1, 1999) from the Chief Financial Officer and Treasurer:

Purpose:

To enable substitution of a pensioner representative on the Civic Pension Committee when no active members are nominated to sit on the Committee and to adjust employer representation to reflect Council's appointment of two Councillors to the Committee.

Financial Implications and Impact Statement:

None.

Recommendations:

It is recommended that:

- (1) Section 15(6) of By-law 380-74 be amended to provide that in any year when an active employee group is unable to nominate a candidate to the Civic Pension Committee administering the Toronto Civic Employees' Pension and Benefit Fund, that an additional pensioner representative be appointed to the Committee upon nomination by the Toronto Civic Pensioner Protective Association (TCCPA) ;
- (2) Alfred Webb be appointed as the additional Pensioners' Representative for the year 1999 to the vacant Local 43/416 position;
- (3) David Bailey be appointed as the Alternate Pensioners' Representative to replace William McCourt who has passed away;
- (4) the employer representative position allotted to the City Solicitor on the Toronto Civic Employees' Pension and Benefit Fund and the Toronto Fire Department Superannuation and Benefit Fund be replaced by an additional Council member; and
- (5) the appropriate civic officials be authorized to take whatever action is necessary to implement these recommendations.

Background:

The Civic Pension Committee is the administrator of the Toronto Civic Employees' Pension and Benefit Fund. This pension plan currently covers 50 active employees originally hired prior to July 1, 1968, and has 2,500 retirees and spouses. The Committee composition as set out in By-law 380-74, consists of four member representatives and alternates, four employer representatives and an independent member appointed by Council upon the recommendation of the Committee.

The member representatives include one employee and an alternate from each of Local 43 (now 416), Local 79, and the APS group (who are also members of the Plan), one retiree representative and an alternate nominated by the Toronto Civic Pensioners' Protective Association.

Comments:

Over the past 10 years, as members have retired, it has been increasingly difficult to fill all the active member positions. In 1994, the Finance Department wrote to each employee group and all plan members describing the difficulties being faced with committee composition. A series of stakeholder meetings were held at that time however they failed to reach consensus on the preferred committee size and composition. Section 15(6) was added to the By-law in 1994 to provide continuity of the Committee in the event that an employee vacancy occurred which could not be filled.

Despite direct communication to each employee group and all active members of the plan, at the nomination meeting for the term 1998-1999, held February 19, 1998 in accordance with the provisions of Section 21 of By-law 380-74, there were no nominations from the members from Local 43. As a result for the past year, there has not been a representative from Local 43 /416. None of the three remaining employees in this affiliation who are eligible for membership on the Committee have expressed a desire to be nominated.

Concerned with the under-representation of plan members on the Committee, the Civic Pension Committee in December 1998, adopted a recommendation that as an interim measure, in any year when an active employee group is unable to nominate a member to the Committee, that an additional pensioner representative be appointed to the Committee upon the nomination of the Toronto Civic Pensioners' Protective Association. The position would revert to the employee group should they be able to nominate a candidate in a future year.

The Toronto Civic Pensioners' Protective Association in anticipation of approval of the recommendation by Council has written to the Secretary of the Fund nominating Civic pensioner Alfred Webb as the additional pensioner representative.

As well, due to the death of William McCourt, the current Alternate Pensioner Representative, the Toronto Civic Pensioners' Protective Association has written to nominate Civic pensioner, David Bailey to the Alternate Pensioner Representative vacancy.

The City's Striking Committee during the mid-term appointment process, nominated two Councillors to sit on each of the City's five pre-OMERS pension plan committees. In order to accommodate this while maintaining the employer-employee representative balance on the Toronto Civic Employees' Pension and Benefit Fund Committee and Toronto Fire Department Superannuation and Benefit Fund Committee, it is recommended that the employer representative position currently held by the City Solicitor be reallocated to the second Councillor. The City Solicitor would continue as legal advisor to the Funds in the same manner as with other pre-OMERS plans. This will eliminate the concern which the City Solicitor has expressed of potential conflict of interest when he is required to both provide advice about and vote on issues before the Committee.

Conclusion:

Balanced representation on the joint committee administering the Civic Fund has contributed to the effective operation and strong investment performance of the Fund. Implementing the recommendations contained in this report will enable the Committee to continue to build upon its success.

Contact:

Ivana Zanardo, Director, Pension, Payroll and Employee Benefits

Tel: 397-4143

Fax: 397-0835

Email: izanardo@city.toronto.on.ca