

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Special Meeting of the Administration Committee

Meeting No. 3

Monday, February 14, 2000.

The Administration Committee met on Monday, February 14, 2000, in Committee Room 3, 2nd Floor, City Hall, Toronto, commencing at 12:45 p.m.

Attendance

Members were present for some or all of the time periods indicated.

| | 12:45 p.m. – 1:20 p.m. | In Camera 1:20 p.m. - 1:58 p.m. | 2:00 p.m. - 3:10 p.m. |
|--|---------------------------|---------------------------------------|--------------------------|
| Councillor Lorenzo Berardinetti (Chair) | X | X | X |
| Councillor John Adams | --- | --- | --- |
| Councillor Gerry Altobello | X | X | X |
| Councillor Bas Balkissoon | X | X | X |
| Councillor Sandra Bussin (Vice Chair) | X | X | X |
| Councillor Doug Holyday | X | X | X |
| Councillor Doug Mahood | --- | --- | --- |
| Councillor David Miller | --- | --- | --- |
| Councillor Denzil Minnan-Wong | X | X | X |
| Councillor Ron Moeser | X | X | X |

**3.1 Administrative and Underwriting
Services for Employee Benefits.**

The Administration Committee had before it the following reports and communications:

- (i) (February 10, 2000) from the Benefits Carrier Working Group, reporting on the results of the meetings held of the Benefits Carrier Working Group; and recommending that:

Administration Committee Minutes
Monday, February 14, 2000

- (1) the following recommendations Nos. (1) and (3) contained in the report, dated May 10, 1999, from the Chief Financial Officer and Treasurer be adopted:
 - “(1) the Chief Financial Officer and Treasurer and the City Solicitor exercise the City=s rights to terminate existing agreements which provide for 30 days written notice for termination, with the present benefit plan carriers;” and
 - “(3) the Minister of Municipal Affairs and Housing be formally requested to amend the *Municipal Act* to reflect the Ministry=s current policy concerning municipal self-insurance of staff group health plans, by conferring an express power on municipalities to provide direct group accident and group sickness benefits with respect to employees without being subject to the Insurance Act, and in the interim the City continue to maintain and apply for its intended purpose, under the control of the Chief Financial Officer and Treasurer, an appropriate reserve (currently approximately \$100,000,000.00) to fund employee long-term disability benefits;”;
- (2) the City enter into an agreement with Manulife for the provision of underwriting and administrative services with respect to the Group Life, Long Term Disability, Extended Health Care and Dental Care benefit plans of the City in accordance with the terms and conditions outlined in the Request for Proposals issued on November 27, 1998, the Manulife proposal and otherwise on terms and conditions satisfactory to the Chief Financial Officer and Treasurer and in a form satisfactory to the City Solicitor;
- (3) the term of the agreement with Manulife, be for a one-year period effective March 1, 2000, with options to extend for additional one year terms but for no more than five years with administration fees guaranteed for a three year period;
- (4) the Benefits Carrier Working Group be renamed the Benefits Administration Advisory Group to assist the Chief Financial Officer and Treasurer and Director, Pension, Payroll and Employee Benefits in the implementation of the recommended benefit carrier and ongoing issues with respect to benefits administration; and

Administration Committee Minutes
Monday, February 14, 2000

- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect hereto;
- (ii) (July 15, 1999) from the City Clerk, advising that City Council, at its meeting held on July 6, 7 and 8, 1999, had before it Clause No. 1 of Report No. 7 of The Corporate Services Committee, headed Administrative and Underwriting Services for Employee Benefits and directed that the aforementioned Clause be struck out and referred to the Administration Committee for further consideration, and in addition, Council adopted the following recommendations:
- It is recommended that:
- (1) a working group, comprised of the following, be established to develop Terms of Reference and a process for the selection of a benefits carrier for City of Toronto employees:
- two Members of Council to be appointed by the Mayor;
 - the Chief Financial Officer and Treasurer;
 - representatives from the office of the Chief Administrative Officer;
 - one representative each from the following organizations:
 - Local No. 79;
 - Local No. 416;
 - the City of Toronto Administrative, Professional and Supervisory Association, Incorporated (COTAPSAI); and
 - the Toronto Firefighters= Association;
- (2) the working group be requested to submit its report to the Administration Committee within three months= time; and
- (3) in the interim, the existing benefits administration contracts continue.”;
- (iii) confidential report (February 10, 2000) from City Solicitor, respecting the legal implications of adoption of the recommendations embodied in the report (February 10, 2000) from the Benefits Carrier Working Group; and
- (iv) (February 11, 2000) from Ms. Anne Dubas, President, Canadian Union of Public Employees (CUPE) Local 79, advising that they have serious concerns with Recommendation No. (4) embodied in the report (February 10, 2000) from the Benefits Carrier Working Group in that it is Local 79’s understanding that the original group agreed that the Benefits Administration Advisory Group would

Administration Committee Minutes
Monday, February 14, 2000

have a broader role than simply to “assist” the City’s senior staff; and urging the Committee to defer consideration of the report until the Benefits Carrier Working Group can meet to draft Terms of Reference for its ongoing role as the Benefits Administration Advisory Group.

The Chief Financial Officer and Treasurer gave a presentation to the Administration Committee in connection with the foregoing matter.

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Ms. Anne Dubas, President, Canadian Union of Public Employees (CUPE) Local 79; and
- Councillor Howard Moscoe, North York Spadina.

On motion by Councillor Moeser the Administration Committee meet privately to discuss the following aforementioned matter having regard that the subject matter being considered is the receiving or advice that is subject to solicitor-client privilege, in accordance with the Municipal Act.

A. Councillor Bussin moved that the Administration Committee:

- (1) recommend to Council the adoption of Recommendations Nos. (1), (2), (3) and (5) embodied in the report (February 10, 2000) from the Benefits Carrier Working Group; and
- (2) refer Recommendation No. (4) embodied in the aforementioned report (February 10, 2000) from the Benefits Carrier Working Group, and the following amendment thereto proposed by COTAPSAI (City of Toronto Administrative, Professional Supervisory Association, Incorporated), to the Chief Financial Officer and Treasurer for report thereon to the meeting of the Administration Committee scheduled to be held on March 21, 2000:

Administration Committee Minutes
Monday, February 14, 2000

“(4) following the establishment of New Terms of Reference, the Benefits Carrier Working Group be renamed the Benefits Administration Advisory Group and meet the purpose of providing assistance to the Chief Financial Officer and Treasurer and Director, Pension, Payroll and Employee Benefits during the implementation of the recommended benefit carrier and thereafter to discuss and resolve ongoing issues with respect to benefits administration;”. **(Carried)**

B. Councill Moeser moved that:

- (i) the Administration Committee defer consideration of this matter until its meeting scheduled to be held on March 21, 2000; and
- (ii) the City Solicitor be requested to submit a report to the aforementioned meeting of the Administration Committee respecting the City’s legal implication regarding the adoption of this report; and Council’s resolutions respecting this matter;
- (iii) that the Chief Financial Officer be requested to submit a report to the aforementioned meeting of the Committee respecting the proposed amendment to Recommendation No. (4) by COTAPSAI; and
- (iv) the City Clerk be requested to submit a report to the Administration Committee on all Council resolutions pertaining to this matter. **(Lost)**

(Chief Financial Officer and Treasurer; c: Ms. Ivana Zanardo, Director, Pension, Payroll and Employee Benefits; City Solicitor; Ms. Anne Dubas, President, Canadian Union of Public Employees (CUPE) Local 79; President, City of Toronto Administrative, Professional Supervisory Association, Incorporated – February 14, 2000)

(Clause No. 1 – Report No. 5)

- 6 -

Administration Committee Minutes
Monday, February 14, 2000

The Committee adjourned its meeting at 3:10 p.m.

Chair