

Appointment to OMERS Administration Corporation Board

Date:	October 9, 2008
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

The City of Toronto needs to appoint a person to serve on the board of the OMERS Administration Corporation (AC) before December 31, 2008, for a term of office expiring December 31, 2011. The AC board consists of 14 members of which one is to be appointed by the City of Toronto as an Employer member. The 14 members are split evenly between the Employer and the Employee members, with each appointee having one vote.

Cameron Weldon is currently the City's representative on the AC. He was appointed by the Province, by an Order in Council, in June 2006 for a term to expire December 31, 2008. The OMERS Sponsors Corporation (SC) is currently reviewing the composition of the AC as well as the method of choosing its members. They are expected to enact a by-law respecting this matter, which would take effect no earlier than June 30, 2009.

Cameron Weldon has served on the AC for two years. There is a significant investment, both by OMERS and the individual, in ensuring that each AC member is knowledgeable in the pension plan and pension governance. It is therefore appropriate that Cameron Weldon be reappointed to the AC for the next term or until the by-law is changed by the SC, whichever is earlier.

When City Council nominated a member to the predecessor OMERS SC transitional board in May 2006, it authorized the City Manager to identify a candidate and submit the name to the Province on behalf of the City. Council recognized that this was a unique situation that does not fit the profile for our standard board appointments processes, in

particular because of the specialized knowledge requirements and the need to move quickly because of time constraints.

This is a similar appointment, which also has time constraints. Because these time constraints could arise again should the City's appointee cease to be a member, it is appropriate that the City Manager be delegated the authority to identify and appoint a candidate to the OMERS AC board on an ongoing basis.

As is the case with the OMERS SC, City Council could remove the City's appointee to the OMERS AC at any time should it choose to do so.

RECOMMENDATIONS

The City Manager recommends:

1. the reappointment of Cameron Weldon to the Administration Corporation for a term of three years, subject to Section 33 of the OMERS Act, 2006.
2. the City Manager be delegated the authority to identify and appoint a candidate who meets the required competencies on an ongoing basis for future appointments to the board, noting that Council may remove the City's appointee at any time upon written notice to that member and the Chair of the Board.

Financial Impact

There are no financial implications arising from the recommendations in this report.

DECISION HISTORY

City Council in May 2006, authorized the City Manager to identify a candidate as the City's nominee to the OMERS SC transitional board. The City Manager identified Louise Eason, who was appointed by the Province effective June 30, 2006.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060523/pof4rpt/c1004.pdf>

The term of Louise Eason and the other appointees ended June 30, 2007.

City Council on June 19, 20 and 22, 2007, adopted the following motions:

1. The City Manager be delegated the authority to identify and appoint a candidate who meets the required competencies to serve at the pleasure of the City on the OMERS Sponsors Corporation board as the City of Toronto Employer Member for a term of office commencing June 30, 2007, and ending June 30, 2010.

2. The City Manager be granted this delegated authority on an ongoing basis for future appointments to the board, noting that Council may remove the City's appointee at any time upon written notice to that member and the Co-Chairs of the board.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-06-19-cc10-dd.pdf>

ISSUE/BACKGROUND

The Province, through its enactment of the *Ontario Municipal Employees Retirement System Act* in June 2006, continued the OMERS Board as the OMERS Administration Corporation (AC). The AC is responsible for pension services and administration, investments and plan valuation. The AC Board of Directors is comprised of 14 voting members made up of an equal number of member and employer representatives. The City of Toronto's representative, Cameron Weldon, was initially appointed by the Province by an Order in Council in June 2006 for a term to expire December 31, 2008.

The OMERS Act, 2006, sets out that the City of Toronto is to appoint one member of the AC Board for a three year term. The provisions in the Act that apply to appointments are transitional, and apply for a three year period until such time as the OMERS Sponsors Corporation (SC) enacts a by-law setting out the composition of the AC Board and the method of choosing its members which will take effect no earlier than June 30, 2009.

COMMENTS

The OMERS AC is the administrator of the OMERS pension plans and is responsible for paying pensions, establishing investment policies and managing and allocating the assets of the pension plans. The Board of Directors of the AC has overall stewardship responsibility for the corporation which is generally defined as the responsibility to oversee the conduct and management of the business and affairs of the AC as the administrator.

Board Composition

The current transitional composition of the OMERS Administration Corporation includes:

Employer Representatives	Plan Member Representatives
John Sabo - Chair Ontario Catholic School Trustees' Association	Patrick (Sid) Ryan CUPE Ontario
Cam Weldon City of Toronto	John Weatherup CUPE Ontario

Employer Representatives	Plan Member Representatives
Ann Mulvale Association of Municipalities of Ontario	Rick Miller Ontario Professional Fire Fighters Association
Michael Power Association of Municipalities of Ontario	Ed DeSousa Association of Municipal Managers, Clerks and Treasurers of Ontario
Gerard Sequeira Municipal Property Assessment Corporation	Richard Faber Retired Member
David O'Brien Toronto Hydro Corporation	Peter Routliff International Brotherhood of Electrical Workers
John Goodwin Ontario Association of Police Services Boards	Eugene Swimmer Police Association of Ontario

OMERS Sponsors Corporation

In June 2006, *Bill 206, An Act to Revise the Ontario Municipal Retirement Systems Act*, was proclaimed. This legislation established a new and independent dual governance model for OMERS and gives employers and employees control over the pension plan. This legislation changed the plan sponsor from the Province to the new OMERS SC.

The SC is responsible for the pension plan design which includes determining pension benefit changes, setting contribution rates and establishing reserves. The SC is also responsible for setting compensation levels and amending the appointment protocol for both the SC and AC.

The SC is comprised of 14 members, 7 employer representatives and 7 member representatives. The representatives are listed below:

Employer Representatives	Plan Member Representatives
Joe Aitchison Ontario Association of Children's Aid Societies	Ann Dembinski CUPE (Local 79)
Brian Cain Ontario Public School Boards' Association	Jack Jones Ontario Secondary School Teachers' Federation
John Fleming City of Toronto	Fred LeBlanc Ontario Professional Fire Fighters Association
Marianne Love (Co-Chair) Association of Municipalities of Ontario	Bruce Miller Police Association of Ontario

Employer Representatives	Plan Member Representatives
Charlie Macaluso Electricity Distributors Association	Glen Mills Municipal Retirees' Organization Ontario
Garth Pierce Ontario Association of Police Services Boards	Marnie Niemi Ontario Public Service Employees Union
Bruce Stewart Association of Municipalities of Ontario	Brian O'Keefe (Co-Chair) CUPE (Ontario)

CONTACT

Ivana Zanardo
 Director, Pension, Payroll & Employee Benefits
 Tel: (416) 397-4143
 Fax: (416) 397-0835
 izanardo@toronto.ca

SIGNATURE

Joseph P. Pennachetti
 City Manager