



Councillor Paul W. Ainslie
City of Toronto Councillor
Ward 24 Scarborough-Guildwood

Chair, General Government and Licensing Committee
Chair, Board of Management of the Toronto Zoo
Chair, Federation of Ontario Public Libraries



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Councillor Paul Ainslie Scarborough-Guildwood

Ward 24 Scarborough-Guildwood

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October 29, 2021

The OMERS Administration Corporation Board of Directors
c/o George Cooke
900 - 100 Adelaide Street West
Toronto, Ontario M5H 0E2

Dear Directors:

I received the attached letter from OMERS to our Director of Pension, Payroll & Employee Benefits regarding the City of Toronto Council's July resolution concerning OMERS Administration Corporation (AC) Board of Directors.

Our July resolution was directed at the AC Board, not OMERS management. We want the AC Board of Directors to acknowledge the receipt of our motion, which outlines our dissatisfaction with current reporting standards and what we think should be reported by OMERS.

Your Board serves members and employers by deciding issues of importance to our pension plan. The quality of your work, which presumably involves engagement with your largest employer and sponsor, contributes significantly to our perceptions of OMERS' strong governance foundation.

Furthermore, the governance, disclosure and reporting matters raised in Council's resolution have little bearing on pension administration or what OMERS commonly defines as stakeholder relations. Therefore, please ensure that all future Council and Committee-related OMERS correspondence and communications materials be addressed to our City Clerk for circulation to Council or the GM committee as the case may be.

Councillors are entitled to receive professional, accurate, and timely responses from your Board. Unfortunately, we have now waited over three months for your reply. Would you please take prompt action to respond to the specifics in our motion.

Sincerely,

Paul W. Ainslie
City of Toronto, Councillor
Ward 24 Scarborough-Guildwood

c.c. Chris Murray, City Manager
Hatem Belhi, Director Pension Payroll & Employment Benefits
Members of General Government and Licensing Committee

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October 27, 2021

Hatem Belhi
Director, Pension, Payroll & Employee Benefits
Metro Hall
55 John Street
13th floor
Toronto, Ontario M5V 3C6

Dear Hatem:

RE: City Council Decision, July 14, 2021 - Annual Update on OMERS as it Relates to the City's Employer Contributions

I am writing to acknowledge receipt of the City of Toronto resolution that was approved by City Council on July 14, 2021, and to let you know that the resolution has been shared with the OMERS Administration Corporation (AC) Board of Directors, including George Cooke the Independent Board Chair.

With respect to some of the requests in the resolution, OMERS regularly provides detailed information about our investment performance and pension administration through annual reports, member and employer newsletters, sponsor and stakeholder updates, and the Annual General Meeting. We are continually reviewing, updating and improving the information and how we connect with active members, employers, retirees, sponsors and stakeholders.

Annually, OMERS issues an Annual Report, found [here](#), that provides detailed information about the Plan's financial health and overall investment performance. It also describes Board and management activities undertaken during the year to advance our strategic priorities.

The OMERS Administration Corporation (AC) Board of Directors provides independent oversight of our investment strategy and results. Our Annual Report describes our Boards' activities for each year.

You have also requested that the AC advise the OMERS Sponsors Corporation Board of Directors on improved disclosure surrounding its decisions and expenses. As such, a copy of the Council Resolution has been passed to the Sponsors Corporation for their information.

With respect to the resolution which calls for a comparison of OMERS performance against "peers" we, advise that this is an activity periodically conducted by the board in exercising its responsibilities to independently monitor OMERS investment strategy and risks.





Our view is that the most relevant comparison to be made on performance is to OMERS benchmarks, since these are set by the Board as the basis upon which management's performance can be assessed. They are selected having regard to the profile of OMERS specific pension liabilities and are informed by OMERS risk appetite, recognizing the trade-offs between risks and the returns needed to provide sustainable, affordable and meaningful pensions. Benchmarks, therefore, are the basis of our public disclosures in the Annual Report.

The nomination of directors with the expertise to independently evaluate and approve strategic investment choices, and assess investment manager skill relative to them, is critical to the proper functioning of the AC Board. AC directors are nominated by sponsors and appointed by the SC Board. We are grateful for the care and diligence exercised by the City of Toronto in making nominations to the SC Board for appointment to the AC Board.

City Council has also asked OMERS to forward a copy of their resolution to employers, sponsors, unions and non-union municipal workers, non-teaching staff of school boards and employees of children's aid societies, transit systems and electrical utilities. OMERS has provided a copy of the resolution to Directors on both of our Boards. It will also be included in our third-quarter Directors' Report, which may be shared with sponsor organizations at the discretion of each Board Director.

OMERS management and the AC Board of Directors will continue to review, refine and improve our disclosures as we gather feedback from stakeholders and as the reporting environment continues to evolve.

Please let me know if you require further information or if you would like to meet to discuss.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Celine Chiovitti'.

Celine Chiovitti
Executive Vice President & Head of Pensions
OMERS Administration Corporation

- c. Chris Murray, City Manager
Heather Taylor, Chief Financial Officer and Treasurer
Blake Hutcheson, CEO and President, OMERS Administration Corporation
Michael Rolland, CEO, OMERS Sponsors Corporation
Jonathan Simmons, Chief Financial and Strategy Officer, OMERS Administration Corporation
George Cooke, Independent Board Chair, OMERS Administration Corporation
Joseph P. Pennachetti, SC Board Director
OMERS Administration Corporation Board of Directors

