

REFERRED REPORT

Comprehensive Public Sector Pension Review, (C2019-0568), AC2019-1041

RECOMMENDATION:

That the Audit Committee provide a recommendation to a September 2019 Council meeting on how to best achieve the intent based on their experience with annual audits of the City's pension plans, as internal and external experts in matters of financial and organizational effectiveness.

BACKGROUND:

Excerpt from the Minutes of the 2019 April 29 Combined Meeting of Council:

"Moved by Councillor Chahal
Seconded by Councillor Demong

THEREFORE, BE IT RESOLVED that Council directs Administration to engage independent expert(s) and/or consultant(s) to address the following, with a report back to Priorities and Finance no later than Q1 2020:

1. A comprehensive examination that includes but is not limited to a quantitative and qualitative analysis of the state of The City of Calgary's Pension Plans by:
 - a. Reviewing annual financial and performance history that dates back to 2000 and may include, but not limited to, expense ratios, solvency funded ratios, going concern ratios, assets, liabilities, unfunded liabilities, administrative costs, pension plan contributions (employer and employee), number of active members, investment returns, and any other variables that can describe plan strengths, weaknesses, gaps, and suitability for the long-term health of The City;
 - b. Examining the short, medium, and long-term viability and sustainability;
 - c. Comparing public and private industry trends including best practices;
 - d. Comparing other types of pension plans available in the marketplace (i.e. Defined Contribution, Hybrid, Target Benefit, Other etc.) that would provide good financial stewardship (current and future) and risk mitigation for The City of Calgary while also striving to keep the impact of any possible changes at a minimum for all employees (exempt, non-exempt, Council);
 - e. Evaluating entry/exit strategies, including costs or savings, of moving toward other identified pension plans that would include recommendations to align with current policy, rules, collective agreements, or legislation (municipal, provincial, or federal) or provide suggestions on recommended changes that would need to be implemented at the municipal, provincial, or federal levels to achieve the pension reform changes that are being suggested;

- f. Identifying any potential impacts on current employee retention and future employee recruitment of moving towards other identified pension plans;
- g. Determining risks and other impacts on The City of Calgary and employees in migrating towards other potential viable and sustainable pension plans.

Vote not put

Moved by Mayor Nenshi
Seconded by Councillor Farrell

That Council refer to Administration to further consult and clarify with the mover of the motion and develop a brief scoping report with cost, timeline and work plan to return to the 2019 July PFC.

ROLL CALL VOTE

For: (4): Mayor Nenshi, Councillor Carra, Councillor Farrell, and Councillor Jones
Against: (10): Councillor Chahal, Councillor Chu, Councillor Colley-Urquhart, Councillor Davison, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Keating, Councillor Magliocca, and Councillor Sutherland

MOTION DEFEATED

Moved by Councillor Gondek
Seconded by Councillor Sutherland

That with respect to Notice of Motion C2019-0568, the following be approved:

That Council refer Notice of Motion C2019-0468 to Audit Committee and request that they provide a recommendation to a September 2019 Council meeting on how to best achieve the intent based on their experience with annual audits of the City's pension plans, as internal and external experts in matters of financial and organizational effectiveness.

MOTION CARRIED"

ATTACHMENT

1. Notice of Motion, C2019-0568