

BRIEFING

Chief Financial Officer's Briefing to
Combined Meeting of Council
2019 November 18

ISC: UNRESTRICTED
C2019-1408

Administration Response to Labour Council Comments on NOM 2019-0568

PURPOSE OF BRIEFING

Human Resources (HR) and Finance are responding to comments provided by the Calgary & District Labour Council on Notice of Motion 2019-0568 – Comprehensive Public Sector Pension Review (NOM).

The President of the Calgary & District Labour Council (Labour Council), Mr. Alex Shevalier, provided comments on the NOM to members of Council, which were discussed at the 2019 April 29 Combined Meeting of Council. Administration was then instructed to respond to the comments made by the Labour Council on the NOM. Administration's responses can be found in Attachment 1.

Separately, Audit Committee received report AC2019-1329 on 2019 October 24, which provided recommendations of how best to achieve the intent of the NOM.

For reference, a list of pension plans and retirement arrangements (Plans) and their acronyms have been included in Attachment 2.

SUPPORTING INFORMATION

The Plans are key components of The City of Calgary's total compensation package and are an important aspect of employee recruitment and retention. The Pension Governance Committee meets quarterly; 2 members of Council are members of this committee. The City's situation is unique, and references to other municipalities and jurisdictions should be done with care.

Of the 12 Plans in which City employees and Councillors participate, Administration has outlined five categories below highlighting key points:

Registered Plans – Multi-Employee/Employer (LAPP, SFPP)

LAPP and SFPP are the largest two pension plans in which The City participates, and together comprise 94% of The City's Pension Expense on The City's financial statements.

LAPP and SFPP complete actuarial funding valuations on a regular basis. These actuarial funding valuations show the financial health of the plans. As of 2018 December 31, LAPP is 107% funded, and as of 2016 December 31, SFPP is 89% funded.

In accordance with the Joint Governance Act, there is a moratorium in place preventing any employer leaving LAPP and SFPP until 2024.

Registered Plans – City Specific (SPP, FSPP, PSPP)

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SPP has actuarial funding valuations completed on a regular basis.

FSPP, while City-Specific, is negotiated between The City and IAFF Local 255. The City does not have the ability to unilaterally change the FSPP.

PSPP does not have active members.

Non-Registered Retirement Arrangements – Active Employees (OCP, PCDO)

Only the registered pension plans have actuarial funding valuations. These retirement arrangements are tracked on The City's financial statements and funds are reserved, which ensures appropriate funding.

Non-Registered Retirement Arrangements – Inactive Members (FCDO, EPP, contracts)

These retirement arrangements are tracked on The City's financial statements and funds are reserved, which ensures appropriate funding.

These retirement arrangements do not have active members, which Administration suggests puts them outside the scope of this NOM.

Registered Plan and Non-Registered Retirement Arrangement – Council (EO, EO)

EO and EO are the mandate of the Council Compensation Review Committee.

ATTACHMENT(S)

1. Attachment 1 – Response from Administration to Labour Council Comments on NOM 2019-0568
2. Attachment 2 – List of Pension Plans and Retirement Arrangements