

Terms of Reference for the Pension Governance Committee of the City of Calgary

April 2016

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1. Background

- (1) The Pension Governance Committee (**PGC**) was established by the Chief Executive Officer of The City of Calgary (**The City**) as of 2002 July 8.
- (2) These terms of reference (**Terms of Reference**) outline the powers, responsibilities, and practices of the PGC.

2. Mandate and Scope

- (1) The PGC is responsible for oversight on all matters relating to the pension plans in which City employees participate (**Plans**).
- (2) Notwithstanding section 2(1), any decision of the PGC that significantly changes the financial or non-financial risk, the cost, or the strategic impact of the Plans must be reported to and approved by, The City's City Manager (**City Manager**) or appropriate committee of Calgary City Council (**Council**), as dictated by the relevant Plan provisions and applicable law.

3. Responsibilities

- (1) The PGC will report to the City Manager and Council, or the appropriate committee of Council, at intervals not to exceed 14 months, the following information for each Plan:
 - (a) the funded status (assets/liabilities);
 - (b) the funding requirements (contributions);
 - (c) the investment performance;
 - (d) significant developments (either Plan-specific or general environmental developments) affecting the Plan since the previous report; and
 - (e) significant changes to the financial or non-financial risk, the cost, or the strategic impact of the Plan.
- (2) At least once each year, the PGC will affirm to the City Manager that the PGC and The City have discharged their responsibilities in relation to the Plans in accordance with:
 - (a) applicable legislation;
 - (b) the Plans' provisions;
 - (c) these Terms of Reference; and

- (d) any policies or other documents established by the PGC or The City and that pertain to the Plans.

(3) If such affirmation cannot be made, the PGC will detail any shortcomings and the PGC's plans to address those shortcomings.

4. Membership

- (1) Members of the PGC (**PGC Members**) will be appointed to the PGC as follows:
 - a. the City Manager will appoint the Chair of the PGC and other PGC Members who are not Councillors and they will continue in office until removed by the City Manager; and
 - b. Council will appoint PGC Members who are Councillors to the PGC and they will continue in office until removed by Council.
- (2) PGC Members will be removed from the PGC as follows:
 - a. the City Manager may remove any PGC Member who is not a Councillor from the PGC at any time and without notice; and
 - b. Council can remove any PGC Member who is a Councillor from the PGC at any time and without notice.
- (3) A PGC Member who has been removed (or the personal representatives of a deceased or incapacitated PGC Member) will convey any and all records, books, documents, and other property pertaining to the Plans to the Chair as soon as possible.
- (4) Appendix A is a list of current PGC Members and the Pension Advisor will update such list as soon as possible upon any change in the composition of the PGC.

5. Chair

- (1) The Chair of the PGC is The City's Chief Human Resources Officer.
- (2) The Chair chairs any meeting of the PGC. If the Chair is absent, the Chair will designate an appropriate representative to chair the meeting and such representative will be entitled to exercise the Chair's voting rights. In the absence of such a designation, the PGC will designate one PGC Member or the Pension Advisor to chair the meeting and such designate will not be entitled to exercise the Chair's voting rights.

6. Meetings

- (1) The PGC will meet at least four times per calendar year.
- (2) Regular or special meetings of the PGC may be called by the Chair acting alone or by any two PGC Members acting jointly, by giving at least five days notice of the time and place of such meeting to each PGC Member.
- (3) Special meetings of the PGC may be held at any time without notice if all of the PGC Members are present at such meeting, or if those absent consent to the holding of a meeting and if there is quorum.
- (4) In lieu of meeting in person, the PGC may hold meetings by telephone conference call, electronically, or other comparable means, subject to the above notice requirements for meetings.
- (5) A notice of any meeting of the PGC will outline a draft agenda and will normally be given in writing by the Pension Advisor to each PGC Member at least five days before each meeting.
- (6) The minutes of a meeting of the PGC will be amended or ratified at the next PGC meeting.
- (7) If a PGC Member is absent from a PGC meeting for any reason other than a conflict of interest, the absent PGC Member may designate an appropriate representative to take any action or make any decision in connection with the absent PGC Member's powers and responsibilities on the PGC during such absence. If the Chief Financial Officer (CFO) is absent from a PGC meeting, the CFO must designate the City Treasurer or other Finance Manager.
- (8) The designated representative of a PGC Member may vote on behalf of the absent PGC Member. An absent PGC Member who is so represented will be deemed to have approved any decision made on his/her behalf by their designated representative.

7. Quorum

- (1) The quorum for any meeting of the PGC will be four PGC Members.

8. Recommendation/Decision Making

- (1) The decisions of the PGC will require the vote of four or more PGC Members present at the meeting. Each PGC Member or their designate has one vote.

9. Dispute Resolution

- (1) In the event that a dispute among PGC Members arises out of, or related to, these Terms of Reference or any aspect of the administration of the Plans and such dispute cannot be resolved by the PGC Members during PGC meetings, it must be referred to the City's City Manager for final determination.

10. Pension Advisor

- (1) The Pension Advisor will be appointed by the PGC and will continue in office hereunder until removed by the PGC. The Pension Advisor is not a PGC Member and has no voting or decision making authority in respect of the PGC.
- (2) The Pension Advisor must:
 - (a) keep the official records of the PGC's decisions and actions;
 - (b) record the minutes of each PGC meeting and, where indicated by the Code of Conduct, the record declared conflicts of interest in the minutes;
 - (c) ensure that minutes are distributed to each PGC Member within two weeks following each meeting;
 - (d) ensure that records are kept that contain all documents, reports, and correspondence received by the PGC; and
 - (e) arrange for new PGC Members to receive appropriate orientation and education with respect to the responsibilities of PGC Members and the PGC.
- (3) The PGC can remove the Pension Advisor from office hereunder, at any time and without notice.

- (4) A Pension Advisor who has been removed (or the personal representatives of a deceased or incapacitated Pension Advisor) will convey any and all records, books, documents, and other property pertaining to the Plans to the Chair as soon as possible.

11. Reimbursement of Expenses

- (1) The City will pay or reimburse PGC Members and the Pension Advisor for their normal and reasonable expenses incurred or incidental to the performance of their duties hereunder.

12. Delegation

- (1) The PGC may delegate to a suitably qualified delegate any of its powers and responsibilities under these Terms of Reference, including to the Pension Advisor. Such delegation will be documented by either:
 - (a) delegate-specific terms of reference established by the PGC; or
 - (b) a delegate-specific contract for services established between the delegate and The City and approved by the PGC.
- (2) Such delegation will contain appropriate provision with respect to reporting by the delegate to the PGC on such delegated powers and responsibilities.
- (3) The PGC will retain responsibility for the effective monitoring of the performance of delegates, liaising as appropriate with such delegates and their directors, managers, or supervisors.

13. Education

- (1) PGC Members are responsible for developing proficient knowledge of their duties as PGC Members and the duties of the PGC.
- (2) On at least an annual basis, the Pension Advisor must investigate educational opportunities for PGC Members and report on such opportunities to the PGC. PGC

Members are responsible for maintaining competency in relation to all matters over which the PGC has oversight.

14. Amending Terms

- (1) The City Manager may amend these Terms of Reference at any time. Any Amendment will be acknowledged by the adoption of a resolution at a meeting of the PGC and will be recorded in the minutes of the PGC.

15. Delegation of Signing Authority

- (1) The City Manager hereby delegates the following authority¹:

Where agreements or contracts relating to the administration of the Plans have been approved in principle by the PGC in accordance with these Terms of Reference, such agreements or contracts may be executed by two members of the PGC of which at least one must be the City's Chief Human Resources Officer or Chief Financial Officer.

Signatories

CITY OF CALGARY

By: Original signed on July 13, 2016

Name: Jeff Fielding

Title: City Manager

Date: 2016 July 13

¹Pursuant to Subsection 205(1) of the *Municipal Government Act*, R.S.A. 2000, Chapter M-26, as amended (the Act), Bylaw 8M2001 established the position of chief administrative officer of The City of Calgary (The City), with all the powers, duties and functions of that position given by the Act, or any other enactment, or by Council of The City. The chief administrative officer of The City is the City Manager. Pursuant to Bylaw 43M99, Section 5, the City Manager may authorise agreements, which in his sole discretion are deemed appropriate, to be entered into on behalf of The City. Section 209 of the Act allows the City Manager to delegate any of the City Manager's powers under bylaw to an employee of the municipality.

Appendix A

APPENDIX A — MEMBERS OF THE PENSION GOVERNANCE COMMITTEE

As of 2016 April members of the Pension Governance Committee are the persons occupying the positions listed below:

Chief Human Resources Officer, Chair

Councillor Appointee 1

Councillor Appointee 2

Chief Financial Officer

Administrative Law Representative

Administrative Leadership Team (ALT) Representative*

Senior Management Team (SMT) Representative*

*ALT and SMT Representative to be appointed for 24 month terms with option to renew term at the discretion of the City Manager.

Appendix B

APPENDIX B – LIST OF PLANS

Multi-Employer Plans

- Local Authorities Pension Plan
- Special Forces Pension Plan

City-Sponsored Plans

- The City of Calgary Supplementary Pension Plan
- The City of Calgary Overcap Pension Plan
- Deputy Police Chiefs' Overcap Pension Plan
- Fire Chief and Deputies' Overcap Pension Plan
- Pension Plan for the Elected Officials of The City of Calgary
- Supplementary Pension Plan for the Elected Officials of the City of Calgary
- Executive Pension Plan

Jointly-Trusteed Plans

- Firefighters Supplementary Pension Plan
- Police Supplementary Pension Plan

REVISION HISTORY

Review Date	Description
2016/07/13	Updated Section 15 Delegation of Signing Authority
2016/03/09	Revised Document