

**Chief Financial Officer's Report to
Priorities and Finance Committee
2017 July 17**

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PFC2018-0818
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Pension Governance

EXECUTIVE SUMMARY

In accordance with the Terms of Reference for the Pension Governance Committee (PGC), this report on pension governance activities at The City of Calgary in 2017 is being provided to Priorities and Finance Committee for information.

ADMINISTRATION RECOMMENDATION:

That PFC recommends that Council receive this Report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2003 September 29 Special Meeting of Council regarding Personnel Matters, Mayor Bronconnier directed "The Corporate Pension Governance Committee to bring forward an annual report, through the Accountability, Priorities and Agenda Committee to City Council on the state of Corporate Pensions based upon the reporting fundamentals of clarity, transparency and full disclosure, and further that this annual report be publicly available following acceptance by City Council."

BACKGROUND

The Pension Governance Committee was established in 2002 for oversight of governance, including compliance with Alberta Employment Pension Plans Act, Public Sector Pension Plans Act and the Canadian Income Tax Act of pension plans in which City employees and Council participate.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Pension Governance Committee consists of five members appointed by the City Manager and two Council members appointed by Council. The 2017 members were:

- Mark Lavallee, Chief Human Resources Officer (Chair)
- Rebecca Andersen, Barrister & Solicitor, City Law Department
- Eric Sawyer, Chief Financial Officer
- Malcolm Logan, General Manager Transportation (January to November)
- Jacqueline Deitch, Director, Fleet Services (January to September)
- Laura Kennedy, Director/City Clerk (September to December)
- Councillor Diane Colley-Urquhart
- Councillor Ray Jones

In 2017 PGC and its delegates:

- Complied with all legislative requirements for all applicable pension plans including filing provincial and federal annual information returns. There were no changes to legislative requirements in 2017.
- Completed a triennial actuarial valuation for the Supplementary Pension Plan (SPP) and filed a report with provincial and federal pension regulators.

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- Completed audited financial statements for all applicable plans in accordance with Canadian Accounting and Auditing standards for pension plans.
- Complied with all reporting requirements for the Local Authorities Pension Plan (LAPP) and Special Forces Pension Plan (SFPP).
- Remitted all required contributions for all pension plans in accordance with all legislative requirements.
- Administered plan enrolments, retirements, terminations, and pensioner payments in accordance with the applicable plan provisions.
- Complied with the PGC Terms of Reference and conducted four meetings in 2017. The Terms of Reference were reviewed but not updated in 2017. They were last updated in 2016.
- Completed the PGC Annual Assessment: no gaps were identified.

Details of the administrative, legal, funding and financial activities for all City pension plans are contained in Attachments 1-5.

Stakeholder Engagement, Research and Communication

This report was provided to the Pension Governance Committee at the June 28, 2018 meeting for review.

Strategic Alignment

This annual report and the governance activities of the Committee support the Council Priority of a well-run City, being as efficient and effective as possible and providing oversight and sound management of pension policies and plans.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

The City includes its share of the pension contributions in the 4-year budget plans, as part of the Employee Benefits Program.

Current and Future Capital Budget:

N/A

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Risk Assessment

As per Council Policy CC011, all presentations to Council or Committee must include disclosure of significant risks associated with alternatives presented and the recommended course of action. The risk assessment is contained in Attachment 5.

REASON(S) FOR RECOMMENDATION(S): This Report is for information only.
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ATTACHMENT(S)

1. Attachment 1 – 2017 Pension Plan Summary
2. Attachment 2 – 2017 Pension Plan Governance Update
3. Attachment 3 – 2017 Pension Plan Administration Report
4. Attachment 4 – 2017 Financial Positions of the Pension Plans
5. Attachment 5 – 2017 Risk Assessment