

Alert

To the immediate attention of the Clerk and Council

July 4, 2006 – Alert 06/037

New OMERS Sponsors Corporation and Administration Corporation Established

Issue: The new OMERS Act (*The Ontario Municipal Employees Retirement System Act, 2006*) came into force on June 30, 2006. This Act establishes new governance structures for the \$40 billion fund: the OMERS Sponsors Corporation and the OMERS Administration Corporation. Government appointments to the new corporations were announced on June 30th.

Background:

At the request of the Minister of Municipal Affairs and Housing, AMO, and other nominating bodies identified in the Act, provided the names of representatives to be appointed by the Government to the initial Sponsors Corporation and Administration Corporation.

With the passage of Bill 206, the government has fundamentally changed the role of AMO. In addition to its advocacy mandate, AMO now has a representative role in two major corporations.

The new OMERS Sponsors Corporation was designed by the government to conduct interest negotiations between employer and employee groups. It will deal with matters like plan design and structure, types of pensions, OMERS contribution rates and the future composition of the Administration Corporation. AMO now has a legislated responsibility to appoint employer representatives to the OMERS Sponsors Corporation – and a practical responsibility to ensure that employer representatives on the Sponsors Corporation have the resources they need to protect the interests of municipalities as employers.

In addition, AMO is legislated to appoint representatives to the OMERS Administration Corporation, which has the responsibility for investment decisions and conducting plan valuations for the \$40 billion OMERS fund, and for administering the OMERS benefit program. Their responsibilities are also significant.

The AMO Board of Directors has directed AMO staff to:

- Organize a special meeting of municipalities who are OMERS employers, during the AMO Conference in August, to discuss how AMO's new responsibilities will be met and how related costs will be recovered; and
- In advance of that meeting to forward a discussion paper that sets out how AMO can provide professional representation on the new Corporations and to ensure that employer representatives have the resources they need to protect municipal interests.

The discussion paper will be sent (via Clerks and Heads of Council) to municipalities who are OMERS employers along with an invitation to a special meeting of elected municipal officials on Sunday afternoon, August 13th. The paper will provide an estimate of the costs of fulfilling AMO's new responsibilities and propose a mechanism to recover the costs from municipalities who are OMERS employers. Please watch for details.

Appointments to the news OMERS Corporations follow:

SPONSORS CORPORATION BOARD OF DIRECTORS *

Employer Representatives	Plan Member Representatives
Garth Pierce Ontario Association of Police Services Boards	Bruce Miller Police Association of Ontario
Louise Eason City of Toronto	Brian O'Keefe CUPE (Ontario)
Brian Cain Toronto Public School Board	Ann Dembinski CUPE Local 79
Marianne Love Association of Municipalities of Ontario	Fred Leblanc Ontario Professional Fire Fighters Association
Bruce Stewart Association of Municipalities of Ontario	Ontario Secondary School Teachers' Federation ¹
Charlie Macaluso Electricity Distributors Association	Ontario Public Service Employees Union ¹
Joe Aitchison Ontario Association of Children's Aid Societies	Glen Mills Municipal Retiree's Organization Ontario

***Transitional composition, subject to Sponsors Corporation by-laws.**

¹These appointments are pending, subject to the government appointments process.

ADMINISTRATION CORPORATION BOARD OF DIRECTORS *

Employer Representatives	Plan Member Representatives
Frederick Biro Ontario Association of Police Services Boards	Police Association of Ontario ¹
Cam Weldon City of Toronto	CUPE Ontario ¹
John Sabo Ontario Catholic School Board Association	John Weatherup CUPE Ontario
Association of Municipalities of Ontario ¹	Rick Miller Ontario Professional Fire Fighters Association
Ann Mulvale Association of Municipalities of Ontario	Ed De Sousa Association of Municipal Managers, Clerks and Treasurers of Ontario
Other Employer Municipal Property Assessment Corporation ¹	International Brotherhood of Electrical Workers ¹
Other Employer Toronto Hydro ¹	Richard Faber Retired Member

***Transitional composition, subject to Sponsors Corporation by-laws.**

¹These appointments are pending, subject to the government appointments process.

Action: Please watch for an invitation, and information on registering for, a special meeting of OMERS Municipal employers to be held in Ottawa on August 13th at 3:30 p.m. at the Westin Hotel. AMO's representatives on the initial OMERS Sponsors Corporation and Administration Corporation will be in attendance.

For more information, contact 416-971-9856: Patricia Swerhone, Senior Policy Advisor, ext. 323.