REPORTS NOT RELATED TO THE JURISDICTION OF ANY COMMITTEE

REPORT OF THE

SECRETARIAT COMMITTEE

DATED NOVEMBER 14, 2000

On motion of Councillor O'Shaughnessy, the Report of the Secretariat Committee dated November 14, 2000, was considered.

2001 Schedule of Council and Committee Meetings

File GC-4

75 - 1. Section 6.3 of the Procedure By-law requires that Council set the date of the first meeting of Council of the next calendar year including the Schedule of Meetings and the period during which Council shall prorogue at a meeting prior to January 1st of the next calendar year.

Council instituted the prorogation of meetings of the Standing Committees and Council commencing in the year 1988 and has prorogued during the month of August each year since that time.

Your Secretariat Committee recommends that Council adopt the attached meeting schedule for 2001 as outlined in Appendix "A".

Moved by Councillor O'Shaughnessy,
Adoption of the clause.

Carried.

(See Minute No. 82 for attachment)

REPORT OF THE

SECRETARIAT COMMITTEE

DATED NOVEMBER 20, 2000

On motion of Councillor O'Shaughnessy, the Report of the Secretariat Committee dated November 20, 2000, was considered.

Council Members Compensation Package
File GC-2.3 (Vol. 6)

76 - 1. The Secretariat Committee at its meeting held on November 20, 2000, passed the following motion and submits same to Council:-

WHEREAS In 1982, at the request of Council, Justice Gordon C. Hall, of the Manitoba Court of Appeal, was retained to complete a study on indemnities, allowances, pensions and other benefits for elected municipal officials. In his report, Review of Remuneration Paid to City of Winnipeg Officials, Justice Hall indicated elective office in The City of Winnipeg is a demanding and time consuming undertaking. City government, like other levels of government, is massive, complex and pervasive. The resolution of conflicting claims and interests is not an easy task nor is the supervision of the public service including fiscal management and control. As well, elected officials must deal both with provincial and federal government officials in order to coordinate common programs and negotiate cost-sharing formulae;

AND WHEREAS Justice Hall's report further stated that:-

> *Members of Council give substantially of their time, both personal and time spent otherwise in the course of their business lives. The giving of this time often reflects on their regular employment, in missed opportunities for advancement by salaried individuals, and lost earnings for those people who are self employed. In both cases, those opportunities are not usually recoupable in the short term, should those councillors decide to retire from public life. Certainly in the case of the Mayor, whoever holds that office must necessarily forego any business career to devote their full efforts to the duties of that office. Should he not be re-elected, or choose to retire at the end of a particular term, he or she would have no position to return to in the private sector, and must virtually start again from scratch. It appears then to be reasonable and fair that a pension plan should be implemented which in some small way will reflect on the future of those individuals who presently are giving substantially of themselves for the public good.*

AND WHEREAS these words are more relevant today than they were 18 years ago in light of City Council members being full time since 1992;AND WHEREAS on August 17, 1983, based on Justice Hall's recommendation, Council adopted By-law No. 3553/83, implementing a Councillors' pension plan. However, Council on July 29, 1992, terminated its pension plan effective November 2, 1992. On that date, Council also rejected a proposal to implement a Council member's pension plan consistent with the Civic Employees Pension Plan;

AND WHEREAS in 1997, in a report undertaken by KPMG Consulting for the City of Surrey, regarding Mayor and Councillor compensation it was identified that over half of the municipalities indicated that members are entitled to participate in a pension plan, other than CPP/QPP. The most common pension plan provided is a defined benefit plan;

AND WHEREAS on March 26, 1997, Clause 12 of the Report of the Executive Policy Committee dated March 19, 1997 proposed the establishment of a voluntary registered retirement savings plan whereby the City would match contributions of the members to the plan, similar to that provided to Provincial MLAs; however this proposal was defeated;

AND WHEREAS the Secretariat Committee at its meeting held on February 23, 1999, resolved as follows:

> *That the matter of members benefits be referred to the Speaker to coordinate the review and development of proposals ensuring consultation with members and retaining external advice as required.*

Report of the Secretariat Committee dated November 20, 2000

AND WHEREAS the Speaker, in consultation with the City's administration and representatives of William M. Mercer Limited, examined an exhaustive number of viable pension plan options;

AND WHEREAS after reviewing these options, the Secretariat Committee is now recommending that a Council Pension Plan be adopted consistent with the Civic Employees Pension Plan;

THEREFORE BE IT RESOLVED:

I. That a by-law be prepared effecting a Pension Plan for all members of Council for the City of Winnipeg as follows:

Type of Pension

- *registered defined benefit pension plan (based on taxable earnings only), at an estimated ongoing cost of $137,432 per annum, shared by members of Council contributing at the same rate as civic employees which is estimated at $41,467 for the year 2001 for the members of Council; with the City contributing the balance to fund the annual cost of the plan, estimated to be $95,965 (see Schedule "A" for Summary of Defined Benefit Plan);*

Funding of Past Service (November 3, 1992 to December 31, 2000) (voluntary participation for past service)

- *The estimated past service cost, estimated at $863,332, is to be shared by members of Council and the City. Cost of past service is based on the November 2000 taxable earnings applicable pension rate(s) and years of past service. This is comparable to the calculation used a number of times for Civic employees to purchase past service. This cost is estimated to be $250,355 for the members of Council and the City would contribute the balance to fully fund the cost of the past service benefits, estimated to be $612,977. The funding and granting of past service benefits would be subject to the restrictions under the Income Tax Act and its Regulations. Application for past service contributions must be made within 90 days of the adoption of the Pension Plan By-law by Council and must be purchased prior to November 1, 2002. If not purchased within 90 days a rate of interest determined by the actuary will apply. Cost of past service contributions to the City would be less if not all members opt in.*

II. That the City's share of cost for past service of $612,977 be funded from the 1998 and 1999 refund of employer contributions made to the City of Winnipeg Employee Benefits Program and that the City's share of ongoing annual current costs of the Councillors' pension plan estimated to be $95,965 be funded from the reduced employer contributions to the City of Winnipeg Employee Benefits Program.

III. That the proper officers do all things necessary to implement the intent of the foregoing, effective, January 1, 2001, including the engagement of any professional consultants necessary to implement the proposed plan.

Moved by Councillor O'Shaughnessy,
Adoption of the clause.

Moved by Councillor De Smedt,
Seconded by Councillor Lubosch,

WHEREAS the Secretariat Committee of Council is proposing that Council establish a registered defined benefit pension plan as outlined in Clause 1 of the Report of the Secretariat Committee dated November 20, 2000;

AND WHEREAS the public is expected to be aware of a compensation package (including salaries and benefits for members of Council) prior to a term of office;

AND WHEREAS the process for such compensation determination needs to be transparent particularly if Council intends to set their own benefits;

AND WHEREAS community standards respecting elected officials compensation needs to be tested through a "compensation commission";

Report of the Secretariat Committee dated November 20, 2000

AND WHEREAS in July 1993, the Provincial Government established a five member commission, The Indemnities and Allowances Commission, to decide on the indemnities, allowances and retirement benefits to be paid to members of the Legislative Assembly (MLA) and to make recommendations about the means for determining future indemnities, allowances and retirement benefits (Report of the Indemnities and Allowances Commission [Pay, Pension and Accountable Allowances] dated March 1994);

AND WHEREAS the Commission's recommendations were made binding under Bill 55 and provide for a simple voluntary registered retirement savings plan arrangement to replace an existing MLA pension plan; said benefit deemed to meet community standards;

AND WHEREAS on March 26, 1997, Clause 12 of the Report of the Executive Policy Committee dated March 19, 1997 proposed the establishment of a voluntary registered retirement savings plan whereby the City would match contributions of the members to the plan, similar to that provided to Provincial MLAs; however this proposal was defeated;

THEREFORE BE IT RESOLVED that the clause be referred to Executive Policy Committee with the following instructions:-

I) That the Executive Policy Committee appoint a compensation commission to review the proposed retirement compensation package for members of Council and determine its merits or alternatives, according to established community standards;

II) That the results of the review provide a recommendation for a sustainable compensation review process (salaries, benefits, and allowances) to be incorporated in City policy;

III) That the report be submitted for Council's review no later than July 18, 2001.

The motion to refer the clause with instructions was put.

Councillor Clement called for the yeas and nays, which were as follows:-

Yea: Councillors De Smedt and Lubosch. 2

Nay: Councillors O'Shaughnessy, Angus, Clement, Gerbasi, Smith, Steek, Steeves, Vandal, Eadie, His Worship Mayor Murray and Councillor Lazarenko. 11

and the motion to refer the clause with instructions was declared lost.

The motion for the adoption of the clause was put.

Councillor Smith called for the yeas and nays, which were as follows:

Yea: Councillors O'Shaughnessy, Angus, Clement, Gerbasi, Lubosch, Smith, Steek, Steeves, Vandal, Eadie, His Worship Mayor Murray and Councillor Lazarenko. 12

Nay: Councillor De Smedt. 1

and the motion for the adoption of the clause was declared carried.

(See Minute No. 83 for attachment)