Report of the Executive Policy Committee dated September 24, 2002

The Restructuring of the City of Winnipeg Employees Benefits Program and the Implementation of the Civic Employees Benefits Program Pension Trust Agreement
File GU-3.9 (Vol. 17)

3. The Executive Policy Committee has been advised that The City of Winnipeg and the Unions commenced negotiations in 1998 for purposes of determining a process for allocating surpluses in the City of Winnipeg Employee Benefits Program (EBP) and changes to the structure, governance and funding requirements of the EBP. In November of 1999, the parties agreed to ratify the new pension plan restructuring the EBP, with July 1, 2000, being the anticipated implementation date.

Council, on November 22, 2000, owing to the complexity of the arrangement, the need for amendments to legislation, the required Court approval, the approval of the Manitoba Pension Commission and, in order to gain an immediate benefit from the current surplus, approved an interim arrangement which the Unions and the City had agreed to which will end December 31, 2002. That agreement allows both the City and the Unions to utilize up to $150 million of the existing surplus for the purpose of improving benefits and allowing the City of Winnipeg to continue with a contribution holiday in year 2000 and subsequent years until fully utilized.

Since the adoption of that interim agreement, appropriate amendments have been made to The City of Winnipeg Act and the approval of the Manitoba Court of Queen's Bench has been obtained. The Unions and the City are now able to continue with their application to the MPC for its consideration and approval of the restructuring of the EBP pursuant to The Manitoba Pensions Act.

The new plan is now scheduled to come into effect on January 1, 2003.

The Chief Financial Officer is of the view that it is in the best interests of the City of Winnipeg that the Trust Agreement be executed and is recommending the City of Winnipeg's appointees to the Board of Trustees. This will allow the City to benefit as soon as possible from the funding structure of the new pension plan, assure that the City has taken all necessary steps to facilitate the Unions and the City obtaining the approval of the Manitoba Pensions Commission so that the new pension plan can be implemented as intended on January 1, 2003.

There is no financial impact associated with the restructuring of the City of Winnipeg Employees Benefits Program and the implementation of the Civic Employees Benefits Program Pension Trust Agreement.

Report of the Executive Policy Committee dated September 24, 2002

The Executive Policy Committee recommends:

I. That Council, in accordance with the terms of the Trust Agreement which implements the new pension plan, appoint the following as the City of Winnipeg members of the Board of Trustees for the assigned terms:

Bob Pruden	3 year term
David Shepherdson	1-year term
Bob Gannon	2-year term
Jo-Anne Ferrier	3-year term
Rick Borland	1-year term
Barry MacBride	3-year term
Ursula Stelman	2-year term

II. That Marshall G. Smith's and Scott Penman's terms on the Employee Benefits Investment Committee, which expire on October 31, 2002, be extended to December 31, 2002.

III. That the Proper Officers of the City be authorized do all things necessary to effect the intent of the foregoing including the execution of the Trust Agreement**.**