

Alert

To the immediate attention of the Clerk and Council

October 26, 2005 – Alert 05/078

OMERS – Bill 206 INFORMATION STATUS UPDATE AND SAMPLE MUNICIPAL RESOLUTION

*(All 382 Municipal Governments that are OMERS Employers
should read this Alert immediately)*

Issue:

The Standing Committee on General Government intends to hold public hearings on Bill 206, *An Act to revise the Ontario Municipal Employees Retirement System Act*, on November 14, 16, 21, and 23, 2005 in Toronto. Members are encouraged to make submissions to the Committee.

In addition to participating in Standing Committee hearings, members are encouraged to pass a resolution expressing concerns with provision in Bill 206. A sample resolution is attached.

Background:

Our review of Bill 206 raises significant issues sufficient to question whether the Government has shown an appropriate commitment to protect the best interests of employees, retirees, employers, communities, taxpayers and Ontario's economy. AMO has requested, but not yet received, technical information from the Province in order to make a fully informed and reasoned response to the Bill.

Municipalities or municipal organizations wishing to make an oral or written presentation on Bill 206 should contact the Committee Clerk before November 9, 2005:

Tonia Grannum, Clerk
Room 1405, Whitney Block, Queen's Park
Toronto, ON M7A 1A2
Phone: (416) 325 - 3519
Fax: (416) 325 – 3505

A copy of the [Bill](#) is linked to this Alert. Key elements of AMO's submission to the Standing Committee on Bill 206 will be made available to members prior to November 9, 2005.

A package of additional information on Bill 206, including materials intended to assist members with analysis and local advocacy on Bill 206 will be delivered to members within the next few days.

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Municipal Assistance Needed: Attached is a model resolution that every municipality, which is an OMERS employer, is asked to pass quickly and forward to Minister Gerretsen and their local MPP(s).

Model Resolution Re: Bill 206:

WHEREAS the provincial Standing Committee on General Government is currently debating Bill 206, *An Act to revise the Ontario Municipal Employees Retirement System Act*; and

WHEREAS the OMERS pension fund is currently equal to approximately 8% of Ontario's annual GDP; and

WHEREAS the OMERS pension fund serves approximately 900 employers and 355,000 diverse employee groups including: current and former employees of municipal governments; school boards; libraries; police and fire departments; children's aid societies; and, electricity distribution companies; and

WHEREAS Ontario's municipalities and their employees depend on the prudent management of the \$36 Billion plan and to ensure that employees and employers are paying for benefits they can afford; and

WHEREAS OMERS employer and employee members are facing an increase in OMERS contributions in 2006 of approximately 9% as a result of a significant deficit in the OMERS fund; and

WHEREAS the Bill includes significant, potentially costly and unnecessary changes to the governance structure of OMERS including a Sponsors Corporation structured to be governed by arbitration; and

WHEREAS the Bill would permit the creation of expensive supplementary plans to provide optional enhanced benefits that will impose new collective bargaining obligations on municipalities, the operating costs of which cannot yet be fully assessed; and

WHEREAS the Province has a responsibility to study the potential impact of the changes it is proposing and to share the results with employers and employee groups; and

WHEREAS AMO and others have urged the government to consider the potential implications of Bill 206 and to ensure the proposed policy changes protect the interests of employers, employees and taxpayers; and

WHEREAS the Government is moving in haste with a Bill, which in its current form raises significant technical, public policy and economic issues;

THEREFORE BE IT RESOLVED THAT (Name of municipality) does not support Bill 206, and requests the that the Government of Ontario reconsider the advisability of proceeding with Bill 206 in its current form; and

FURTHER IT BE RESOLVED THAT (Name of Local MPP), the Honourable John Gerretsen, Minister of Municipal Affairs and Housing, the Honourable Dalton McGuinty, Premier of Ontario, and the Association of Municipalities of Ontario be advised that this Council does not support proposed changes to the OMERS pension fund contained in Bill 206.

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca

For more information, contact 416-971-9856: Pat Vanini, Executive Director, at ext. 316 or
Brian Rosborough, Director of Policy at ext. 318