



Staff Report

Administration – Human Resources

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: August 14, 2023
Report Number: FAF.23.116
Title: Council Participation in OMERS
Prepared by: Sarah Traynor, Manager of Human Resources

A. Recommendations

THAT Council receive Staff Report FAF.23.116, entitled “Council Participation in OMERS”;

AND THAT Council direct staff to proceed with:

Option 1: Initiate the steps to enrol the Head of Council only, and no other members of Council in the OMERS Pension Plan; or

Option 2: Initiate the steps to enrol all Council members in the OMERS Pension Plan (including the Head of Council); or

Option 3: Remain status quo and not enrol Council or the Head of Council in the OMERS Pension Plan.

B. Overview

This report provides Council with information on the options and associated costs to enrol Council in the OMERS Pension Plan.

C. Background

Members of Council may enrol in the OMERS Pension Plan, subject to the conditions outlined in the Analysis section below. For Council to participate, a by-law must be passed authorizing participation.

Across Ontario, Council participation in the OMERS Pension Plan is limited. A 2017 AMCTO Council Compensation Survey indicated that only 16% of municipalities make pension contributions on behalf of Council. Of municipalities with a population below 10, 000, fewer than 7% provide pension contributions.

Within our region, Chatsworth, Georgian Bluffs, Grey County, and Owen Sound Councils are enrolled in the OMERS Pension Plan. Currently, Council of the Town of The Blue Mountains are not enrolled in the OMERS Pension Plan.

D. Analysis

Enrolment of Council Members

There are three options for the enrolment of Council members in the OMERS Pension Plan:

Option 1: Council can choose to enrol the Head of Council only, and no other members of Council;

Option 2: Council can choose to enrol all Council members; or

Option 3: No members of Council enrol in the OMERS Pension Plan.

There is no option to enrol only Councillors in the OMERS Pension Plan, without the Head of Council.

Should Council wish to enrol in the OMERS Pension Plan, existing Councillors would have the option of whether or not to join. Enrollment in the Pension Plan will be effective on the date of the passing of the by-Law and is not retroactive to the beginning of the term of Council. New Council members elected in the next term of Council, or all future elections, would be required to join the OMERS Pension Plan, subject to the restrictions noted below. Current Councillors who are re-elected, are not considered new members and therefore do not have to enrol.

It should be noted that the decision to join the OMERS Pension Plan is a one-time decision. If future Councils look to cease participation, they would need to provide evidence that 100% of the Council members who participate in the OMERS Pension Plan voted in favour of ceasing participation and amend the original participation by-law or resolution to terminate participation.

Restrictions

Members of Council can only be enrolled in the OMERS Pension Plan if they are 70 years of age or younger.

Members who are already receiving an OMERS pension may be enrolled in the Pension Plan or may opt-out if they wish to continue to receive their existing pension. It is not possible to contribute to OMERS and receive a pension at the same time.

Pension Contributions

Council contributions are based on the Council member's "contributory earnings." A Council member's contributory earnings are defined in the OMERS Plan as taxable "money paid to the Councillor for the Councillor's services as a Councillor under the *Municipal Act*."

The contributory earnings of a Council member are the taxable earnings, excluding any additional nontaxable allowances or reimbursements.

The contribution rates for Council members and the pension benefits earned by Council members are the same as for other OMERS normal retirement age (NRA) 65 members.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Not applicable.

G. Financial Impacts

Should Council wish to enrol in the OMERS Pension Plan, 9% of the contributory earnings will be deducted as pension payments. In 2023, this would total \$4,540.30 for the Mayor, and \$3535.76 for the Deputy Mayor and each Councillor. Contribution rates may change each year as deemed necessary by OMERS.

In addition, the Town would match the contributions. In 2023, this would total \$25,754.86 (based on 12 months).

Potential Pension Payments

Assuming that a recently retired Councillor (age 65 or older) had served one (1) four-year term, staff estimate that the OMERS pension would total approximately \$1,669.01 annually (\$139.08 monthly). The estimated OMERS pension for a recently retired Head of Council (age 65 or older) that had served one (1) four-year term, would total approximately \$2146.05 annually (\$178.84 monthly).

Should Council decide to pass the necessary by-law, future members of Council will be required to enrol in the OMERS Pension Plan, and associated costs will be included in future operating budgets.

H. In Consultation With

Jenn Whyte, Benefits and Compensation Administrator

Corrina Giles, Town Clerk

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Sarah Traynor, Manager of Human Resources hr@thebluemountains.ca.

J. Attached

1. OMERS Administrative Manual Section 7 – Council Member Overview

Respectfully submitted,

Sarah Traynor
Manager of Human Resources

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
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Report Approval Details

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| Document Title: | FAF.23.116 Council Participation in OMERS.docx |
| Attachments: | - Attachment-1-Administration-Manual-Section-7-Council-Member-Overview.pdf |
| Final Approval Date: | Jul 24, 2023 |

This report and all of its attachments were approved and signed as outlined below:

Sarah Traynor - Jul 11, 2023 - 10:17 AM

Shawn Everitt - Jul 24, 2023 - 8:31 AM