SUBJECT: Association of Municipalities of Ontario (AMO) OMERS Support Fund (FCS06112) (City Wide)

RECOMMENDATION:

a) That the General Manager of Finance and Corporate Services be directed to issue a payment to Association of Municipalities of Ontario (AMO) in the amount of $9,357.57 for the City’s 2006 contribution to the AMO OMERS Fund to be used by AMO for OMERS Related Activities, resulting from Bill 206, the New OMERS Act; and

b) That the funding of the AMO OMERS annual contribution of $28,000 annually be forwarded to the 2007 Budget process for consideration.

Joseph L. Rinaldo
General Manager
Finance and Corporate Services

EXECLUTIVE SUMMARY:

On June 30, 2006, Bill 206 (the New OMERS Act) was proclaimed. On August 13, 2006, AMO sought general feedback, as well as, confirmation of support from all Municipalities to contribute to the AMO OMERS Special Fund as a source of funds to exclusively support OMERS Related Activities.

The AMO OMERS Special Fund is to be established annually based on the number of OMERS employees in each Municipality, including Transit and Police employees.
The Fund will provide the resources required to allow AMO to operate as a formal representative to protect the interests of municipalities as employers.

The 2006 contribution to $9,357.57 will be funded from the 2006 Budget Contingency.

Staff is requesting that $28,000 be budgeted for each year, starting in 2007, in the Corporate Financials Section of the Operating Budget.

**BACKGROUND:**

On June 30, 2006, Bill 206 (the New OMERS Act) was proclaimed. On August 13, 2006, AMO sought general feedback, as well as, confirmation of support from all Municipalities to contribute to the AMO OMERS Special Fund as a source of funds to exclusively support OMERS Related Activities.

**ANALYSIS/RATIONALE:**

The AMO OMERS Special Fund is to be established annually based on the number of OMERS employees in each Municipality, including Transit and Police employees. The fund will be administered as a separate and distinct business activity exclusively for OMERS related activities and AMO will fully and frequently report on this Fund to Municipal employer participants.

The Fund will provide the resources required to allow AMO to operate as a formal representative to protect the interests of municipalities as employers. Examples of items that are anticipated to support AMO’s role include:

- recruitment costs (as membership terms expire);
- remuneration/expenses/indemnification of AMO appointees (to the extent that this is not covered within the new OMERS governance structure);
- research and analysis costs (including legal, actuarial and governance advice);
- support for supplementary decision-making mechanisms (i.e., mediation/arbitration costs regarding proposed plan changes); and,
- administration costs (such as transition, training and communications between AMO’s municipal employers).
ALTERNATIVES FOR CONSIDERATION:

N/A

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The City does not currently Budget for this expenditure. The payment for the 2006 will be funded from the City’s 2006 Budget Contingency. Future payments must be budgeted for and, as a result, staff is recommending an increase in the Budget of $28,000 for 2007 and beyond.

The Table below outlines AMO’s estimated Budget for the next two years. The cost is being distributed by the number of enrolled employees in each of the participating Municipalities. The total number of employees is 98,500, of which, 5,409 are from the City of Hamilton.

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Estimated Total Annual Cost of OMERS Support</th>
<th>Estimated Allocation of Costs per OMERS Municipal/Police Services Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 (partial year)</td>
<td>$170,000</td>
<td>$1.73</td>
</tr>
<tr>
<td>2007</td>
<td>$498,000</td>
<td>$5.06</td>
</tr>
<tr>
<td>2008</td>
<td>$563,000</td>
<td>$5.72</td>
</tr>
</tbody>
</table>

Note: The above estimates may be reduced if certain costs are recovered from other designated employer groups, and is dependent upon number of meetings and nature of the Sponsors Corporation workplan.

POLICIES AFFECTING PROPOSAL:

N/A

RELEVANT CONSULTATION:

AMO, Patricia Swerhone, Senior Policy Advisor

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. □ Yes ☑ No
Environmental Well-Being is enhanced.  ☐ Yes  ☑ No

Economic Well-Being is enhanced.  ☐ Yes  ☑ No

Does the option you are recommending create value across all three bottom lines?
   ☐ Yes  ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?
   ☐ Yes  ☑ No