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**TO:** GENERAL COMMITTEE

**SUBJECT:** OMERS ADMINISTRATION CHANGES

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** B. DEWOLF SMITH, MANAGER OF COMPENSATION AND BENEFITS, EXT. 5030

**SUBMITTED BY:** A.M. LANGLOIS, DIRECTOR OF HUMAN RESOURCES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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### **RECOMMENDED MOTION**

1. That as of January 1, 2021, the Barrie Police Service (BPS) and Barrie Public Library (BPL) be treated as separate entities from the City of Barrie with respect to the OMERS pension plan.
2. That as of January 1, 2021, the Barrie Police Service and Barrie Public Library administer the OMERS pension plan for their own employees.

### **PURPOSE & BACKGROUND**

3. The purpose of this Staff Report is to change the administration of the OMERS pension plan from being a centralized service for all City, Police and Library employees, administered by City staff in the Human Resources Department, to a decentralized model, whereby the City administer the OMERS pension plan for their employees only, and BPS and BPL administer the OMERS pension plan for their own employees.
4. Since the establishment of the OMERS pension plan for employees of the City of Barrie, City staff, originally Finance, and Human Resources from 2014 to present, have been providing administration services for the OMERS pension plan for all City, Police and Library staff. No service agreement, outlining matters such as agreed upon services and/or required resources, was ever established between organizations for provision of this service.
5. The number of employees employed by each organization and enrolled in the OMERS pension plan has continued to grow during the term of the current arrangement. With this growth has come additional demands on resources for the administration of OMERS such that an alternate service arrangement had to be explored.
6. In 2019, the Human Resources Department undertook a third-party departmental review, completed by Blackline Consulting, which identified the need to find efficiencies in order to continue to provide the same level of human resource services within the context of an expanding organization. Further, the review identified a number of services being provided to partner organizations, including OMERS administration services among others.
7. Alternative service models identified included either a transfer of this work to the partner organization, or the establishment of full service agreements inclusive of chargebacks.

8. Engagement with BPS and BPL that commenced at the end of 2019 into the beginning of 2020 confirmed the preference of both partner organizations to transfer this work to their own staff.
9. OMERS administration requires that the three organizations be established as unique entities in the OMERS system and moving affected employees to those unique entities.
10. Both BPS and BPL were required to establish a resolution/participation by-law to begin participating in OMERS as their own employer, and the City required to demonstrate Council approval of this shift (attached as Appendix "A")
11. On June 22<sup>nd</sup>, 2020, the Barrie Police Services Board passed the required by-law resolution to become an OMERS employer, and on June 25<sup>th</sup>, 2020, the Barrie Public Library Board did the same.

### **ANALYSIS**

12. A review of the time spent by the Pension and Benefits Specialist position in 2019 quantified the amount of time spent on the administration of both pension and benefits for BPL and BPS as being between 10% to 15% of the position's time.
13. Barrie is expected to experience further growth as a community and an organization, leading to increases in staff, and therefore an increase of OMERS administration time, for all three organizations.
14. The BPL and BPS have both expressed a willingness to take on their own OMERS administration and have reviewed their own staff complement to ensure the required resources are in place.
15. For the transition to be completed smoothly and with minimal disruption, it should be completed for a start date of January 1, 2021. This would allow City staff to train BPS and BPL staff prior to the end of the year, allow for a transition based on the calendar year, with City staff being responsible for OMERS administration in 2020 and earlier, and BPL/BPS staff being responsible for 2021 and future years.

### **Next steps**

16. The BPL and BPS resolutions, a resolution of Barrie City Council of this plan will need to be forwarded to OMERS.
17. BPL and BPS staff will require training by both OMERS and City staff in Human Resources to take on the OMERS administration.
18. A list of affected employees making the transition within the OMERS system will need to be provided to OMERS for them to transition the employees in their system for January 1, 2021.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

19. There are no environmental and/or climate change impact matters related to the recommendation.

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## **ALTERNATIVES**

20. The following alternatives are available for consideration by General Committee:

**Alternative #1**

General Committee could recommend that City staff to continue to administer OMERS for both BPS and BPL.

This alternative is not recommended as it will, in the long-term, require additional staff resources to be approved in human resources, in order to continue to provide this service to our partners.

**Alternative #2**

General Committee could recommend that City staff enter into written service agreements with the BPS and BPL

This alternative is not recommended as the BPS and BPL have already confirmed that resources are available to complete the work.

## **FINANCIAL**

21. There are no cost implications related to this recommendation.

## **LINKAGE TO COUNCIL STRATEGIC PRIORITIES**

22. The recommendation included in this Staff Report is not specifically related to any of Council's Strategic Priorities.

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APPENDIX "A"

**BPS and BPL Authorizing Resolutions**

A **Resolution** to authorize participation in the OMERS primary pension plan ("Primary Plan"), and the retirement compensation arrangement that provides benefits for members and former members of the Primary Plan ("RCA"), in respect of the employees of **Barrie Police Service** identified herein.

Whereas pursuant to subsection 6(1) of the Primary Plan an employer who is eligible under the *Ontario Municipal Employees Retirement System Act, 2006* ("OMERS Act, 2006") to participate in the Primary Plan and the RCA may, by by-law or resolution, participate in the Primary Plan and the RCA and pay to the funds for the Primary Plan and the RCA the total of the employer and member contributions, and has all of the powers necessary and incidental thereto.

Therefore, the Barrie Police Services Board ("Employer") enacts as follows:

- |                             |    |  |
|-----------------------------|----|--|
| (Election re:<br>Employees) | 1. | The Employer shall participate in the Primary Plan and the RCA in respect of each person who is employed by the Employer and who is eligible to be a member of the Primary Plan and the RCA under subsection 5(3) of the OMERS Act, 2006, as amended from time to time, ("Employee") as of the first day of <b>January 2021</b> ("Effective Date") and authorizes the Chair of the Police Services Board to submit forthwith a certified copy of this <b>Resolution</b> to the OMERS Administration Corporation ("AC").  |
| (Current CFT<br>Employees)  | 2. | An Employee who is employed on a continuous full-time basis ("CFT Employee"), as defined in subsection 9(1) of the Primary Plan, as amended from time to time, and who commenced employment with the Employer before the Effective Date is entitled to become a member of the Primary Plan and the RCA on the first day of the month following the month in which the CFT Employee's application is received by the AC, provided that the AC may, at the request of the Employer, fix an earlier date on which the CFT Employee becomes a member but not before the date on which the CFT Employee became entitled to be a member or the first day of January in the year in which the application is received by the AC, whichever is the later date. |
| (Future CFT<br>Employees)   | 3. | Every person who becomes a CFT Employee on or after the Effective Date shall, as a condition of employment, become a member of the Primary Plan and the RCA, or if such person is already a member, resume contributions to the Primary Plan and the RCA on the date so employed.  |

- (PBA Membership for OTCFT Employees)
4. An Employee who is employed on other than a continuous full-time basis ("OTCFT Employee") and meets the eligibility criteria in subsection 9(6) of the Primary Plan, as amended from time to time, is entitled to become a member of the Primary Plan and the RCA on the first day of the month following the month in which the OTCFT Employee's application is received by the AC, provided that the AC may, at the request of the Employer, fix an earlier date on which the OTCFT Employee becomes a member but not before the date on which the OTCFT Employee became entitled to be a member or the first day of January in the year in which the application is received by the AC, whichever is the later date.
- (Senior Management Official)
5. Any person who holds a senior management position with the Employer ("Senior Management Official"), as the Employer may designate from time to time, is hereby authorized on behalf of the Employer to take all such action and execute all such documents, certificates and agreements, as they may consider necessary to give effect to the provisions of this **Resolution** and to fulfill the Employer's duties and obligations with respect to the Primary Plan and the RCA, as required from time to time.
- (NRA 60 option for Police)
6. The normal retirement age of Employees who are employed as police officers as defined in section 2 of the *Police Services Act*, as amended from time to time, or as police cadets, is 60 years.

DATED this 22 day of June, 2020.

*The Board hereby approves the resolution to authorize segregation of the OMERS pension plan from the City of Barrie.*

*Barrie Police Service will assume all administrative duties pertaining to the OMERS pension plan.*

  
Barrie Police Services Board – Chair

  
Barrie Police Services Board – Vice-Chair

**RESOLUTION No. •Motion #20-29**

A Resolution to authorize participation in the OMERS primary pension plan (“Primary Plan”), and the retirement compensation arrangement that provides benefits for members and former members of the Primary Plan (“RCA”), in respect of the employees of The Barrie Public Library identified herein.

Whereas pursuant to subsection 6(1) of the Primary Plan an employer who is eligible under the *Ontario Municipal Employees Retirement System Act, 2006* (“OMERS Act, 2006”) to participate in the Primary Plan and the RCA may, by by-law or resolution, participate in the Primary Plan and the RCA and pay to the funds for the Primary Plan and the RCA the total of the employer and member contributions, and has all of the powers necessary and incidental thereto.

Therefore the Board of The Barrie Public Library (“Employer”) enacts as follows:

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|-----------------------------|----|--|
| (Election re:<br>Employees) | 1. | The Employer shall participate in the Primary Plan and the RCA in respect of each person who is employed by the Employer and who is eligible to be a member of the Primary Plan and the RCA under subsection 5(3) of the OMERS Act, 2006, as amended from time to time, (“Employee”) as of the first day of January, 2021 (“Effective Date”) and authorizes the Chief Executive Officer to submit forthwith a certified copy of this Resolution to the OMERS Administration Corporation (“AC”).  |
| (Current CFT<br>Employees)  | 2. | An Employee who is employed on a continuous full-time basis (“CFT Employee”), as defined in subsection 9(1) of the Primary Plan, as amended from time to time, and who commenced employment with the Employer before the Effective Date is entitled to become a member of the Primary Plan and the RCA on the first day of the month following the month in which the CFT Employee’s application is received by the AC, provided that the AC may, at the request of the Employer, fix an earlier date on which the CFT Employee becomes a member but not before the date on which the CFT Employee became entitled to be a member or the first day of January in the year in which the application is received by the AC, whichever is the later date. |
| (Future CFT<br>Employees)   | 3. | Every person who becomes a CFT Employee on or after the Effective Date shall, as a condition of employment, become a member of the Primary Plan and the RCA, or if such person is already a member, resume contributions to the Primary Plan and the RCA on the date so employed.  |



(PBA  
Membership  
for OTCFT  
Employees)

4. An Employee who is employed on other than a continuous full-time basis ("OTCFT Employee") and meets the eligibility criteria in subsection 9(6) of the Primary Plan, as amended from time to time, is entitled to become a member of the Primary Plan and the RCA on the first day of the month following the month in which the OTCFT Employee's application is received by the AC, provided that the AC may, at the request of the Employer, fix an earlier date on which the OTCFT Employee becomes a member but not before the date on which the OTCFT Employee became entitled to be a member or the first day of January in the year in which the application is received by the AC, whichever is the later date.

(Senior  
Management  
Official)

5. Any person who holds a senior management position with the Employer ("Senior Management Official"), as the Employer may designate from time to time, is hereby authorized on behalf of the Employer to take all such action and execute all such documents, certificates and agreements, as they may consider necessary to give effect to the provisions of Resolution and to fulfill the Employer's duties and obligations with respect to the Primary Plan and the RCA, as required from time to time.

DATED this 25 day of June, 2020.

SIGNATURE:



Austin Mitchell  
Chair, Barrie Public Library Board