17-O-1589 Proposed Improvements to Governance of Pension Boards

What are we proposing?

Ensuring that the investment decisions for employee pensions are the best they can be by:

- Bringing together the three pension boards into one investment board to achieve lower costs in administrating three employee pension funds
- Implementing best practices such as bringing more expert capability to the board, improving board training qualifications and increasing transparency
- While still maintaining the funds separately and creating administrative sub-committees for claims and non-investment administration

What this will NOT do:

- Does **NOT** affect your paycheck or retirement check
- Does **NOT** co-mingle the three funds – they will be maintained separately
- Does **NOT** eliminate representation on Board of plan participants: both active and retiree representation remains on the Board

Benefits

- Reduce the administrative costs of servicing three separate boards, e.g., actuarial, legal, investment consultants, third party administrators
- Ensure investment performance is optimized, so that the annual pension contribution cost from the General Fund is the lowest it can be in all financial cycles
  - And pushes out as far as possible the financial cap that triggers further potential pension changes

What this will do:

- Bring more financial expertise to the pension investment decisions, in line with best practices
- Save administrative costs by consolidating advisors/consultants across three funds
- Increase transparency through additional reporting requirements