

ANNUAL GENERAL MEETING

Performance Hall, Calgary Central Library
800 – 3 Street SE
Calgary, Alberta
Wednesday, June 14, 2023 - 12:00 p.m.

- MINUTES -

Mike Mahar, MEBAC President, called the Special Annual General Meeting of the Municipal Employees Benefit Association of Calgary (MEBAC) to order at 12:05 p.m. on June 14, 2023. The President declared the meeting a Special Annual General Meeting as the quorum of one hundred members for a regular meeting was not met at the scheduled time of 12:00 p.m.

Introductions

Mike Mahar, President, reviewed the agenda.

Mike introduced the trustees of the MEBAC Executive Committee. The MEBAC representatives who retired from the Committee in the past year were acknowledged. He explained MEBAC's structure, trustee responsibilities and the various committees. Mike also thanked the resource personnel who support MEBAC. Mike also presented the MEBAC member count over the last four years, which have been relatively stable. There were 14,786 members at the end of 2018 and 15,056 at the end of 2022.

Review Minutes of the 2022 Annual General Meeting

Copies of the minutes from the 2022 Annual General Meeting were distributed in the handout package. Time was provided to the attendees of the AGM to review last year's minutes. No errors or omissions were noted.

*It was **MOVED** by Bill Johnson and Seconded by Ab Huskic to accept the minutes from the 2022 Annual General Meeting. **CARRIED***

2022 MEBAC Financial Statements

Anthony Montanaro, MEBAC Treasurer, and David Andrews, Leader - Finance, presented the 2022 financial results for MEBAC. Copies of the financial statements were distributed in the handout package.

LTD Plan

- Increasing LTD (Long-Term Disability) costs in 2018 and 2019 were not covered by premiums, which prompted the increase in premiums from 2019 forward.
- LTD claims experience started to decrease in 2019, which was intensified by COVID at the beginning of 2020. This decrease, coupled with the premium increase, created a surplus in the reserve.

- The LTD premium rate decreased in 2022 to 1.25% of earnings from the 2021 rate of 2.65% of earnings.

Health & Dental

- Premiums rates were maintained in 2022.
- COVID resulted in lower health & dental usage than anticipated, creating a surplus instead of the forecasted deficit in 2020 and 2022.

Optional Group Life & Critical Illness

- Premiums for these coverages are equal to the amount remitted to the providers.
- Premiums have been stable over the past five years.

2022 Reserves

- There are four reserves: the Claims Fluctuation Reserve (CFR), the LTD Disabled Life Reserve (DLR), the Operating Reserve, and the Pre-95 LTD Reserve.
- The CFR was stable with \$7.2 million in 2021 to \$7.3 million in 2022. The DLR changed from \$16.1 million in 2021 to \$18.3 million in 2022. The Operating Reserve changed from \$62.5 million in 2021 to \$30.8 million in 2022. The Pre-95 LTD Reserve changed from \$0.7 million in 2021 to \$0.5 million in 2022.

Investment Returns

- Operating Plan: There was a noticeable dip in the investment returns in 2018 which was recovered in 2019 to 2021. In 2022 there was a 10% loss due to inflation and slow economy growth.
- Pre-95 LTD Plan: The trends are the same as the Operating Plan. The fund was invested in individual assets to the end of 2021, when it was switched to balanced pooled funds as it is small and just getting smaller, with an expected run-out date of 2028.

Operating Plan

- Assets were \$87.7 million in 2021 and liabilities were \$1.8 million in 2021, leading to net assets of \$85.9 million. Assets were \$67.9 million, and liabilities were \$11.3 million in 2022, leading to net assets of \$56.5 million.
- The largest increases in assets were due to the LTD premiums paid by members, and the LTD refund accounting surplus in 2021. The largest decreases in assets were the benefits paid for LTD, dental, and extended health care.

Pre-95 LTD Plan

- Assets were \$2.4 million in 2021 and liabilities were \$1.7 million in 2021, leading to net assets of \$0.7 million. Assets were \$0.5 million, and liabilities were \$0.01 million in 2022, leading to net assets of \$0.5 million.

- The only increases in assets are investment income and gains, offset by investment losses. Each year, the net investment changes were approximately \$0.3 million less than payments made.

2022 Auditor's Reports

Copies of the auditor's reports for 2022 were distributed in the handout package. Time was provided to the attendees of the AGM to review them.

*It was **MOVED** by Anthony Montanaro, and Seconded by Frank Donegan, to accept the auditor's reports for 2022. **CARRIED***

*It was **MOVED** by Anthony Montanaro and Seconded by Bill Johnson to accept Deloitte as the auditor for 2023. **CARRIED***

2022 Core Benefit Plan Financial Statements

Anthony Montanaro, MEBAC Treasurer, and David Andrews, Leader - Finance, presented the 2022 financial results for the City of Calgary Core Benefit Plan. Copies of the financial statements were distributed in the handout package.

- The City is responsible to fund Sickness & Accident, Group Life Insurance, Health Spending Account, a portion of extended health and dental, as well as 75% funding of the Pre-95 LTD Reserve.
- Expenses in 2022 were \$120 million. The expenses breakdown was Sickness & Accident (44%), Health (32%), Dental (15%), Health Spending Account (5%), Group Life (4%) and General & Admin costs (1%).
- The cost-sharing between the City Core plan and the MEBAC Operating plan over the years has changed from 80%/20% City/MEBAC in 2021 to 72%/28% City/MEBAC in 2022, as a result of the increased LTD claim experience in 2022.

Executive Committee Activity Report for 2022 and Ongoing Business

Mike Mahar, president provided an overview of the Executive Committee activity report for 2022-2023.

The existing MEBAC Agreement extension ended on December 31 2022.

Extensive preparations have been made throughout the year in anticipation of the negotiations. A meeting has been scheduled with the City's representatives to discuss the dates and protocols required to move forward with the process.

The Executive Committee is currently reviewing the draft funding policy for the LTD fund, which was prepared by Mercer. In addition, the ongoing strategy for managing the LTD contract is also being reviewed.

Governance Committee Updates

Dallas Smith, Governance Committee Chair, provided a summary of the Governance Committee's responsibilities, which encompass organizing policies and ensuring effective management. He presented an overview of the ongoing work, which included the review of policies, charters, and other initiatives. Dallas explained that certain items are currently in progress and will be updated accordingly. He encouraged members to reach out with any questions or concerns they might have. Additionally, Dallas informed the members about the committee's plans to establish a website for MEBAC, with the aim of improving document accessibility for all members.

New Business

No new business noted.

Questions

A member asked what MEBAC's role is in managing Green Shield and expressed concerns with Green Shield's plan administration and the appeals process. Mike: Clarified that MEBAC do not directly manage Green Shield and advised the member to reach out to their representatives with specific details regarding the issues. These details will be forwarded to the Executive Committee for further discussion.

What is the process for verifying or monitoring a person's proper usage of LTD benefits specifically with regard to taking vacation while on LTD? Mike: The S&A (Sickness and Accident) and LTD processes include mechanisms that allow individuals the option to temporarily pause receiving benefits for vacations, as long as it does not hinder rehabilitation, reemployment programs, or medical treatment, and with the appropriate authorization. Canada Life are the administrators of the LTD claims, and they regularly conduct fraud checks and investigations as necessary.

How will the outcomes of the early intervention mental health pilot program will be communicated to members? Mike: The pilot project is administered by Canada Life, where they identify cases that may benefit from early intervention and seek the voluntary participation of employees. They are currently awaiting the final report to assess whether it can aid claimants in achieving a faster recovery or obtaining more accurate diagnoses and treatment. Once the final results are reviewed, they will decide whether further investigation is warranted.

Have any comparisons or research been conducted regarding municipalities with a multigroup structure, to evaluate how the rates are set or determined? David: HR regularly conducts reviews to ensure competitive rates.

What is the nature of the LTD claims? David: Mental health is the primary concern, surpassing musculoskeletal issues which held the highest position in the past decade.

When will the rates for massage and physiotherapy services be reviewed, given that they have remained unchanged for the past 8-10 years despite inflation and price changes? Mike: The Negotiating Committee also identified this issue, and will be addressed moving forward, along with other concerns that have been raised.

Adjournment

The Special Annual General Meeting was adjourned at 1:00 p.m.