

ANNUAL GENERAL MEETING

Performance Hall, Calgary Central Library
800 – 3 Street SE
Calgary, Alberta
Wednesday, June 19, 2024 - 12:00 p.m.

UNAPPROVED MINUTES – FOR REVIEW ONLY

(These minutes have been reviewed by the Executive Committee but are not yet approved.)

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 19, 2024. 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

Dallas Smith, MEBAC Executive Committee (“Committee”) member, started the meeting with the land acknowledgement. Mike Mahar, President, reviewed the agenda.

Mike introduced the officers, trustees and alternates of the Committee. The MEBAC representatives who left the Committee in the past year were acknowledged. He explained MEBAC’s structure, trustee responsibilities and the various committees. Mike also presented the MEBAC member count over the last five years, which decreased during COVID, but has been increasing since then. There were 14,805 members at the end of 2019 and 16,340 at the end of 2023.

Review Minutes of the 2023 Annual General Meeting

Copies of the minutes from the 2023 Annual General Meeting were distributed in the handout package. Time was provided to the attendees to review last year’s minutes. No errors or omissions were noted.

*It was **MOVED** by Frank Donegan and Seconded by Bill Johnson to accept the minutes from the 2023 Annual General Meeting. **CARRIED***

2023 MEBAC Financial Statements

Anthony Montanaro, MEBAC Treasurer, presented the 2023 financial results for MEBAC. Copies of the financial statements were distributed in the handout package.

LTD Plan

- Expenses were down by 8.6% from 2022 to 2023.
- LTD claims experience was less than the premiums remitted to Canada Life, resulting in a surplus of \$11.4M, compared to a deficit of \$9M in 2022.

- The surplus which had been building in the reserve since 2019 was used to decrease the member contribution rate to 1.25% of earnings in 2022, which were unchanged in 2023.

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Health & Dental

- For 2023, the paid benefits for health and dental exceeded the premiums collected. This is partly by design, especially over the last five years, as MEBAC has opted to use some of its increasing reserves to cover some of the costs.

Optional Group Life & Critical Illness

- Premiums for these coverages are equal to the amount remitted to the providers.
- Premiums have been increasing over the past five years and interest in this coverage is expected to grow.

2023 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 \$8.22M, an increase of \$0.92M as a result of the increased base on which it is calculated (requirement is 25% of the refund billed premium).
- The DLR was \$17.9M, a decrease of \$460K in 2023 (requirement is 15% of the Canada Life DLR balance).
- The Operating Reserve had a net increase of \$1.1M; the \$11.4M LTD refunding accounting surplus was offset by the \$10.3M deficit from operations.
- The Pre 95 LTD reserve was \$373K; the decrease of \$93K was a result of the net transfer to operations. There were 3 claimants at the end of 2023.

Investment Returns

- Operating Plan: There was a large loss in 2022 which was consistent with the global market, and a rebound in 2023. The return was \$4.3M (8%), with fees of \$118K.
- 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 getting smaller, with an expected run-out date of 2028.

Operating Plan Financial Results

- Net assets available for benefits at the end of 2023 was \$58M, an increase of \$1.55M from prior year and compared to a \$29M decrease in 2022.
- There was a decrease of \$20M in investment due to rate subsidization.
- The largest variances coming from LTD (\$11.4M surplus in 2023 vs \$9.3M deficit in 2022) and unrealized gain/loss on investment (\$4.4M gain in 2023 vs \$8.8 loss in 2022)

Pre-95 LTD Plan

- The assets and liabilities will slightly decrease every year as it is aging out.

2023 Auditor's Reports

Copies of the auditor's reports for 2023 were distributed in the handout package. Time as provided to the attendees of the AGM to review them.

*It was **MOVED** by Anthony Montanaro, and Seconded by Bill Johnson, to accept the auditor's reports for 2023. **CARRIED***

2023 Core Benefit Plan Financial Statements

Joanne Kuang, Acting Leader - Finance, presented the 2023 financial results for the City of Calgary Core Benefit Plan. Copies of the financial statements were distributed in the handout package.

- The City administers the employer-paid components of the benefits plan, including Sickness & Accident ("S&A"), Group Life Insurance, Health Spending Accounts, a portion of extended health and dental, as well as 75% of the Pre-95 LTD Reserve.
- The net contribution from The City in 2023 was \$131M, as compared to \$120M in 2022 (9% increase), mainly due to member count, increased utilization and cost.
- S&A was 40%, Extended Health was 24% and Dental was 16% of the costs.
- The expense for Health was \$46.2M and the expense for Dental was \$20.3M.
- Paid benefits are partially offset by revenue from the Employment Insurance rebate (\$1.55M in 2023).
- As The City Core plan absorbs the majority of uncapped costs, the cost sharing split has been gradually weighted towards The City. This trend is expected to continue as inflationary pressures continue to act upon the cost of benefits.

Executive Committee Activity Report for 2023

Mike Mahar provided an overview of the Committee activity report for 2023-2024.

A new deal was negotiated with The City. Key changes are:

- Addition of anti-obesity drugs, new sclerotherapy coverage and anti-smoking medication enhancement
- Addition of in-vitro fertilization services and enhancement to gender affirmation services
- Increase to paramedical and psychology coverage
- Expanded list of approved providers for Attending Physician Statements

LTD is reviewed in depth on a regular basis.

There were other items on the negotiation list, but MEBAC and The City ran out of time to discuss them before the changes had to be finalized. MEBAC will be asking the trustees of the various groups to reach out to their membership again this year for feedback for this year's negotiations.

Governance Update

Dallas Smith, Governance Committee Chair, provided a summary of the Governance Committee's responsibilities, which include making sure they are doing all they can to ensure MEBAC's work is done properly and smoothly. The trustees and alternates put in a lot of work reviewing and updating the governing documents specific to MEBAC. He presented a list of governing documents with their review timetable.

Dallas updated that MEBAC is moving forward with plans to establish a website for MEBAC.

New Business

No new business noted.

Questions and Responses from Mike Mahar

Q- Is there is a deadline for feedback for negotiations?

A- There is no immediate deadline, and MEBAC will be providing information for trustees to share with their groups.

Q- Can MEBAC elaborate on aspects that did not go forward during the last round of negotiations?

A - The largest items were eyeglass limits and dental rates.

Adjournment

The Special Annual General Meeting was adjourned at 12:43 p.m.

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