



NM NM 2012-10

RECEIVED

2012 MAR -1 A 9:09

THE CITY OF CALGARY
CITY CLERK'S

NOTICE OF MOTION
CC 661 (R2009-05)

2012 February 8

RE: City of Calgary Pension Plan Funding Shortfalls

ALDERMAN Peter Demong

WHEREAS the Federal Government has indicated changes in the Canada Pension Plan may be in the works, drawing much attention to pension issues overall;

AND WHEREAS the City of San Jose's pension costs are crowding out spending on parks, recreation, street maintenance and other services;

AND WHEREAS 50 other American cities are grappling with almost \$600 billion of unfunded pension liabilities;

AND WHEREAS the City of Regina's pension plan is under-funded by \$238 million which would require a 33% employee contribution increase combined with a 3% property tax to alleviate;

AND WHEREAS in spite of a relatively stellar year in investment returns (9.1%), the Local Authorities Pension Plan unfunded liability has grown significantly again for the tenth year in a row, now reaching \$4.6 billion dollars – approximately 20% underfunded;

AND WHEREAS the current Alberta LAPP Plan has been criticized in terms of performance/benefit comparison with other plans across Canada;

NOW THEREFORE BE IT RESOLVED that:

- 1) Administration prepares a current status report for Council regarding the unfunded liability of the LAPP plan and what contingency plan the City of Calgary has in place to deal with it;
 - a) Similar status reports regarding potential unfunded liabilities of all the City's other pension plans, including Police and Fire;

Signature of Member(s) of Council



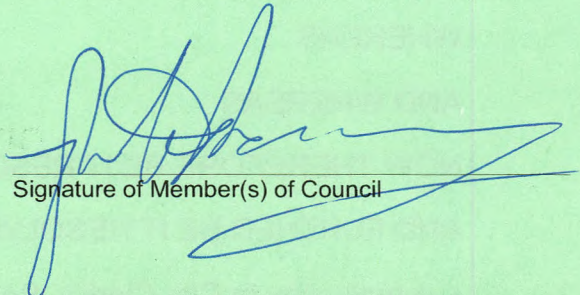
NOTICE OF MOTION

CC 661 (R2009-05)

2) Potential impacts on City of Calgary general finances and taxation requirements as related to:

- a) the unfunded liability of LAPP and other City Pension plans
- b) employee recruitment and retention issues if contribution levels become uncompetitive
- c) comparisons of LAPP to other similar Provinces and governments pension plans for government employees, including benefit payouts and contribution levels
- d) any other significant pension issues which may have direct impact on future City of Calgary budgets.

AND FURTHER BE IT RESOLVED that this report come back to Council as part of Administration's annual report on pensions.


Signature of Member(s) of Council