

ANNUAL GENERAL MEETING

Performance Hall, Calgary Central Library
800 – 3 Street SE
Calgary, Alberta
Thursday, June 27th, 2019 - 12:00 noon

- MINUTES -

Rory Gill, MEBAC President, called the Annual General Meeting of the Municipal Employees Benefit Association of Calgary (MEBAC) to order at 12:00 noon on June 27, 2019. There were 119 people in attendance. The President declared an Annual General Meeting as the quorum of one hundred members for a regular meeting were present at the scheduled time of 12:00 p.m.

Introductions

The President, Rory Gill, reviewed the agenda.

Motion to accept 2019 AGM agenda.

*It was **MOVED** by Zul Vira, and Seconded by Mike Baker to accept the 2019 AGM agenda.
CARRIED*

Rory introduced the trustees of the MEBAC Executive Committee. The MEBAC representatives who in the past year retired from the Committee were acknowledged and thanked for their contributions. He explained MEBAC's structure, trustee responsibilities and the various committees. Rory also thanked the resource personnel who support MEBAC.

Review Minutes of the 2018 Annual General Meeting

Copies of the minutes from the 2018 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 Alex Montanaro, and Seconded by Mike Baker to accept the minutes from the 2018 Annual General Meeting. **CARRIED***

Update from the MEBAC President

Rory spoke about the Long Term Disability plan which is income support beyond 119 days and is employee funded, therefore a non-taxable benefit. A slide was presented with LTD employee premiums, Great-West Life charges (claims, DLR, expenses) and premiums remitted to GWL for 2014 to 2018. There was a below average in cost, a spike in the charges and greater number of employees on claims. The Disabled Life Reserve (DLR) takes into accounts each claimants potential inability to return to work before age 65. Claiming

demographic have been shifting to younger employees and longer claim periods. Currently MEBAC is working with The City to address wellness strategies, solutions and steps to be taken.

2018 MEBAC Financial Statements

MEBAC Treasurer, Anthony Montanaro presented the 2018 Financial Results for MEBAC.

Operating Plan

- Number of MEBAC members in 2018 – 14,786; Dependents 24,761 – Total 39,547
- Total Member Contributions in 2018 were \$33.6 Million and Paid Benefits were \$37.8 Million. Paid benefits exceeded contributions by \$4.2 Million primarily due to the increases in the DLR reserve of \$2.6 Million and health and dental rates being subsidized by the Operating reserve of \$1.5M.
- Investment returns were down in 2018 mainly due to continued volatility in the Canadian and US equity markets.
- LTD benefits are 79% of MEBAC's costs, 7% for Dental, 9% for Health, 4% for Optional Group Life and 1% for General and Admin.
- Total reserves in 2018 were \$33.9 Million, down from \$40.4 Million in 2017. The unrestricted Operating Reserve which MEBAC governs, can be used for rate stabilization, claims fluctuations, operating deficits, future benefits and/or benefit enhancements. The target balance for this reserve is 15-25% of the current year's expenditures, for 2018 this reserve balance was at 22%, down from 32% in 2017.
- A review of the supplemental information reflected that paid benefits exceeded member contributions by \$461.00 per member in 2018.

Pre'95 LTD Plan

- There were 9 claimants in the Pre-95 LTD plan which is set to wind-up in 2029. Every year an actuarial valuation of the plan's funding obligations is completed. Current funding meets the plans funding obligation.

Motion to Accept Financial Report

*It was **MOVED** by Zul Vira, and Seconded by D'Arcy Lanovaz to accept the 2018 Financial Report. **CARRIED***

2018 City of Calgary Core Benefit Plan Financial Statements

David Andrews, Finance Leader, presented the 2018 City of Calgary Core Benefit Plan Financial Statements.

- The City is responsible to fund Sickness and Accident, Group Life Insurance, Health Spending Account, a portion of extended health and dental, as well as 75% funding of pre '95 LTD reserve.
- The City contributed \$102 Million for benefits to eligible employees. Sickness & Accident 44%, Group Life Insurance 4%, Dental 16%, Health 30%, Health Spending Account 5% and General & Admin costs 1%.

- Total costs of MEBAC and Core plan benefits together were \$143Million in 2018; The City portion was 72% and the employee/MEBAC portion was 28%.

Appoint 2019 Auditor

The President explained that MEBAC and The City have historically used Deloitte LLP as auditor for the MEBAC Operating Plan and Pre'95 Long term disability plan.

Motion to accept Deloitte LLP as the 2019 MEBAC Auditor

*It was **MOVED** by Cindy Munn, and Seconded by Gillian Gibbs-Gray to accept Deloitte LLP as the 2019 MEBAC Auditor. **CARRIED***

Executive Committee Activity Report for 2018 and Ongoing Business

The President provided an overview of the Executive Committee activity report for 2018.

- MEBAC has supported ongoing training of Board members to ensure the Board remains knowledgeable and up to date on good governance practices. Training mainly through International Foundation of Employee Benefit Plans (IFEBC).
- Completion of Benefit Negotiations with The City. Expires at the end of this year.
- MEBAC completed a review of its Investment Manager, Franklin Templeton as a fiduciary duty. The Investment Manager and their strategy met MEBAC's needs, so continuing with relationship.
- On-going strategy of managing Long Term Disability contract. Partnering with The City to look at strategies that can be implemented to help positively influence LTD claims experience.

New Business

No new business noted.

Rory spoke more about the Long Term Disability plan. That the costs are borne by members and that they had to raise rates in 2019 to 2.85%, which was a significant increase. Demographic trends – younger and longer duration on LTD. Number of Maintenance claims (claims in which there is no reasonable expectation to return to work before the age of 65) have increased and includes younger members. This has been a 3 year trend which is continuing. Would like to ensure delivery of best plan and best return on contributions. Review of plan design and a Joint project with The City to examine interventions during the S&A period. Looking to find ways to increase positive health outcomes for employees and their ability to return to work early. 35-40% of claims are mental health. Early intervention will have better results. Consultants have found a company where an employee can see a psychologist face to face within 8-15 days. The company provides a full intake assessment and provides guidance and recommendations to family physicians for treatment going forward.

Questions

Q: Page 37 - The actual benefits received by members are these averages?

A: Yes, approved 2019 budgeted averages in Extended Health Care – ambulance, semi-private rooms and drugs

Q: Why only qualified psychologist for services and not registered social workers? EFAP are registered social workers. Can you review this?

A: Best practice is the use of Registered Psychologist and Master of Social work. Will take a look at this for future.

Q: Can you address the protocol around mental health and immediate psychologist? Agree with approach – how to differentiate who requires psychologist.

A: The S&A Case Manager, based on Attending Physician Statement, would act as triage and make contact with the company that can make referrals to a psychiatrist within 8-15 business days. Psychologist would do a full intake assessment and contact the family physician providing more guidance and recommendations for treatment going forward.

Q: What is the total number of LTD claims?

A: In 2017 – 561 open claims. In 2018 – 600+. LTD numbers are increasing, employee numbers are stable or down.

Q: Extended Health Care now has more counselling as you can also use paramedical combined coverage. Some members require more paramedical assistance. Is there an option to merge 2 plans, counselling and paramedical?

A: Added more counselling as the trend was an increase in mental health claims. Changes to plan hinges on negotiations with The City.

As there was no further time for questions, Rory Gill advised that if anyone had questions, they could talk with a MEBAC Trustee.

*It was **MOVED** by D’Arcy Lanovaz, and Seconded by Cyril Wilson that the 2019 Annual General Meeting be adjourned. **CARRIED***

Annual General Meeting adjourned at 1:05 p.m.