

Ministry of Finance  
Deputy Premier  
Office of the Minister

Ministère des Finances  
Vice-premier ministre  
Bureau du ministre



7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416 325-0400  
Facsimile: 416 325-0374

7<sup>e</sup> étage, Édifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone : 416 325-0400  
Télécopieur : 416 325-0374

NOV 30 2012

Her Worship Hazel McCallion  
Mayor & Chair of Large Urban Mayors' Caucus of Ontario (LUMCO)  
c/o City Of Mississauga  
300 City Centre Drive, 3<sup>rd</sup> Floor  
Mississauga, Ontario  
L5B 3C1

Dear Mayor McCallion:

Thank you for your letter regarding the motion on OMERS pension contribution increases that was passed at the MARCO / LUMCO meeting during the Association of Municipalities of Ontario conference.

As you may know, on October 23, 2012, the government announced that it had reached agreements with three public sector jointly sponsored pension plans (JSPPs). The agreements cap employer contributions in these plans over the next five years. Although OMERS is a JSPP, it is not consolidated on the province's financial statement and therefore, was not required to negotiate an agreement with the government.

In addition, it is our understanding that OMERS already has a funding policy which includes a number of major elements of the JSPP framework. That is, prospective benefit reductions are required when contribution rates exceed a certain threshold. As well, the OMERS funding policy requires that the plan have a financial reserve before benefit improvements can be provided.

Thank you again for your letter and for bringing the motion regarding OMERS to my attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwight Duncan", written over a horizontal line.

Dwight Duncan  
Deputy Premier  
Minister of Finance

**RECEIVED**

**REGISTRY No.**

**DATE** DEC 03 2012

**FILE No.**

**MAYORS OFFICE**

c: The Honourable Dalton McGuinty, Premier of Ontario



# LUMCO

## Large Urban Mayors' Caucus of Ontario

September 13, 2012

The Honourable Dwight Duncan  
Minister of Finance  
7 Queen's Park Crescent  
Frost Building South, 7<sup>th</sup> Floor  
Toronto, Ontario  
M7A 1Y7

Dear Mr. Minister:

At the joint MARCO/LUMCO meeting which took place on August 19, 2012 during the AMO conference, the following motion was passed:

**Moved by Regional Chair Roger Anderson (Durham)  
Seconded by Mayor Rob Burton (Oakville)**

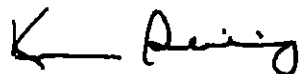
**Whereas OMERS plan deficit and contribution rates continue to increase;**

**Whereas these rates have a significant impact on property taxpayers;**


**Whereas in the absence of the OMERS Sponsors Corporation achieving its own agreement on how to cap contribution rates;**

**Therefore be it resolved that MARCO/LUMCO support the government of Ontario's 2012 Budget proposal to cap OMERS contribution rates and that in legislating an approach, that the benefits of a capping approach be real and demonstrable and effective in the short term.**

Sincerely,



Ken Seiling  
Chair, Region of Waterloo



Hazel McCallion, C.M., LL.D.  
Mayor & Chair of LUMCO

cc: The Honourable Dalton McGuinty, Premier of Ontario  
The Honourable Kathleen Wynne, Minister of Municipal Affairs and Housing  
MARCO Members  
LUMCO Members

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MARCO  
c/o Regional Municipality of Waterloo  
150 Frederick Street, 1<sup>st</sup> Floor  
Kitchener, Ontario  
N2G 4J3  
Phone: (519) 575-4585  
Fax: (519) 575-4440

LUMCO  
c/o City of Mississauga  
300 City Centre Drive, 3<sup>rd</sup> Floor  
Mississauga, Ontario  
L5B 3C1  
Phone: (905) 896-5555  
Fax: (905) 896-5879