July 14, 2026

Hon. Robert J. Flack
Minister of Municipal Affairs and Housing
Office of the Minister
Ministry of Municipal Affairs and Housing
777 Bay Street, 17th Floor, Toronto ON M7A 2J3

Sent via E-Mail: minister.mah@ontario.ca

Re: OMERS Sponsors Council Initial By-Law and Forthcoming Regulations – June 5, 2026 Administration Corporation Report Demonstrates Why Government Must Finish the Governance Reform It Began

Minister Flack:

I write on behalf of the 7,000 members of COTAPSA, who all pay into the OMERS pension plan and are part of the **25.3%** of OMERS active members who, by OMERS own statistics for 2025, **do not have direct representation** in the OMERS governance structure or OMERS board.[1] The 91,000 individuals who make up this significant constituency have participated in and helped finance the Plan for some twenty years, and yet we remain locked out of OMERS governance.

COTAPSA is in receipt of a copy of the June 5, 2026 letter sent to you by OMERS chair George Cooke and the related attachments, including an OMERS AC board document. We have had an opportunity to review these materials and would like to present our perspective.

We certainly do not dispute that OMERS has indeed conducted a series of consultations, including with those stakeholders expected to be able to nominate Sponsors Council observers. Indeed, we have participated in meetings related to this. We provided our input, including through a public letter dated May 25, 2026.[2]

Regarding the June 5th letter and documentation provided to you and shared with us by OMERS – let us first note that COTAPSA would like to make it clear that **we were not** provided an opportunity to see the June 5th letter and related materials in advance of you, or to provide comments directly on them.

Our message regarding the June 5th letter, as well as the regulations that your Ministry is now preparing under Bill 68, is simple: **the June 5th package should not be accepted as evidence of a successful implementation process.**

Instead, it must be read as warning evidence that the very behaviors that forced the Government to commission the Poirier Review in the first place, and to abolish the Sponsors Corporation, are already reappearing in its replacement.

The Illusion of Reform: Reinforcing Old Habits of Control, Not Rooting Them Out

[1] The same unrepresented portion of the OMERS membership paid fully 30.1% of the total employee pension contributions received by OMERS in 2025, again according to OMERS own 2025 statistics. We continue to believe this portion of the OMERS membership must be represented at the board level. As we have said before: *"Those who pay must have a say!"*

[2] https://cotapsa.ca/wp-content/uploads/2026/06/COTAPSA_AMCTO-Letter-to-OMERS-AC-re-Sponsors-Council-June-1-2026.pdf

The irony is difficult to ignore. While the AC report repeatedly speaks of rebuilding trust, the implementation process itself exhibits the exact characteristics that destroyed trust in OMERS governance in the first place: restricted participation, excessive sponsor accommodation, incomplete disclosure, and an insular, cozy culture of consensus-building among incumbent sponsors that is very hostile to any calls for change.

Rather than executing a clean break from the past, the June 5, 2026 package looks less like a faithful execution of the Poirier Review's reform logic and more like a negotiated truce designed to protect legacy control points.

Throughout the report, one repeatedly encounters phrases such as "Sponsors generally aligned..." and "Consensus proved difficult..." The document reads like the minutes of an extended, private negotiation among incumbent sponsors and their nominees on the AC Board. To label it as independent, public-interest-driven policy advice to your Government would be a grave mistake, and an injury to the public interest in improving OMERS governance.

Further to this, we find it especially strange that there was no acknowledgment in the report of the need for the reconstituted OMERS governance structure to engage in a serious fashion, per the Poirier Review's direction, with the matter of the OMERS Supplemental Plans and Retirement Compensation Arrangement – given that the Supplemental Plan funding agreement between OMERS and the Ministry of Municipal Affairs and Housing will expire in March 2028.

The AC's report repeatedly asks: *What do the incumbent sponsors want?* With respect, that is the wrong question.

The question the Minister must ask is: ***What best implements the intent of the Ontario Legislature, as it seeks to shift OMERS towards the vision of the Poirier Review?***

The draft by-law purports to implement Poirier's recommendations, but actually backslides on several key issues that go directly to accountability:

1. Abdicating the AC Board Appointment Machinery

The AC package explicitly notes that the initial by-law does not include provisions on AC Board composition, terms, remuneration, or appointment methods. This is an extraordinary abdication. Poirier's core recommendation was that sponsors should directly appoint AC Board members, subject to a formal AC veto mechanism by a two-thirds vote for unsuitable selections.

Rather than resolving this critical issue, the current sponsors and the AC—guided by recently reappointed Independent Board Chair George Cooke (who, as an independent ministerial appointee, is not a sponsor nominee)—failed to settle, or even meaningfully consider, this highly sensitive accountability issue. Instead, they left the entire structural framework to be established by provincial regulation.

Crucially, the package discloses that "a number of Sponsors wrote to the Minister regarding this matter" on May 21, 2026. Yet, the AC does not disclose *who* wrote, *what* they asked for, whether their positions conflicted, or whether these submissions were shared with non-voting organizations.

This parallel, back-channel lobbying directly mimics the "behind-closed-doors" culture the Poirier Review condemned. Mr. Poirier explicitly identified lack of transparency, restricted communication, and after-the-fact disclosure as central failures of the old Sponsors Corporation, noting that stakeholders found decision-making unclear and inaccessible. By hiding these communications, the transition process is repeating the exact sins of the past.

2. The Exclusionary Default for Non-Voting Observers

Poirier's observer concept explicitly contemplated that the five non-voting members representing underrepresented groups would have full access to notices, materials, attendance, and participation.

However, the draft by-law actively walks this back. It excludes non-voting members by default from in-camera meetings and related materials unless the Sponsors Council specifically votes to admit them. The package itself acknowledges that non-voting organizations strongly objected to this change, rightly pointing out that they are bound by the exact same strict Code of Conduct as voting members.

Default exclusion preserves an artificial insider/outsider boundary. While sensitive matters like litigation or individual privacy issues may occasionally justify in-camera limits, establishing exclusion as the *default* setting is unnecessary and hostile. Bill 68 imposes a statutory duty on Sponsors Council members to act honestly, in good faith, and with reasonable care while balancing the interests of all plan members. To fulfill this duty, the baseline must be inclusion, with exclusion reserved only for specific, legally justified exceptions.

3. By-Law No. 4 and Section 28(2)(c): Misconstruing the AC's Supportive Role and Fiduciary Safeguards

The role of the Designated Officer is critical, but the draft by-law fundamentally misinterprets the relationship between the Council and the Administration Corporation.

Crucially, the AC is the legal plan administrator, and its primary oversight and accountability mechanism is its own Board, which is comprised of nominees from the current sponsors. Because of this interconnected structure, the AC must not build structural "blind spots" where its strict fiduciary duties can be compromised or improperly influenced. Yet, that is precisely what occurs when incumbent sponsors are indulged in their governance wish list for the new Council.

The AC's proper role is to advise and support the Council in implementing its decisions—a functional framework very much like the one originally contemplated, but never utilized, under the *OMERS Act, 2006*. **"Designated" must not mean "subservient."** Officers and staff supporting the Council should never be subjected to arbitrary requests to leave the room by individuals who carry a strict statutory duty to act honestly, in good faith, and with reasonable care while balancing the interests of all plan members.

Rather than establishing a transparent structure, these mechanisms institutionalize a highly managed flow of data. By channeling critical validation through a Designated Officer and embedding strict information barriers, the draft protects the AC from direct stakeholder scrutiny.

This alignment strategy—foreshadowed by the coordinated positioning in the sponsors' May 21 letters—reveals a unified effort to ensure that transparency remains discretionary and internal to a small circle of incumbent organizations, rather than allowing OMERS members to see how their pension plan is run.

4. Influence Without Accountability: The Insurance Levy

Perhaps the sharpest contradiction is the current sponsors' desire to retain all the political influence of sponsorship while refusing to assume the related legal and financial accountability.

While Bill 68 imposes a clear statutory duty on Sponsors Council members to act honestly, in good faith, and with reasonable care, the AC report records that sponsors aligned on requiring robust personal liability insurance. Crucially, they recommend that the cost of this insurance be recovered via a levy charged directly to participating employers and contributors.

While we acknowledge that the Poirier Review contemplated the use of a levy for operational insurance, this recommendation was never intended to authorize a rushed, poorly considered, and open-ended tax on plan participants. Instead, the transition team has treated the levy as an immediate financial escape hatch rather than a carefully calibrated governance tool.

Furthermore, this mechanism introduces a glaring structural unfairness regarding retiree representation. **Because the proposed levy applies strictly to active contributors and employers, retirees are entirely exempt from funding it. In the interest of basic fairness, if retiree organizations are to retain full voting rights and sponsor status on the Council, provisions must be made for the levy to apply to them equitably.**

And if retirees are not to be subject to the financial burdens of the levy, then they should not be permitted to vote on decisions that dictate costs for active members; instead, they should be treated as non-voting observers rather than full sponsors.

As we said once before: "Those who pay must have a say."

The discussion in the report completely avoids this inequity, and the plan's funders are left entirely in the dark. **Participating employers and active members are entitled to a clear, plain-language explanation detailing the exact scenarios and risks contemplated that would necessitate this specialized insurance coverage or indemnification.**

Without this basic transparency, crucial questions remain completely unanswered:

- Why should appointing sponsor organizations not bear these insurance costs as an operational expense of their own representation?
- What specific decisions expose these members to personal liability, and does this relate to statutory decision-making or collective bargaining among factions?
- Why are employers and the more than 91,000 management and non-union contributors who lack any board representation expected to finance this personal shield before they have been given any plain-language justification?

Nothing would erode trust in OMERS more quickly than asking active members to pay a dedicated, rushed levy for protections that have never been explained to them, while exempting from necessary scrutiny the backroom machinations of voting factions who help impose those very costs.

5. Retaining Corporate Compensation Consultants

Equally telling is the recommendation that an external compensation consultant be retained to benchmark and determine appropriate honoraria for Sponsors Council members.

This recommendation should be **flatly rejected**. It reflects precisely the overly-cozy corporate-board culture that the Poirier Review sought to dismantle. The Government of Ontario already possesses long-established, highly transparent remuneration schedules for appointments to public agencies, boards, commissions, and adjudicative bodies.

The Province should simply prescribe reasonable public-sector per diem rates through regulation and end the matter. Indexing honoraria to private-sector standards sends **entirely the wrong message** to plan beneficiaries and the employers who fund the Plan.

Conclusion: The Final Regulatory Safeguard

Minister, the June 5 package is clear evidence of how incumbent sponsors respond when invited to redesign their own governance. The report demonstrates an understandable, if regressive, human instinct to preserve continuity, accommodate legacy interests, avoid conflict, and postpone the hardest questions of accountability.

The effectiveness of any proposed reform **should not be measured** by whether incumbent sponsors are comfortable. If an organization wants to act as an OMERS sponsor, it must accept the legal, financial, and structural burdens of that sponsorship—not just its policy influence, or the perceived public prestige.

We have said this before, and it bears repeating: if OMERS current sponsors are unwilling to accept transparent voting, the need to provide detailed public justifications for major decisions, and the shouldering of individual legal responsibility, they should step back and allow the actual funding constituencies—the participating employers, employee locals, and unrepresented groups—to determine who should represent them.

Your regulations now stand as the final safeguard against recreating, piece by piece, the very insular governance culture your Government just dismantled.

Respectfully submitted,

M. MAJOR

Mike Major
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