

that the Pension Board of Trustees examine this issue and report its plan to ensure that this high incidence is addressed for the future.

The options to address the funding deficit presented for consideration were:

1. Seek changes to or exemption from legislated funding requirements.
2. Decrease benefits provided under the Pension Plan.
 - eliminate future indexing (would decrease the deficit by 28.9 million);
 - eliminate early retirement option (eliminating this option immediately would decrease the deficit by 35.5 million, while eliminating the early retirement option in 3 years time, rather than immediately would decrease the deficit by 20 million). Either one of these changes would resolve the funding issue and satisfy the legislative requirements.
3. Increase contributions into the Plan.
4. Some combination of the above options.

Mr. Beckett noted that if indexing were eliminated as an option and a review were to be completed in a year's time, whereby the Plan is found to be in a more positive position, indexing could be re-instated.

The recommendation submitted by the City Manager is that Council send a letter to the Superintendent of Pensions asking for a ruling on the extent to which elimination of indexing provisions of the City's Pension Plan is acceptable under the provisions of the Pension Benefits Act and that the Board of Trustees of the City of Saint John Pension Plan be instructed to provide a report on actions that are to be taken with regards to management of the disability provision of The City of Saint John Pension Act.

On motion of Councillor Trites
Seconded by Councillor Court

RESOLVED no further discussion take place on the pension issue until September 29, 2003.

Councillors Teed and Chase questioned the need to delay discussions.

Question being taken, motion was carried with Councillors Teed and Chase voting nay.

3. 2004 Operating Budget

Mr. Beckett referred to the submitted report on the 2004 budget noting that the total budgeted expenditure of \$93,133,590. was up by 1.66% over 2003, assuming a minimal increase in non-tax revenue; the unconditional grant remaining frozen at the 2003 level and a 2.25% growth in property tax base. He noted that the largest portion of the \$93,133,590. expenditure is with the Police Commission, and that Council will be hearing from the Police Commission on September 29th

A chart was presented outlining dollars needed to balance the budget while maintaining the tax rate up to 2014.