

**THE UNIVERSITY OF WINNIPEG**  
**TRUSTEED PENSION PLAN**  
**BOARD OF TRUSTEES**

**Minutes of the Meeting of**  
**Monday, September 20, 2021**

ATTENDANCE:

Present: Ron Youngson (Chair), Mark Betcher (Secretary), Colin Morrison (Vice Chair), Julia Peemoeller (Treasurer), James Townsend, Andrew Bendor-Samuel, Marni Yasumatsu, Ed Byard, Murray Wiegand, Lorne Hilton, Sheila Wilson-Kowal, Rosalie Harms, Joan Duesterdiek, Greg Gillis

Regrets: Marc Lafond

Also, In Attendance: Tarun Kumar (recording secretary)

1. Approval of Agenda

**MOVED: (J. Townsend/L. Hilton)**

That the Agenda be adopted as presented.

...CARRIED.

2. Approval of Minutes of the meeting

**MOVED: (E. Byard/ M. Wiegand)**

That the minutes be approved as presented.

...CARRIED.

3. Report from DB Committee

S. Wilson-Kowal reported for the DB Committee. She indicated that she was acclaimed as the chair of DB Committee. DB Committee met with B. White from AON where he provided an update on Q2 results. She indicated in terms of allocation, our portfolio is below target allocation in fixed income and DB Committee has decided to do a rebalancing by pulling money from the Canadian and International equity mandates and move it over to fixed income.

S. Wilson-Kowal noted that Eckler provided an update on Defined Benefit plan actuarial valuation for December 31, 2020. The Going Concern and funded ratio of the plan has improved compared to last year which is a positive sign. The solvency ratio of the plan is slightly low at 72.8% as compared to last year's 75%. The Going Concern plan duration declined to 9.9 from 10.1 which will have a slight impact on Custom Liability Matching Portfolio which was placed in motion last year.

R. Youngson noted if S. Wilson-Kowal as chair of DB Committee will bring the recommendation to the Board for Actuarial Valuation it can be approved as tabled at DB Committee.

**MOVED: (S. Wilson-Kowal /L. Hilton)**

That the Actuarial Valuation be adopted as tabled at DB Committee and filed in due course.

...CARRIED.

J. Peemoeller noted that we are continuing KPMG's appointment as plan auditor for another one-year term and this is only for information to the Board. Their 5-year term will complete in 2022 and we may want to go for an RFP at that point.

#### 4. Report from DC Committee

A. Bendor-Samuel reported for the DC Committee. He indicated that he was acclaimed as chair of DC Committee. He noted there was nothing major to report on Sun Life service standards as they were almost similar to last quarter. He indicated that there was a discussion about the statement message which is reported on Sun Life annual statements in December. We were not able to move forward with it as we are switching to Desjardins effective November 1<sup>st</sup> and it will not be applicable to Sun Life. Desjardins does not require it yet so we will come up with statement message by our next meeting. The DC SIPP was due to be reviewed during our August meeting but has been moved over to the next meeting as we have to change all the references from Sun Life to Desjardins including the fund line-up and Default Funds. Similarly, CAP/CAPSA also needs to be redone once the new record keeper is on Board.

A. Bendor-Samuel indicated that a letter was sent to himself, R. Harms and J. Townsend as UWFA appointed Trustees to the Board. This letter was also presented to the UWFA Council in person. UWFA is the governing body of the University of Winnipeg Faculty Association. He added that he spoke to a member of UWFA and asked if they will be responding to this letter. He was told that while that the three Trustees appointed as UFWA representatives to the Board could be asked to bring a motion to take this matter to the Board of Trustees. They decided not to do so and told that to the people who presented the letter. This letter is for information only. The reason to bring this letter forward to the Board was to suggest the Chair write a letter of acknowledgement. R. Youngson noted that he is happy to draft a response and he can send the draft to the entire Board for suggestions.

E. Byard asked if there is a plan to meet with DC members to let them know about what Desjardins is offering. A. Bendor-Samuel noted that himself and M. Betcher are meeting with Desjardins on weekly basis and 2 similar teasers were sent to the members few weeks ago. It was done intentionally so in case a member missed the first one then they will be able to see the second one. An announcement is planned to go out early next week which is a brief message. After that a fourth announcement is planned which will provide members information about the fund line up. Desjardins is also offering education session for members which will provide information about how their system will work and will include some information about why we are switching from Sun Life.

A. Bendor-Samuel noted that during our last Board meeting we discussed about adding decumulation to the DC plan and everyone seemed to be in favor. He indicated that there are two products that are available. One is LIF/RIF and second is Variable Benefits. Desjardins is the only one outside of Quebec who is able to provide Variable Benefits. He suggested that we should bring D. Tamburro who is our consultant from Eckler to provide some information about the difference between LIF/RIF and Variable Benefits at next Board of Trustees meeting as a Trustee education session. It will be at no cost to the plan as we will be paying for it from the \$75,000 Desjardins has provided for the transition. L. Hilton asked if the Board can get a copy of the slides for this presentation before a meeting is scheduled.

A. Bendor-Samuel indicated that we have hired ONYX to provide education to the DC members which was approved by the Board in the past. Although we were not able to give them a go ahead to start because of the pandemic as campus was closed and also due to the fact we want to run the RFP for record keeper search. He noted that he has sent the ONYX contract to C. Morrison and once he has confirmed there are no issues with the contract we will be able to start with member education. R.

Youngson suggested that we should let ONYX start working as soon as possible. They may want to start with a communication which will be sent to existing plan members offering to provide one-on-one consultation and in helping them choose appropriate investment mix, if they do not want to stay in default fund. Apart from this they should start sending communications to new members and start educating them about the DC Plan and how it works.

**ACTION ITEM:** A. Bendor-Samuel to check with Eckler about the material.

**ACTION ITEM:**

**ACTION ITEM:** A. Bendor-Samuel and R. Youngson to connect with ONYX regarding communication to existing and new members.

**ACTION ITEM:** C. Morrison to review the ONYX contract.

## 5. Report from Operations Committee

E. Byard reported for the Operations Committee. He noted that he has decided to step down as chair of Operations Committee after 4 years and M. Betcher and M. Yasumatsu were acclaimed as new Co-Chairs of the Operations Committee. He noted that he is going to stay on the Operations Committee for another year and then will retire as a Trustee. He will be helping the new Co-Chairs during transition.

### a. Financial statements

E. Byard indicated that J. Peemoeller has provided detailed information on Q2 financial statements during the last Operations Committee meeting and the Committee was happy with the information. M. Wiegand asked what is the unallocated fund income distribution on Schedule C. J. Peemoeller noted that this category is new in the financial statement and it is used to record BlackRock commingled funds income. They do not have an actual split between interest, dividends and capital gains until the end of the year that is why we have recorded it separately as an unallocated fund income distribution because we will get the breakup at year end.

MOVED: (E. Byard/R. Harms)

That the financial statements be approved as presented.

...CARRIED.

### b. Annual Budget 2021

E. Byard noted that the annual budget was discussed during the last Operations Committee meeting and both the budgeted amounts as well as year to date amounts are in line in terms of all the expenditures. He indicated that this is presented to the Board for information only. R. Youngson asked if the amount shown for Fillmore Riley is for retainer fees or is it paid for the actual work they performed. E. Byard noted that it is for actual work they have done for Conflict of Interest Policy and Privacy Policy. C. Morrison also agreed with E. Byard.

### c. CAP/CAPSA

E. Byard indicated that the Operations Committee has reviewed and completed CAP/CAPS checklist 4. He noted that these are extensive guidelines laid out by Canadian Association of Pension Supervisory Authorities for pension plans and pension plan committees. These are voluntary in terms of filling the questionnaires and keeping them up to date and reviewing them time to time to make sure the governance is consistent with standard practice. He noted that all other Committees should also review checklist applicable to their Committee and keep them updated. He added that CAP/CAPSA Checklist 4 is presented to the Board for information only.

## 6. Other Business

### a. Board Agreements

E. Byard noted that he asked T. Kumar to add list of all Agreements of those who provide service to the pension plan in Board agenda. It shows date for tender which means it is due to RFP. He noted that the DC Service Provider is changing from Sun Life to Desjardins in November but Eckler actuarial and administration services as well as the DB Consulting services which is provided by AON are already over the 5-year term and these are up for RFP. R. Youngson indicated that DB Committee discussed about Eckler actuarial and administration services and it is appropriate to go for RFP. S. Wilson-Kowal added that DB Committee will discuss it at the next meeting. R. Youngson noted that for AON consulting services we are still waiting to get the actual copy of the contract. A. Bendor-Samuel noted that we can change the DC consulting with Eckler rather than “new” on the list.

M. Betcher asked if we have the copy of the Eckler contract for DC consulting services or is it added to the DB plan. A. Bendor-Samuel noted that we added a schedule for the amount to the DB contract. M Betcher noted what will happen if we will not retain Eckler for DB services. A. Bendor-Samuel added that it will not impact us as we keep the same contract and for amounts we will use the Schedule. The only change will be that it will be no longer applicable for DB services.

**ACTION ITEM:** T. Kumar to update the word ‘new’ with Eckler in Board agreement tracker for DC consulting services.

### b. Trustee Education

R. Youngson noted that we have discussed about Trustee Education at various committee meetings and at the Board. He added that he has written a motion and he will table it, so we can have a discussion. The motion reads:

“All Trustees appointed after January 1, 2022 will be required to complete within six months of their appointment the Foundation of Trustee Management course or equivalent as approved by the Trustees and are offered by the International Foundation of Employee Benefit Plans. Further, all existing Trustees are encouraged to complete this program or equivalent over the next 12 months.”

M. Weigand asked what all is covered in the course. M. Yasumatsu noted that she is half way through the course and the first section is on Legal Obligations. The second section is about Finance and Administration and she has not covered the third section yet. The course is usually completed in 2 days at a conference but, due to pandemic, it is being offered online and its duration is 16 hours. After the course candidates have to write an exam and the passing percentage is 70%. E. Byard asked if the course is about pensions. M. Yasumatsu noted that it is about Trust Management. R. Youngson noted that it generally covers the pensions and fiduciary responsibilities. A. Bendor-Samuel noted he has done this course and he highly recommends it. The course has 60% information about Pensions and 40% about Benefit of Trust. M. Betcher added that currently this course is offered online due to the pandemic and he is not certain that they will continue with online offering later. If they do not, then the offering is only

twice a year and six months seems very short time frame. A. Bendor-Samuel also agreed with M. Betcher. R. Youngson noted that he will check the's schedule. If six months will not be sufficient then he can increase it to twelve months. He also added that the motion needs to be modified to include that the expense is from the plan.

C. Morrison noted that looking at this from his perspective instead of making it mandatory it is better to make it as recommended for all Trustees, whether new or existing. When a Trustee joins we can guide them that it is a recommended course and the Plan pays for it. These courses will assist you greatly understanding your responsibility. R. Youngson noted in that case no one will take the course. C. Morrison noted that without making it mandatory lots of Trustees have already taken and completed this course and others have attended training from ACPM or CPBI in order to meet the education requirement. He added that as Trustee everyone takes their responsibilities seriously. In the case where someone will be not complying then what will be the course of action for such Trustees? Will they be removed from the Board or do we reach out to their stakeholder and ask them to be replaced. It will be better to make it as a recommendation which will be appreciated and well received by everyone on the Board. R. Youngson agreed with C. Morrison and also noted that if we make it a requirement then it will automatically bring enforcement. J. Duesterdiek added that she is the new Trustee and representing AESES and it will be better to keep it recommended than making it mandatory because sometimes it can be intimidating if things are mandatory. She added that sometimes making things mandatory does not work well. R. Youngson appreciated her suggestion.

R. Youngson noted that there are Boards who have the requirement to attend these courses before someone can become trustee not after they join. He indicated that his only concern is that the Board as a whole have the fiduciary responsibility to bring on or develop competent trustees. G. Gillis indicated that he agrees with C. Morrison. He added that someone who is nominated by stakeholders and may not have any pension background and to go from scratch to directly attending an FTMS course within six-months could be intimidating and agrees with J. Duesterdiek. He suggests that keeping it recommended will be better. S. Wilson-Kowal noted that she and M. Yasumatsu attended the actuarial valuation course from Eckler which was a good refresher and we can add few more courses with it. R. Harms noted that she plans to take pension courses as it will benefit her but she wants to know if there is a composition of the Board that certain number of Trustees should be CFA or number of Trustees should be lawyers. R. Youngson noted there is no such composition. R. Harms added now she understands there could be times when there may be many new Trustees on the Board who do not know much about pensions which can be very dangerous for this kind of Board.

L. Hilton noted that we do rely on professional guidance for our decisions and that helps to take off some pressure from this group as trustees. R. Youngson noted that we do get guidance from professionals but end of the day it is the Trustees who are responsible to make the decision. L. Hilton noted most of our professional guidance is not coming from sales people except fund managers which make the difference. He added that we have a critical thinking group and we take time to make decisions after getting the guidance. A. Bendor-Samuel noted that he is in favor of what R. Youngson is suggesting but it is difficult to implement. At the same time, he also concurs with C. Morrison and its better to make it as recommended rather than mandatory. J. Peemoeller indicated she also agrees with C. Morrison although she has enrolled herself for the course but it is hard to find time to go through it and a six months' time limit would make it more difficult. C. Morrison added that anyone who is part of the Board also takes on fiduciary responsibility and every Trustee has to be mindful that we are properly educated and maintain continuing education.

R. Youngson asked what is the accountability of the Board, as a whole, that the responsibility is taken on appropriately. C. Morrison noted that the Board has the responsibility to make its Members educated, to encourage Members to become educated in the subject matter, and to identify where there are gaps

in their knowledge and address them. We have recognized it and have been discharging that responsibility. The main issue with this resolution is that we have to go to a certain level where an individual's education will be established by certain credentials which make them qualified.

R. Youngson noted based on all the comments and suggestion that has come up for this resolution, he will redraft and make the education recommended and recirculate it to the Board electronically for approval.

#### 10. Date of Next Meeting

The date of the next Board of Trustees meeting is December 13, 2021.

#### 11. Adjournment

As there was no other business to come before the Board, the meeting was adjourned.

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Chair

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Secretary