

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting
Monday, September 26, 2011
(continuation of the meeting from September 16, 2011)

ATTENDANCE:

Present: Mary Anne Walls, Valerie Gilroy, Greg Gillis, Barry Barske, Murray Wiegand, Ed Byard, Henry Hudek, Hans Werner, Jane Barske, Mike Emslie, Kyle MacDonald, Ray Erb, Ron Youngson, Judy Graham.

Late: Laurel Repski

Also Attending: Andrew Kulyk, Doug Poapst, Plan Actuaries

6. Reports from Committees (cont'd)

ii. Report from DC Committee

- Received information from Sun Life concerning fund changes (a number of funds have been added to the SL line up, and a number of funds and some managers are being deleted. The DC component is directly affected by the removal of one fund (Bona Vista Balanced Fund) and the rebranding of the Beutel Goodman Income Fund to the Sun Life Universe Bond Fund, with a potential fee savings. Sun Life will work with the DC Committee to select a replacement for the Bona Vista Balanced Fund.
- Last year, a change was made to the reporting/disclosure of DC fund fees leading to questions from plan members who are noticing the fees for the first time.

ACTION ITEM:

R. Youngson and M.Walls to draft a communication to DC plan members concerning the change in fee disclosure. The communication will be sent to the Operations Committee.

- Sun Life DC member education sessions are to be conducted in January 2012. There will be four sessions: Basic DC session, Investments session, DC retirement planning, and Sun Life web tools session.
- The review of the Terms of Reference is still pending
- A default fund communication to DC members is planned

ACTION ITEM:

R. Youngson and M.Walls to draft a communication to remind DC plan members to review their investment strategy particularly if they are invested in the default fund. The communication will be sent to the Operations Committee.

- The DC committee is requesting that M.Emslie investigate what other institutions are doing concerning indirect plan expenses.

G.Gillis joined the meeting at this point

2. Actuarial Valuation assumptions

H. Hudek confirmed that he sent a letter to the MB Pension Commission requesting an extension in the valuation filing deadline. No response was received to date.

A. Kulyk explained to the Board why a smoothing method is generally used for the purpose of valuations and that moving to market value of assets will result in immediate capture of gains and losses which may lead to greater volatility in funding, however, the change is expected to be cost neutral to the University as plan sponsor. If market value is to be used for valuations, a smoothing method should continue to be used for cola purposes.

A discussion followed as to whether the plan text should be amended to set out the method. It was determined that no amendment is required if the method is clearly set out in a Board resolution.

It was MOVED: Gillis/Wiegand

That for the purpose of actuarial valuations, commencing with the valuation for the period ending December 31, 2010, the Board adopt the following Going Concern asset valuation method:

- **Explicit administration fee contribution by the University**
- **Zero margin for adverse deviation**
- **Market Value of assets**

.CARRIED

It was MOVED: Gillis/Youngson

That for the purpose of calculating supplementary pension increases, commencing with the calendar year ending December 31, 2011, the Board adopt the "Geometric" actuarial calculation of net investment return on the fund, that being a four year moving geometric average of the returns on the fund measured on a Market Value basis, net of administrative expenses and investment fees.

.CARRIED

It was suggested that the calculation method for determining colas should be placed on the pension web page.

Next D. Poapst presented to the Board a study on mortality in academic plans. A discussion followed, with no direction forthcoming from the Board concerning mortality valuation assumptions.

6. Reports from Committees (cont'd)

iii. Report from the Operations Committee

- The review of the Terms of Reference is pending
- Recommended to the Board that KPMG conduct the Plan audit for 2011

It was MOVED: Werner/Emslie

That the Board retain KPMG to conduct the Plan audit for 2011.

.CARRIED

- Recommended that a celebration in the form of a wine and cheese party be held each year for all Trustees, including departing Trustees. Departing Trustees (including those who have departed since the inception of the Board) would receive a token gift valued at \$50. It was suggested that the Pension Plan suppliers be approached to help pay the cost of the wine and cheese.

It was MOVED: Werner/Byard

That the Board hold an annual celebration for all current and departing Trustees. Trustees who are leaving the Board will receive a token gift valued at \$50. The initial celebration is to include all Trustees who have departed since the inception of the Board.

.CARRIED

- The Operations Committee will be working with M.Walls to finalize the Trustee education plan.

7. Other Business

- A concern was raised with the Eckler service agreement. It was suggested that the Operations Committee commence an RFP for DB services.

ACTION ITEM:

The .Operations Committee is to initiate an RFP for DB consulting/actuarial services.

- A price quote for the consolidation of the Plan text had been received from Eckler. The quote was much higher than the quote received from Fillmore Riley for these services.
- It was noted that the RBC Dexia primer was excellent and that it should be included in the package for new Trustees.

ACTION ITEM:

The Operations Committee is to send a letter to RBC Dexia to thank them for providing the primer to the Board.

- Meetings of the Board are to be scheduled on a quarterly basis, in advance.

ACTION ITEM:

The Operations Committee is to develop an annual schedule of Board meetings.

The next meeting of the Board is to take place in December, to be followed by the wine and cheese celebration.

Meeting adjourned.

Chair

Secretary