

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

**Minutes of the Meeting of  
Monday, December 8, 2014**

ATTENDANCE:

Present: Henry Hudek (Chair), Mary Anne Walls (Secretary), Mike Emslie (Treasurer), Barry Barske, Jane Barske, Ray Erb, Lorne Hilton, Annabelle Mays, Colin Morrison, Hans Werner, Ron Youngson.

Regrets: Laurel Repski (Vice-Chair), Murray Wiegand.

Absent: Ishmael Mustapha

Also In Attendance: Paula Hossack (Recording Secretary)

i. Approval of Agenda

It was MOVED: (B. Barske, C. Morrison)

**That the agenda be approved as submitted.**

...CARRIED.

ii. Approval of Minutes of the meeting of September 8, 2014

It was MOVED: (R. Youngson, R. Erb)

**That the minutes of September 8, 2014 be approved as submitted.**

...CARRIED.

1. Reports from Committees

i. Report from DB Committee

M. Emslie reported on the activities of the DB committee

DB Committee met November 27 and reviewed the third quarter financial results with Jeffrey from AON. The fund continues to perform well as the markets continue to trend up. One manager continues to lag the benchmark and the Committee has asked to meet with Sprucegrove to discuss their performance of their global equities mandate.

The Committee also discussed a proposal to implement a tactical asset allocation within the ranges of the investment policy reducing the exposure to high yield bonds from 5% to 4%. There is a risk in this asset class that when interest rates increase, the values in some of the more thinly traded bonds may fall dramatically. We have earned a premium for being invested in this asset class and now seems like a good opportunity to crystalize some of those gains.

The Solid performance of the fund over the past few years has resulted in the Plan exceeding 85% funded on a going concern basis, which results in a move down the glide path described in

the investment policy. The committee confirmed the move and it will be enacted before the end of the year.

Long-term interest rates also fell this year resulting in a change in the exposure we have to long-term bonds. The committee confirmed the move down that glide path, and a new Long-Bond asset allocation of 10% of total Bonds. If rates remain below 3% we will revisit the policy to determine its appropriateness in future years.

AON led the committee through a review of the SIP and recommended some minor changes to wording and performance targets included in the SIP. The committee approved the changes and will send them to the Board for approval at the March meeting.

**ACTION ITEM:**

The DB Committee will provide changes to the SIP to the Board at the March meeting.

The Committee also reviewed the relevant CAPSA questionnaire and deliverables chart.

The report of the DB committee was accepted for information

ii. Report from Operations Committee

C. Morrison reported that the Operations Committee met on November 24<sup>th</sup>. Discussions included the 3QTR Financial Statements. A concern was noted regarding the amount paid in commutations at retirement and M. Walls was directed to obtain plan impact information from the Plan Actuary. The DB will be looking after this item and a further report will be provided to the Board.

**ACTION ITEM:**

The DB Committee will report to the Board concerning commutations at retirement.

The draft budget for 2015 was approved for recommendation to the Board.

It was MOVED: (M. Emslie, J. Barske)

**That the 2015 draft budget, as recommended by the Operations Committee, be approved.**

...CARRIED.

The issue of Critical Knowledge for Trustees was discussed. A list of critical knowledge for Trustees that was distributed to the Board. Trustees were asked to use the list as an assessment tool for their own knowledge to identify gaps. On the basis of the responses, the Operations Committee will assess individual vs. shared knowledge gaps and will look into educational opportunities (individual and/or shared). Trustees were also asked to review the list and provide suggestions for additions/deletions to the list. A list of known education opportunities has also been compiled which will be distributed to Trustees.

**ACTION ITEM:**

Trustees are to review the list of critical knowledge and provide feedback concerning potential changes to H. Hudek.

**ACTION ITEM:**

M. Walls to distribute list of identified education opportunities to Trustees.

**ACTION ITEM:**

Trustees to use the critical knowledge list to assess gaps in their own knowledge and provide M. Walls with information concerning their training requirements.

The custodian RFP has been deferred to the next meeting of the Operations Committee.

The Board was advised that some issues with DB administration were identified. It was noted that the service provider was very responsive to when the issues were brought to their attention. It was also reported that since the summer no new issues were identified.

An update was provided concerning deductions from pension that were recently implemented. It was noted that so far only one pensioner has taken advantage of the new service. The service will be promoted in an upcoming UWRA newsletter.

It was reported that the University administration discovered that an incorrect form was being used in the case of waiver of division of pension for cases after May 31, 2010. Once the issue was identified and the potential exposure assessed, the individuals who had signed the incorrect form were contacted and execution of a correct form was requested where appropriate. It was noted that all individuals who were requested to sign a new form complied with the request. As such the issue is considered resolved.

The Operations Committee recommended the following 2015 meeting dates for the Board:

March 2, 2015

June 8, 2015 (AGM)

September 14, 2015

December 7, 2015

iii. Report from DC Committee

R. Youngson reported that the DC Committee had met on November 24<sup>th</sup>. The Committee approved the Sun Life Service Agreement for recommendation to the Board.

It was MOVED: (H. Werner, R. Erb)

**That the Sun Life Service Agreement, as recommended by the DC Committee, be approved and signed by the Board.** ...CARRIED.

The Committee had reviewed Sun Life service reports as well as the December member statement message. Also, the Sun Life action plan was reviewed.

It was reported that Sun Life provided information on a decumulation product (LIF/RIF) as there is an indication that Trustees have some responsibility in that regard. As part of this the demographics of the DC component will be examined. It was reported that the LIF/RIF rate was higher than the DC pension component but lower than retail. It was noted that going with the LIF/RIF would just be approval for Sun Life to put the product on the shelf providing members with access. It was noted that communication strategy to plan members would need to be carefully worded so as not to endorse the product.

It was noted a DC fund review with Sun Life will be conducted at the next DC Committee meeting.

2. Other Business

It was noted that this was Jane's last Board meeting. The Board extended a warm thank you to Jane for all her work on the Board over the last number of years.

There was no other business to come before the Board.

3. Adjournment

As there was no further business to come before the meeting,

It was MOVED: (H. Werner)

**That the meeting be adjourned.**

...CARRIED.

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Chair

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Secretary