

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting
Wednesday, September 22, 2010

ATTENDANCE:

Present: Karen Zoppa, Mary Anne Walls, Laurel Repski, Greg Gillis, Barry Barske, Brent Stearns, Mike Emslie, Henry Hudek, Murray Wiegand, Hans Werner, Jane Barske, Ron Youngson.

Also in Attendance: Shelley Mangiacotti, recording secretary.

Regrets: Valerie Gilroy, Ray Erb, Dave Torz.

i. Approval of Agenda

It was MOVED: Hudek/Wiegand
That the agenda be approved as presented

...CARRIED

ii. Approval of Minutes

Minutes of the June 1, 2010 meeting

It was noted that the first initial for Jane or Barry Barske be added when noting motions.

It was MOVED: Repski/J. Barske
That the minutes of June 1, 2010 be approved with the suggestion being implemented for future meetings.

...CARRIED

1. Business arising from prior meetings:

- Update on plan amendments
 - Amendment 2010-A – wording was amended to clarify that the leaves refer to University initiated Days Without Pay programs. The amended wording was presented to Board members for review and approval.
 - It was confirmed that while AESES and IUOE approval was received for amendment 2010-A, UWFA approval had not been received. This item will be tabled until next meeting to allow finalization of stakeholder approval.

ACTION ITEM:

K. Zoppa will follow-up and request approval from UWFA for this Plan Amendment

- Amendment 2010-B clarifying the interest rate for the outstanding surplus entitlement values was presented to Board members for review and approval. In his submission, D. Poapst, Actuary, noted that only an Ordinary Resolution of the Board of Trustees is required and stakeholder approval is not required.
- It was noted that the “s” on “requires”, found on page 2 in last Whereas paragraph should be removed.

It was MOVED: Gillis/B. Barske

That Plan Amendment 2010-B be approved with the one typing correction.

...CARRIED

- Optional PBA Amendments
 - It was noted that D. Poapst has indicated that he has not had a chance to separate out the options for DB and DC components
 - This will be done for next meeting.
- Provision of revised assumptions to Mercer
 - It was noted that the revised actuarial assumptions for calculating the actuarial upgrade for late pension commencements has not as yet been provided to Mercer by the Plan Actuary.
 - The Board was advised that there are ongoing actuarial discussions as to how the actuarial upgrade should be calculated; for the time being, actuarial upgrades for late pension commencements are being dealt with on a case by case basis.

2. Reports from Committees:

i. Report from Operations Committee (M. Walls)

- 2010 Budget presented for review. Draft of 2011 will be ready for next meeting.
 - Highlights reviewed: the investment management fees will be about 10% higher this year due to higher assets, the 2010 actuarial fees will be lower, and the administration costs will be much higher this year due to the Surplus distribution payments.
 - Custodial fees will be about the same, legal fees and audit fees will decrease this year.
 - The Operations Committee would like to see Education for Trustees increase for the coming year.
 - Charges that apply to both the DB and DC components are proportionately applied to the two components based on assets.
 - It was noted that the DB funds have a graduated investment fee structure.

ACTION ITEM:

M. Walls is to provide an analysis of the DC expenses

It was MOVED: Operations Committee/Wiegand

That the 2010 Budget be approved in principle, with the addition of the 2010 valuation cost.

...CARRIED

- Communication to members re: PBA Changes
 - A letter to plan members is to be drafted regarding the significant PBA changes. The letter will contain a link to the full PBA changes contained on MB Pension Commission website .

ACTION ITEM:

Mary Anne will draft this memo for review by the Operations Committee.

- Fall / Winter Newsletter
 - Suggested items include profiles on the new Trustees, reference to the DC fund changes and DC Committee report, PBA changes – focus on one aspect and include a link for more details, plan contribution cap with an indication that it is not within the purview of the Board of Trustees, and CPP changes that are coming next year.

- o Also it was noted the importance of including an article for DC plan members focusing on a broader retirement understanding, communication any good news for the DB plan, and a report and summary of the upcoming education sessions.

ACTION ITEM:

Each committee will provide submissions for the newsletter to Mary Anne by October 31, 2010. Mike and Karen will also work together on a submission on the financial status of the DB component.

- Trustee Education Requirements
 - o The Operations Committee would like to increase the budget for education and formalize an education strategy. Would like to survey Trustees on their education requirements.

ACTION ITEM:

Mary Anne will survey the Trustees prior to next meeting.

- Possible requirement for plan amendment to allow reimbursement of expenses.
 - o In a report drafted by D. Poapst it was suggested that the plan may need to be amended to explicitly allow for the reimbursement of expenses from the Plan to the University. The Operations Committee is recommending that this issue be referred to J. Langhan for a legal opinion.

It was MOVED: Operations Committee/Youngson

That the issue of whether an amendment to the Plan is required to explicitly allow for the reimbursement of Plan expenses from the Plan to the University, be referred to the Plan's legal counsel for opinion.

... CARRIED

- Service concerns
 - o A review of service providers by the Operations Committee found that most service providers rated satisfactorily.
 - o There is a service concern with the service rep from Sun Life – rolling out the DC fund changes is now significantly delayed. A letter expressing this concern will be sent to Sun Life.

ACTION ITEM:

Mary Anne will draft the letter and provide it to Henry for review and comment.

- o There are serious concerns in connection with the service provided by Mercer. An example is member statements that are due to the members by June 30th. These statements were received at the University on June 23rd and took 14 weeks to prepare. This puts great pressure on the Human Resources office to review the statements and forward to the members before June 30th. Also, the Board has not received the \$10,000 previously offered by Mercer. The person at Mercer who promised these funds is no longer with the company. Also of concern are increased service fees, some of which are unreasonable.
- o Mercer will be provided with a chance to correct the service problems.

ACTION ITEM:

Mary Anne will draft the letter and send it to the Operations Committee and Greg for review and comment. The letter is to be signed by Greg and Karen. Part of the letter will be a follow-up to the \$10,000 compensation payment.

- Investment analytic contract
This will be passed over to the DB Committee for their review.

ACTION ITEM:

DB Committee will review and make a recommendation to the Board in connection with the Investment analytics contract.

- ii. Report from DB Committee (G. Gillis)
 - Do not have a recommendation on the investment of the outstanding amount related to the Remaining Surplus Share. Will report at the next meeting, but due to the small amount, will likely recommend that the funds be commingled with other Plan assets.
 - The committee will review the action items forwarded from the Operations Committee and bring recommendations to the Board.
- iii. Report from DC Committee (H. Hudek)
 - Status of DC fund changes
 - The new funds have already been added by Sun Life and members can move into these funds on-line.
 - Formal communication to the plan members is outstanding due to issues with Sun Life.
 - Report on possible increased member contributions to DC component
 - The Operations Committee reported that there is no legal impediment to allowing this; it is only the pension plan that would have to be amended.

It was MOVED: Werner/Emslie

That in principle the Plan text be amended to permit higher contributions to the DC component by Plan members, subject to the CRA maximum, and stakeholder approval.

...CARRIED

- It was suggested that discussions with the stakeholders should be held to ensure there is no concern.

ACTION ITEM:

DC Committee will consult with M. Walls to develop the details of the recommendation.

- Report on possible education options to address the large number of Plan members invested in the default fund.
 - The DC Committee is concerned that there is apathy on the part of DC plan members who have not chosen a fund or funds and are invested in the default fund.

ACTION ITEM:

The DC Committee along with Mary Anne will draft a sign off sheet for DC members that will provide acknowledgement by the Plan member that the lack of an active fund choice will be considered a decision for the purpose of the default fund.

3. Other Business

- A concern was raised about the tracking of Action Items. It was noted that for the purpose of good governance practices, the Board not only needs to record Action Items but also track the resolution, or postponement of the item.

ACTION ITEM:

Mary Anne has drafted an Action Items record, which will be added as Roman numeral iii to the agenda. The list will also be added to the Board of Trustees webpage.

Next meeting will be held between November and early January 2011.

It was MOVED: Wiegand/Werner

That the meeting be adjourned, 3:50 p.m.

...CARRIED

Chair



Secretary

