

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting
Tuesday, April 26, 2011

ATTENDANCE:

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

Also in Attendance: Doug Poapst (Eckler), Andrew Kulyk (Eckler), Shelley Mangiacotti, recording secretary.

Regrets: Dave Torz.

i. Approval of Agenda

It was MOVED: Repski/Gilroy
That the agenda be approved as presented

...CARRIED

ii. Approval of Minutes

Minutes of the January 28, 2011 meeting

It was MOVED: Werner/Erb
That the minutes of January 28, 2011 be approved as presented.

...CARRIED

1. University Request re upcoming valuation of the Plan

L. Repski presented a memo from the University Administration requesting that the Board of Trustees provide access to the Plan actuary by the Manitoba Government Civil Service Superannuation Fund actuary. The University doesn't have the funds to make the expected, significantly increased, going concern contributions and has approached the Province to request relief. The Province has indicated that before it can determine whether any assistance or advice could be offered, it needs to do the necessary due diligence. The Province's actuary (Dennis Ellement) would examine the Plan's actuarial assumptions and go over the pension valuation with our Plan actuaries (Eckler). It was pointed out that any recommendations made by the Province's actuary would not be binding on the Board of Trustees, but it may result in some useful advice. The University would pay 100% of the costs of this review – no cost to the Pension Plan.

It was MOVED: Repski/Erb
That the Board of Trustees ask the Plan actuary, Doug Poapst, to provide the necessary information and access to the Province's actuary, Dennis Ellement.

...CARRIED

2. Amendment 2011-C

Plan Amendment 2011-C reflects the required Plan amendments resulting from the changes to the MB Pension Benefit Act of last year. The Amendment was drafted by the Plan actuary and reviewed by Plan counsel.

It was noted that further discussion may be required regarding some of the enabling amendments to the PBA such as phased retirement and halting of commutation at retirement. These are to be considered by the appropriate Committees and be brought forward at a future meeting.

It was MOVED: Repski/Hudek

That Amendment 2011-C be approved.

...CARRIED

3. Plan Expenses

A. Kulyk presented Eckler's summary analysis of the previously presented Legal Opinion on Plan Expenses document related to the Pension Benefit Act and Regulation changes. Based on new PBA requirements, the Plan must expressly provide for reimbursement of pension related expenses to the employer. It was determined that the Plan will need to be amended to allow for reimbursement of direct Plan expenses, however, the treatment of Plan service costs will need further investigation. Various alternatives were discussed.

ACTION ITEM:

DB and DC committees will undertake further investigations related to Plan expenses report back at June meeting.

4. Institutional Investment Summit (report)

M. Emslie reported on the conference he attended in October on the future of DB plans. Liability driven investing was a major topic there. Other organizations have taken the strategy to buy long bonds to assist in managing through times of downturn. No recommendations are forthcoming as a result of the summit.

5. Reports from Committees

- i. Report from Operations Committee – tabled to next meeting.
- ii. Report from DB Committee
 - Recommendation re the DB interest to be credited to member accounts for 2010
 - The interest that has been credited to member contributions previously has been the smoothed rate which is deemed to be out of step with PBA requirements.
 - Choice is to use either a reasonable fund return or the Bank of Canada CANSIM rate in order to meet the legislated requirements.
 - If we switch to CANSIM rate, member accounts will be pretty close to where they would have been if this rate was used all along. This rate is less variable and will not result in large negative returns on member accounts.

No opinion on the past use of the smoothed rate has as yet been received from the MB Pension Commission, however, it is expected shortly. Depending on the opinion, a review of past interest crediting may be required.

It was MOVED: Repski/Hudek

That the Plan adopts the CANSIM rate for crediting interest to member accounts, commencing with calendar year 2010.

In favour = 13

Abstention = 1 (B. Stearns)

...CARRIED

It was noted that a Plan amendment will be required as a result of the move to the CANSIM rate.

Balance of Agenda Items tabled for next meeting.

Meeting adjourned.