

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting
Wednesday, June 22, 2011

ATTENDANCE:

Present: Karen Zoppa, Mary Anne Walls, Laurel Repski, Greg Gillis, Barry Barske, Valerie Gilroy, Henry Hudek, Hans Werner, Jane Barske, Mike Emslie, Dave Torz.

Also in Attendance: Shelley Mangiacotti, recording secretary, Kyle MacDonald, Judy Graham.

Regrets: Brent Stearns, Murray Wiegand, Ray Erb, Ron Youngson.

i. Approval of Agenda

It was MOVED: Repski/Emslie

That the agenda be approved as presented.

...CARRIED

ii. Approval of Minutes

Minutes of the April 26, 2011 meeting

It was MOVED: J. Barske/Gilroy

That the minutes of April 26, 2011 be approved as presented.

...CARRIED

1. Recording of Minutes

There was a discussion about the possibility of electronic recording of minutes. Also discussed, was the format of the minutes, detailed versus summarized. It was resolved that electronic recording of minutes is not desirable and that the current summary method of recording is appropriate. It was further resolved that the Trustees would be diligent in their review of the minutes and be clear and concise during Board discussions.

Introductions of all present took place; it was noted that the two new Trustees present (Kyle MacDonald and Judy Graham) are unable to vote as their terms as Trustees start effective July 1, 2011.

2. Annual General Meeting

a) Trustees completed and signed the Annual Conflict Report for the year July 1, 2011 to June 30, 2012. There was a desire expressed to have these documents sent to Trustees prior to the AGM to allow the through review.

b) Election of Board Officers

Chair - Henry Hudek was nominated and accepted the nomination. Henry Hudek was declared the new Chair by acclamation.

Vice-Chair – Laurel Repski was nominated and accepted the nomination. Greg Gillis was nominated and respectfully declined the nomination. Laurel Repski was declared the new Vice-Chair by acclamation.

Secretary - Mary Anne Walls was nominated (providing her term continues) and accepted the nomination. Mary Anne Walls was declared the Secretary by acclamation.

Treasurer – Mike Emslie was nominated and accepted the nomination. Mike Emslie was declared the Treasurer by acclamation.

All carried. Karen Zoppa thanked these individuals for accepting these positions on the Board.

It was MOVED: Repski/Hudek

That the Operations Committee serve as nominating Committee for Board and Committee Officers/members. The Committee will be tasked with developing, soliciting and circulating all nominations for the Board prior to the Board AGM for consideration by the Trustees.

...CARRIED

- c) Committee Membership – It was noted that generally it would be good to have a rotation of Trustees on each Committee, while also retaining some continuity on the Committees.

Operations Committee – Henry Hudek, Hans Werner, Mike Emslie, Jane Barske, Ed Byard
DC Committee – Laurel Repski, Mary Anne Walls, Valerie Gilroy, Ron Youngson, Kyle MacDonald

DB Committee – Greg Gillis, Mike Emslie, Barry Barske, Ray Erb, Judy Graham, Murray Wiegand

All acclaimed.

- d) Expired terms –

Brent Stearns – term finished June 30th – Judy Graham replaces him on the Board
Karen Zoppa – term finished June 30th – Ed Byard replaces her on the Board
Dave Torz – term finished June 30th – Kyle MacDonald replaces him on the Board

All Trustees whose term had expired were thanked for their service.

ACTION ITEM:

The Operations Committee is to organize a thank you celebration for exiting Trustees.

3. Financial Statements

The Plan Auditor KPMG met with the Operations Committee prior to the Board meeting and provided confirmation of a “clean audit”. Next year’s Financial Statements will be changed as they will include the Plan liabilities rather than just as a reference in the notes as is currently done. The Statements will generally reflect the “going concern” position of the DB component.

It was also suggested that it would help the Trustees if the DC and DB expenses were recorded separately.

It was MOVED: Emslie/Barske

That The Board of Trustees approve the Financial Statements as presented.

...CARRIED

ACTION ITEM:

Mike Emslie will separate the DC and DB expenses for future Financial Statement reporting.

3. a. Report of Treasurer

The Treasurer's Report was presented and reviewed. It was noted that the signature of the Treasurer should be on the report as it will replace Page 1 of the Financial Statements. M. Emslie confirmed that the Auditor will also be reviewing the Report to ensure that it is consistent with the Financial Statements.

It was noted that the CANSIM rate which was voted upon a couple of meetings ago may need to be explained to members.

A couple of changes to the Report were noted: a) last sentence on third last page. "They do not report ON funding requirements of the plan." and b) the reference to "security of benefits" should be removed.

It was MOVED: Gillis/Hudek

That The Board of Trustees approve the Report of the Treasurer with the recommended changes.

...CARRIED

4. Reports from Committees

i. Report from Operations Committee

- The DC Plan expenses were listed in error on the 2011 operating budget. The error has been rectified and the reference was removed.
- WFP item – a letter was received by the Board in response to a letter sent to the University from the Board in connection with a WFP article. It was felt that the Board's concern about sharing of Pension Plan information was not adequately addressed by the University.
It was suggested that the Chair should meet with the President along with the VP, Administration and perhaps one additional External Trustee to discuss communications concerning the Plan.

ACTION ITEM:

In the spirit of co-operation, Henry Hudek, Chair, along with possibly one additional External Trustee, will undertake to meet with the President of the University regarding communications that deal with the Pension Plan.

- Terms of Reference (The Board) update – there is a new item being proposed regarding the progression of the Chair. It was noted that perhaps when soliciting nominations for Chair, the prospective candidates should be advised this is a 4 year commitment as a 1 year term may not be adequate for acquiring the necessary knowledge and consistency.
- The Terms of Reference for the Chair, Vice-Chair, Secretary, Treasurer and the Chair of a Board Committee are new.
- Tabled till next meeting.

ACTION ITEM:

The Chair Terms of Reference will be sent back to the Ops Committee to prepare some options for the Chair term. DB and DC Committee Terms of Reference are to be reviewed by the respective Committees. The Board Officer Terms of Reference are to be reviewed by all Trustees. Trustees are asked to send their comments to Mary Anne Walls for forwarding to the Ops Committee Chair.

- The Ops Committee is recommending removing the reference in the Trust Agreement to the limit on Trustee terms (term limits do not apply to University ex-officio positions).

It was MOVED: Werner/B. Barske

That the Trust Agreement be amended to remove Trustee term limits.

...CARRIED

- The calendar of deliverables was discussed. Trustees were reminded to ensure they know what their respective Committee's responsibilities are. It was suggested that soliciting for nominations for the Board needs to be added to May.

ACTION ITEM:

M. Walls to amend the calendar by adding reference to circulating and soliciting for nominations for Board Officers to May.

- Trustee Education: Henry Hudek had agreed to conduct investment sessions; M. Walls will contact Allan Foran to see if he is agreeable to conducting a governance education session; Mercer will conduct sessions on CAP and CAPSA guidelines and will be asked to make a recommendation on new Trustee orientation.

ii. Report from DB Committee

- Optional Pension Benefits Act Amendments:

The DB Committee considered the various possible options and will not be making a recommendation to amend the Plan to: a) allow phased-in retirement, b) prevent commutations at retirement, c) change the mandatory form of joint and survivor pension (plan members can request a quote), or d) allow one-time unlocking of 50% of pension benefit..

The DB Committee is recommending that the Plan be amended to allow unlocking of pension benefits on reduced life expectancy and for non-residents.

It was MOVED: Gillis/B. Barske

That the Board of Trustees approve amending the DB component of the Plan to allow unlocking of pension benefits in the case of shortened life expectancy, and where entitlement is payable to a non-resident.

...CARRIED

- Investment Analytics services – the DB Committee is not satisfied with the current provider's services and will likely be recommending a change.
- Asset strategy – DB Committee concluded they need help from an outside expert and is going to seek a consultant.

iii. Report from DC Committee

- Optional Pension Benefits Act Amendments:

Committee considered the various possible options. The existing eligibility provisions in the Plan are more flexible than the provisions set out in the Pension Benefits Act – no change is needed.

The DC Committee is recommending that the Plan be amended to allow a) unlocking of pension benefits in the event of shortened life expectancy, b) unlocking for non-residents, and c) one-time unlocking of 50% of pension benefits for DC plan members only.

It was MOVED: Hudek/Werner

That The Board of Trustees approve amending the DC component of the Plan to allow unlocking of pension benefits in the case of shortened life expectancy, where entitlement is payable to a non-resident, and in the case of one-time unlocking of 50% of pension benefits for DC members.

...CARRIED

- Additional contributions. In light of the Board's previous resolution to support, in principle, the option of additional member contributions into the Plan, the Committee considered various available options. The Committee's conclusion is that making additional contributions to the existing group RRSP is the most efficient and most advantageous option to the member, and it does not require any amendments to the Plan. As a result, the DC Committee recommends that a communication be sent to members letting them know why the Group RRSP is the best option if they want to make additional contributions to the Plan.

It was noted that there is a possibility that some plan members may wish to make additional contribution as a percentage of their salary rather than a fixed dollar amount. This is currently not available but Payroll does think they can make the changes to the system to allow this. This would not be available until after September 1st.

ACTION ITEM:

The Operations Committee is to prepare a communication to DC Plan members concerning the advantages of making additional contributions into the group RRSP.

- Report on plan service costs – DC admin expenses are charged to Plan members monthly, with a 6-month arrears period. The DC Committee is recommending that changes be made to the deduction method, such as holding the charges in reserve.
The DC Committee is checking into whether the proposed structure would be permitted under the Manitoba Pension Benefits Act. Further investigation is needed and the DC Committee will report at a future meeting.

5. Other Business

- It was noted that there is a need to follow up on Action Items from previous meetings – in particular Plan expenses (amendment is required for direct expenses). Committees need to look at what others are doing with respect to indirect plan expenses.
- The Trustees were reminded to take note of which Committee they are on. M. Walls will call the first meeting of the committees.

Meeting adjourned.

Chair

Secretary