

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting
Monday, September 9, 2013

ATTENDANCE:

Present: Henry Hudek (Chair), Laurel Repski (Vice-Chair), Mary Anne Walls (Secretary), Mike Emslie (Treasurer), Barry Barske, Jane Barske, Ed Byard, Ray Erb, Greg Gillis, Kyle MacDonald, Annabelle Mays, Colin Morrison, Hans Werner, Murray Wiegand, Ron Youngson

Also In Attendance: Ronda Perinot (Recording Secretary), Andrew Kulyk, Ekler (Plan Actuary)

i. Approval of Agenda

Amendment to Agenda:

That RBC Signatories be discussed under Other Business.

It was MOVED: (R. Youngson/J. Barske)

That the agenda be approved with the noted amendment.

...CARRIED

ii. Approval of Minutes of the meeting of June 10, 2013

It was MOVED: (M. Weigand/J. Barske)

That the minutes of June 10, 2013 be approved as presented.

...CARRIED

1. Reports from Committees

i. Report from DB Committee

• Committee Chair

Mike Emslie has been appointed Committee Chair.
The Committee met on September 3, 2013.

• Actuarial Valuation Report

A. Kulyk conducted a review of the valuation report. The only substantive change regards the investment policy, which is currently in draft form. On the basis of a decision made at the June Board meeting, the valuation rate was increased from 5.85% to 6.2%, to take into account the asset mix in the newly drafted Statement of Investment Policies and Procedures. The revised rate provides for an adverse deviation rate of .60% and results in reduced special payment requirements from the University for 2013. The reduction in special payment requirements for 2013 has produced a net credit to the University since the special payments into the plan for the first eight months of 2013 were based on the previous valuation requirements. Following a discussion in regard to the question of whether interest should be applied to the University credit, consensus was reached that

neither the Board nor the University had any expectation of interest being credited to the University's contribution overpayment.

It was noted that due to improvements in the financial position of the plan, the December 31, 2004 liability has been eliminated. The University was funding the liability at a higher level than was required (paying \$386,000 monthly rather than \$268,000) and it is the plan actuary's opinion that the funding requirements of the solvency exemption regulation have been satisfied.

The valuation report is to be filed by the end of September 2013.

It was MOVED: (M. Emslie/M. Wiegand)

That the valuation report be accepted as presented.

...CARRIED

ACTION ITEM:

The valuation report is to be filed and posted.

- Revised Statement of Investment Policy (SIP)
The DB Committee is currently reviewing the revised statement of investment policy, as prepared by AON, and will provide the document for the next meeting of the Board. It was noted that the draft wording is not very clear and needs more work.

The DB Committee had met with Henry concerning the management of emerging markets and real estate funds, and as a result is recommending that a contract be negotiated with the Civil Service Superannuation Board (CSSB) for the management of these funds on behalf of the Board of Trustees; CSSB would be hired to maximize returns and invest the funds, not to make decisions on behalf of the Board. A draft agreement is being reviewed by Aikins on behalf of the Board since Fillmore Riley is on retainer by CSSB and cannot act on the Board's behalf in this matter. When the agreement is approved, an appropriate amount of funds will be transferred to the CSSB; the funds will be held by State Street, CSSB's custodian.

It was MOVED: (M. Emslie/G. Gillis)

That, an agreement be negotiated with the Civil Service Superannuation Board (CSSB) for the management of emerging markets and real estate funds on behalf of the Board of Trustees, and that when an agreement has been approved, that the appropriate funds be transferred to CSSB, to be held by State Street, CSSB's custodian.

...CARRIED

(1 abstention, R. Erb)

- Rate of return document
At the last meeting of the Board, it was decided that document detailing the past performance of the DB component should be posted on the web. Aon Hewitt was to be asked to put together a summary report for that purpose. The draft document was received from Aon Hewitt, however, it requires more clarification.

ACTION ITEM:

Mike is to email a revised version of the report to the Trustees.

ii. Report from Operations Committee

- Committee Chair

Hans Werner is continuing as Committee Chair and Jane Barske is continuing as Secretary.

- Temporary Pension Plan Amendment

A motion was approved at the June Board meeting to have a plan amendment prepared to ensure compliance with CRA regulations with respect to the payment of the non-commuted portion of lifetime retirement benefits in the form of a temporary pension. Plan Amendment 2013-B was drafted by the plan actuary and reviewed by the plan's legal counsel. A copy of the amendment was provided to the Board prior to the meeting.

It was MOVED: (H. Werner/R. Youngson)

That plan Amendment 2013-B be approved as presented.

...CARRIED (1 abstention, G. Gillis)

- Board of Trustees Education

During the Trustee governance education session it was noted that communications is a significant area of concern for Trustees and that it was suggested that an education session on the topic of communications may be helpful. It was agreed that such a session should be pursued.

ACTION ITEM:

Mary Anne is to contact Allan Foran in order to arrange for the session.

The Operations Committee had received a request from an External Trustee for compensation toward a subscription to professional literature as part of Trustee ongoing education. Following the request it was determined that any Trustee, who is also University employee, has access to Library online journals. This does not apply to External Trustees or pensioners; however, that may change in the future.

- By-law re Board Signatories

The Operations Committee has determined that written guidelines are required setting out authority under which various documents on behalf of the Board may be signed and will provide a draft by-law to the Board at a future meeting.

- Interest on outstanding death benefit payment

The withheld tax portion of a death benefit paid into court in 2010 on behalf of the beneficiary(ies) will likely be paid in the near future and a question arose as to whether interest is required to be paid on the tax amount. Following a discussion, it was determined that interest, calculated by the plan actuary at the appropriate rate, should be paid on the tax.

- DB Services Provider Recommendation

A Request for Proposal for DB services was conducted with the view of combining both administration and consulting services under one service provider. The RFP evaluation committee reviewed proposals from three service providers (four were sent out, but one declined to provide a response), and two of the three service providers were invited for in-person presentations. Following the interviews, the evaluation committee decided to recommend that Eckler Ltd. be appointed as the DB service provider. While it was believed that both interviewed service providers could perform the required services (both are

performing the work for similar or bigger organizations), Eckler had provided a more fully developed proposal, and in the final analysis, Eckler has a greater depth of actuarial expertise to draw upon. Additionally, Eckler offered very competitive pricing and it is expected that the change in DB service providers as well as the combining of administration and actuarial services will result in a significant cost savings to the plan.

It was MOVED: (H. Werner/M. Walls)

That the Board of Trustees enter in an agreement with Eckler Ltd. for actuarial and DB administration services with an effective date of November 1, 2013. ...CARRIED

iii. Report from DC Committee

- Committee Chair

Kyle MacDonald is continuing as Committee Chair.
The Committee met on September 3, 2013.

- DC Services RFP Update

The Committee is in the process of finalizing the DC services Request For Proposal and it is expected to be sent out by the end of September 2013. Five DC service providers are being invited to provide proposals. It is anticipated that if there is a change in service providers, it will take place no later than January 2015.

No motion was tabled.

2. Other Business

i. RBC Signatories

Due to their name change, RBC had requested an updated list of authorized signatories since the current form still refers to RBC Dexia. An updated list was signed and will be filed with RBC.

Before the meeting adjourned, a question was posed as to whether the University is able to share the valuation report, on a very limited basis outside the Board of Trustees. It was decided that this would be acceptable, but that the report needs to be treated as confidential until it is filed with regulatory authorities which should take place shortly.

Meeting Adjourned

Chair

Secretary