

THE UNIVERSITY OF WINNIPEG TRUSTEES PENSION PLAN BOARD OF TRUSTEES

Minutes of the Meeting of
Monday, March 2, 2015

ATTENDANCE:

Present: Henry Hudek (Chair), Mary Anne Walls (Secretary), Mike Emslie (Treasurer), Barry Barske, Edward Byard, Ray Erb, Annabelle Mays, Colin Morrison, Murray Wiegand.

Regrets: Laurel Repski (Vice-Chair), Hans Werner, Ron Youngson.

Absent: Ishmael Mustapha, Lorne Hilton.

Also In Attendance: Terri Einarson Breber, Betty Song (Recording Secretary).

i. Approval of Agenda

It was MOVED: (M. Wiegand, A. Mays)

That the agenda be approved as submitted.

...CARRIED.

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

It was MOVED: (R. Erb, C. Morrison)

That the minutes of December 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

The DB Committee met twice thus far this calendar year. They met in January with Sprucegrove to talk about their performance. They manage the plan's Global funds, US and International Equities. Their performance has been lagging for the last 4 years or so, so the Committee is following up with them to find out why.

The second meeting was on February 24. At that meeting AON presented its annual review of the DB Pension Plan investment performance for 2014. No real concerns were noted with FGP. Even though they trailed the benchmark a bit in 2014, they are generally a star performer. Also discussed, was CSSB who manages real estate and emerging markets. It was noted that on the real estate side there will be some impact from the closure of the Target stores.

Mike reported that the DB Committee also discussed commutations. It has been noted that the number of commutations has gone up dramatically in the last year which may be a function of low interest rates. Andrew had provided some preliminary information concerning commutations and the Committee has developed a number of additional questions for Andrew. The Committee would like to have more detailed analysis of historical experience as well as more future projections. The Committee should have more information for the next meeting. It was suggested that the questions for Andrew should have wider distribution to ensure that everything is captured.

Mike also indicated that at the next meeting of the DB Committee Andrew will be providing more information on a division of pension issue (*calculation of offsets after pension split*).

Mike noted that the Committee has proposed some changes to the SIPP. It was suggested that the revision should also include updated membership numbers to Section 1 - Overview 1.01 as follows: "DB Plan membership as of December 31, 2014 was 477 total members; 163 actives, 269 pensioners, and 45 members who have left the Plan and whose settlement is pending."

It was MOVED: (M. Emslie, R. Erb)

That the Statement of Investment Policies and Procedures be approved as amended.

...CARRIED

When the document has been updated it will be posted on the web.

ii. Report from DC Committee

The Chair of the DC Committee was not present to provide a full report, however it was noted that the DC Committee met in the New Year concerning the following:

- A fund review and a plan review was conducted with representatives of Sun Life resulting in some fund lineup recommendations from Sun Life;
- Henry to engage in discussions with Sun Life and to obtain more information concerning recommended changes.

It was noted that there is a "divestment" movement calling for divestment of fossil fuel and pipeline stock. The movement has been brought to the University campus by students. It was also noted that some DC plan members have been requesting more "legitimate" options when it comes to responsible funds. It was pointed out that the question of what constitutes a "legitimate" SRI fund is very subjective with many different views. It was suggested that a copy of a letter provided by R. Youngson concerning SRI funds be provided to the Board.

ACTION ITEM:

M. Walls to provide the Board with a copy of the R. Youngson's letter concerning SRI funds.

iii. Report from Operations Committee

C. Morrison noted that while there was no quorum at the Operations Committee meeting, discussions did take place that may be reported to the Board. He then asked M. Emslie to report on the audit plan and where we are at in the process. M. Emslie indicated that the auditor didn't see any material changes to their strategy or risk from prior years. Their fees are going up by 2 to 3 percent in line with cola. In all other particulars the audit plan they created

was similar to what has taken place in prior years and the audit should be commencing in the near future.

It was MOVED: (C. Morrison, R. Erb)

That the Audit Plan Proposal by the auditors be approved

...CARRIED

It was noted that not much in the way of response was received from Trustees in connection with the Trustee education material that was sent and Mary Anne will resend Trustee Education Plan. The material included a list of critical trustee knowledge that was to be reviewed, as well as an individual assessment on what Trustees feel are their areas of educational needs. There was also a list of all the educational opportunities that were known for the coming year.

ACTION ITEM:

M. Walls to resend to the Board the Trustee education material.

C. Morrison noted that the draft RFP for Custodian services was being worked on and was sent to the Committee for review. The target date for sending out the RFP is May 2014. It was noted that it has been a number of years since the plan's custodian services were reviewed and that it should be done every few years. It was also noted that this is the last service agreement since the Board took over the administration of the plan to be reviewed.

C. Morrison also noted that there was a further discussion concerning the issue of commutation from the point of view of governance and the process that would be required for a plan amendment. It was determined to wait to see how the DB committee decides to deal with the issue of commutation before proceeding further.

It was reported that there are five expiring Trustee terms at the end of June (M. Wiegand, H. Werner, H. Hudek, R. Youngson and A. Mays). The individuals/stakeholders have been contacted re the expiring terms. Both Henry and Ron have confirmed their willingness to continue on the Board for another year. It was noted that there is a concern with one Trustee who has not been attending meetings. The Operations Committee would prefer not to have to invoke the Trust Agreement in order to remove this Trustee and has determined to bring the matter to the attention of the appropriate stakeholder. It was also noted that there is no representative for IUOE since last year. It was suggested that IUOE should be advised that their representative need not come from the ranks of IUOE members and they may appoint an external Trustee on their behalf.

ACTION ITEM:

M. Walls to contact IUOE concerning their representative.

C. Morrison noted that the Committee also received a completed CAPSA questionnaire from the DB Committee.

2. Other Business

It was noted that the University has requested that parking for external Trustees (the Board and Committees) be changed from the Rice Bldg. to the RecPlex. The Trustees agreed to try the relocated parking starting with the next committee meetings.

ACTION ITEM:

M. Walls to advise all Trustees of the change prior to the next meeting and also to add a note to the meeting notice.

3. Adjournment

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

The meeting be adjourned.

Chair

Secretary