

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

**Minutes of the Meeting of
Monday, September 11, 2017**

ATTENDANCE:

Present: Henry Hudek (Chair), Mike Emslie (Treasurer), Mark Betcher (Secretary), Barry Barske, Bill Evans, Lorne Hilton, Colin Morrison, Hans Werner, Murray Wiegand, Laurel Repski, Trevor Yuriy.

Regrets: Ed Byard, Ray Erb, Ron Youngson, Robert Sveinson

Also In Attendance: Andrew Bendor-Samuel (incoming Trustee), Andrew Kulyk (Plan Actuary), Mary Anne Walls (Admin Support)

i. Approval of Agenda

The agenda was approved as submitted.

ii. New Trustee Introduction

H. Hudek introduced T. Yuriy as the new IUOE Trustee replacing M. Lafond, as well as A. Bendor-Samuel, a new UWFA Trustee who will be replacing H. Werner following the end of his term on December 31, 2017.

iii. Approval of Minutes of the meeting of June 5, 2017

It was MOVED: (B. Barske/M. Wiegand)

That the minutes of June 5, 2017 be approved as submitted.

...CARRIED.

1. Reports from Committees

i. Report from DB Committee (met September 6, 2017)

M. Emslie reported that he was re-elected as Chair of the DB Committee. The primary purpose of the DB Committee meeting was to review Q2 results and to review the actuarial valuation report.

Q2 results – the US market had done well, but the gains are being offset by increases in the Canadian dollar. Sprucegrove continues to be a topic of conversation as they are back to lagging the market and the Committee is continuing to keep an eye on them. They are losing some clients, but the percentage of fund that we hold is still within the established threshold. It was noted that Aon is continuing to rate Sprucegrove as a “buy”. It was also noted that the aim is to minimize volatility which Sprucegrove is accomplishing and they are staying true to their investment style.

Actuarial Valuation - A. Kulyk presented the actuarial valuation report. It was noted that there was an improvement in the funding position of the plan; since the funding ratio is now over 85% the asset mix of the fund will be rebalanced at the end of the year. It was also noted that as a result of the improved funded position, the University's special payments will be decreasing for 2017. The solvency ratio also improved, but since it is still below 90% a further valuation will be required as at December 31, 2017.

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

That the actuarial valuation report be approved as presented.

...CARRIED.

Trustee Education – A. Kulyk presented actuarial valuation basics, with covered topics including: role of plan actuary, actuarial present value, types and purposes of valuations, actuarial assumptions and valuation process overview.

A brief discussion followed concerning the optimal point at which the DB Component could be wound up.

ii. Report of the DC Committee (met September 7, 2017)

In the absence of R. Youngson, who has been re-elected as Chair, L. Repski provided the DC Committee report.

The Committee has deferred a review of the CAPSA changes to the November meeting.

The Committee reviewed the details of a new divested fund added to the Sun Life platform, called the RBC Fossil Fuel Free Global Equity Fund. The Committee is recommending that the Fund be added to our plan effective October 1, 2017. It was noted that requests for a fossil fuel free investment choice have been made by some plan members and the DC Committee was promoting the request with Sun Life.

It was MOVED: (L. Repski/H. Werner)

That the RBC Fossil Fuel Free Global Equity Fund be added as an investment option effective from October 1, 2017.

...CARRIED.

It was noted that as part of the announcement, plan members be advised the MER for the new fund and be provided with a link to all the DC funds and MERs. The new fund details are also to be provided.

L. Repski also reported that the DC Committee is recommending for signature an amended Sun Life Agreement which reflects the deletion of My Money For Life, a guaranteed income insurance product that is being removed from the Sun Life platform due to lack of member utilization.

It was MOVED: (L. Repski/M. Betcher)

That the amended Sun Life Service and Fee agreement be signed.

...CARRIED (with one abstention).

The DC Committee also discussed an issue whereby some terminated accounts were settled prior to actual date of termination. The issue is being investigated by Sun Life and Pay and Benefits has adjusted their process to ensure authorization to settle for terminated members is not provided to Sun Life earlier than the last pay period. No change in process is being made for retiring plan members.

It was also noted that Sun Life has corrected settlement letters being sent to terminated plan members with small accounts with respect to lock-in requirements. The Committee's work on risk assessment is continuing.

In response to a request, L. Repski indicated that the DC Committee will provide a summary of the action plan resulting from the DC member survey for the next Board meeting.

ACTION ITEM:

DC Committee to provide a summary of the action plan resulting from the DC member survey for the December Board meeting.

iii. Report from Operations Committee (met August 28, 2017)

In the absence of E. Byard who was elected Chair of the Committee, H. Werner provided the Operations Committee report.

The Committee is investigating the possibility of an external review of the Board governance processes and is currently working on a high level overview with the Plan's legal counsel which is not expected to incur a significant cost. The Operations Committee is recommending that the external review be approved subject to a cost threshold.

It was MOVED: (H. Werner/L. Repski)

That the Operations Committee be authorized to proceed with an external governance review subject to the cost not exceeding \$5,000.

...CARRIED

The Operations Committee reviewed the revised CAPSA guidelines which were circulated to the Board.

ACTION ITEM:

M. Walls to recirculate the CAPSA guidelines with tracked changes.

The Committee finalized the auditor services RFP and sent it to 5 firms. An RFP sub-committee will review the submissions and come back with a plan/recommendation.

The budget update to June 30, 2017 was presented. It was noted that due to the timing of the search for a global manager, the cost for Aon services is under budget for 2016 and will be over in 2017. It was also noted as part of the Q2 Financial Statements review that returns have been positive so far, but not as good as last year.

2. Other Business

Calendar items:

- M. Emslie indicated that the revised SIPP will be coming to the December Board meeting.
- It was noted that the review of Terms of Reference is redundant as it already recorded under the June meeting and will be removed from the September Calendar slot.

3. Adjournment

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

H. Hudek called the meeting to be adjourned.

Chair

Secretary