

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting of
Monday, September 10, 2018

ATTENDANCE:

Present: Henry Hudek (Chair), Mike Emslie (Treasurer), Mark Betcher (Secretary), Colin Morrison, Murray Wiegand, James Townsend, Lorne Hilton, Laurel Repski (Vice-Chair), Trevor Yuriy, Ron Youngson, Andrew Bendor-Samuel, Barry Barske, Bill Evans, Ed Byard, Ray Erb.

Regrets: none

Also In Attendance: Andrew Kulyk (Plan Actuary) and Mary Anne Walls (Admin Support).

i. Approval of Agenda

It was MOVED: (L. Hilton/R. Erb)

That the agenda be approved as submitted.

...CARRIED.

ii. Approval of Minutes of the meeting of June 4, 2018

It was MOVED: (R. Youngson/L. Repski)

That the minutes of June 4, 2018 be approved as submitted.

...CARRIED.

1. Reports from Committees

i. Report from DB Committee (met September 7, 2018)

H. Hudek reported for the DB committee. M. Emslie was re-elected as Chair of the DB Committee. The Committee met with Jeffrey King to review second quarter results. There is no bad news, however, there is a concern that rising short term interest rates are resulting in a flat yield curve. It was noted that this could be the precursor to a depression which in turn could be the precursor to a market downturn.

H. Hudek indicated that CAPSA released draft Guideline #9 which deals with unlocateable plan members. A. Kulyk noted that there is nothing in MB pension regulations concerning such members. Mark and Mary Anne are to review the new Guideline.

ACTION ITEM:

M. Betcher and M. Walls to review Guideline #9 and report back.

The Committee also reviewed the Actuarial Valuation report with Andrew Kulyk and is recommending the report for approval by the Board. A. Kulyk presented the actuarial valuation report. It was noted that there was only a slight improvement in the funded Going Concern position of the Plan since most of the investment gain was offset by increased conservatism in the valuation interest rate. A. Kulyk reported that there will be no changes to the glide path. It was noted that there will be a slight increase in the University's special payments for 2018. The

solvency ratio also improved, but since it is still below 90% a further valuation will be required as at December 31, 2018.

It was MOVED: (M. Emslie/R. Youngson)

That the actuarial valuation report be approved as presented.

...CARRIED.

M. Wiegand joined the meeting.

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.

C. Morrison and A. Kulyk departed the meeting.

H. Hudek reported that the DB Committee received a request from FGP to change the Plan holdings from the FGP Conservative Bond Fund mandate to the FGP Universe Bond Fund mandate for more flexibility. H. Hudek indicated that the DB Committee had agreed.

H. Hudek also reported that the DB Committee is working on an RFP for an Asset Liability Modelling study. He indicated that the RFP is being redrafted to incorporate some proposed changes and will be further reviewed by the Committee.

ii. Report from the DC Committee (met August 27, 2018)

M. Betcher reported that he was elected as Chair of the DC Committee. The Committee reviewed Sun Life's Action Plan; one of the items discussed was Sun Life webinars. It was noted that participation in the webinars is down. As at June 30, 2018, 3 members attended the webinars out of 9 registered, vs. June 30, 2017 with 24 members registered and 11 attending. M. Betcher indicated that Sun Life is suggesting a diversification campaign targeting certain members; the Committee will discuss with Sun Life. Sun Life also suggested automatically transferring terminated Plan members from the Plan to the Sun Life Group Choices Account after 90 days. The Committee will be checking with the MB Pension Commission to confirm whether this is permitted under MB pension regulations.

The Committee also reviewed the Sun Life service standards report. M. Betcher noted that not everything was ok and that there had been some issues. The DC Committee is keeping track of the issues; it was noted that there were issues in the past and that Sun Life made a payment under the service guarantee.

M. Betcher indicated that the Committee updated their Terms of Reference. The Committee is also reviewing the CAP checklists and self-assessment tool.

The Committee also discussed adding a TFSA with Sun Life. It was noted that the choice of funds and fees would be the same as under the DC plan; however, as with the Group RRSP, the responsibility for the TFSA would lie with the University rather than the Board. It was also noted that Sun Life has rolled out a Target Income plan which will be looked at by the Committee. The Committee is also reviewing and updating the DC risk assessment.

iii. Report from Operations Committee (met August 20, 2018)

E. Byard reported that he was re-elected as the Chair of the Operations Committee. The Operations Committee reviewed second quarter Financial Statements which have been provided to the Board for information. The Committee also reviewed the updated expense budget for 2018; it was noted that the cost for a new asset liability study stemming from the RFP is not yet known, but is expected to be between \$50,000 and \$100,000 and will likely be incurred in 2019.

E. Byard indicated that the Committee conducted their annual review of Plan governance. In response to last year's recommendation from J. Langhan a Civic Web drop box has been established for Trustees where all Committee minutes are posted. E. Byard encouraged Committee Chairs to review and update their Committees' Terms of Reference and to review CAPSA guidelines concerning their respective responsibilities. It was noted that some items in the guidelines are archaic, so Committees should review with this in mind. He indicated that Committees should also update their respective risk assessments, and informed the Board that CAPSA has released an update to Guideline #8.

The Operations Committee is also reviewing the Plan Services Agreement with the University.

E. Byard reported that with regard to Trustee education, the remaining three Board meetings of the current Board year will be devoted to Trustee fundamentals, and will be conducted by Andrew Bendor-Samuel, Mark Betcher and James Townsend.

5. Other Business

a. It was noted that although the Calendar of Deliverables calls for a revised DB SIPP for the September Board meeting, this has typically been tabled in December. It was also noted that the DC Committee is working on a DC specific SIPP.

b. M. Walls provided the Trustees with a new wifi code for the University's network.

c. M. Walls advised the Board that a revised list of authorized signatories was being requested for CIBC Mellon. The updates to the list are due to a new employee starting in Financial Services who needs to be able to provide instructions to CIBC Mellon. Also, Human Resources is requesting the addition of L. Repski to the list as M. Betcher's backup. No concerns were noted with the updates.

6. Adjournment

As there was no further business to come before the Board, H. Hudek called the meeting to be adjourned.

Chair

Secretary