

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting of
Monday, March 9, 2020

ATTENDANCE:

Present: Henry Hudek (Chair), Mark Betcher (Secretary), Colin Morrison (Vice-Chair), James Townsend, Barry Barske, Andrew Bendor-Samuel, Mike Emslie (Treasurer), Ray Erb, Roberta Marsh, Lorraine Parrington

Regrets: Ron Youngson, Ed Byard, Murray Wiegand, Lorne Hilton

1. Approval of Agenda

It was MOVED: (R. Erb/A. Bendor-Samuel)

That the agenda be approved as presented.

....CARRIED.

2. Approval of Minutes

It was MOVED: (A. Bendor-Samuel/M. Betcher)

That the minutes of December 9, 2019 and January 6, 2020 be approved with a correction to update Andrew to A. Bendor- Samuel.

....CARRIED.

3. Report from the DB Committee (meeting of March 6, 2020)

M. Emslie indicated that the Committee reviewed Q4 investment performance with Jeffrey King of Aon. He noted that FGP had the worst performance out of the Canadian Equities manager universe, and has been dropped from the Canadian equity portfolio, with Beutel Goodman taking over the portfolio effective February 2020. FGP bond portfolio continues as a strong performer. Sprucegrove performance trailed the World index, but outperformed their value benchmark. Somerset did very well during the year, however, we expect their performance to falter in Q1 of the current year. as they have significant investments are in India and China. CSSB Continue to be a strong player and added value to the portfolio.

M. Emslie indicated that a decision was made to move away from Long bonds in aligning with the duration of liabilities and this needs to be reflected in the SIPP. The DB Committee had a discussion with A. Kulyk of Eckler around some concerns he had raised and is now ready to move forward with amendments to the SIPP. Jeffery from Aon will be updating the SIPP based on the Committee's instructions and it is expected that the updated SIPP will be available for the next Board meeting.

The Committee also reviewed and updated the CAPSA questionnaire and the Committee's Terms of Reference. A wording change is being made to the Terms of Reference quorum requirements; both documents will be forwarded to the Operations Committee. The DB rate of return was received from Eckler and pensioners will receive an automatic COLA increase of 0.89% effective July 1, 2020. M. Emslie also shared that the DB committee has decided that the Plan should not to bear the cost of \$35 per payment for a wire transfer for a retiree residing in Australia and that the pensioner will have to pay the cost.

M. Emslie informed the Board that the Commuted Value Standard is changing effective August 1, 2020. This change will likely reduce commute value payments. The DB Committee has determined that it would be prudent to inform DB plan members about this change. He also suggested if someone wants to take retirement before August 1, 2020, the University would likely be flexible on the 6-months' notice policy for Academic employees. A. Kulyk has been asked to draft the notification and T. Kumar along with M. Walls will be distributing the notice to DB plan members.

H. Hudek asked whether the DB Committee will be looking at potential reallocation of the DB portfolio due to the cut in the US reserve and Canada bank rates. M. Emslie said the Committee will review as soon as February performance information is received, and will decide if there is a need to make a change in allocation.

ACTION ITEM: T. Kumar and M. Walls to follow-up with A. Kulyk on commuted value notice and distribute the notice to Plan members.

ACTION ITEM: The DB Committee to review February performance and decide whether rebalancing is appropriate.

4. Report from DC Committee (meeting of February 24, 2020)

A. Bendor-Samuel shared that there were two processing errors made by Sun Life in last quarter; M. Betcher is working with Sun Life to have those addressed. DC Committee made a change to the Calendar of Deliverables by moving the review with service provider from February to March. Sun Life introduced the "Roadmap to Retirement" initiative by reaching out to 227 members out of which 101 responded, which is a very positive response. The initiative included anyone who is currently age 50 and over. Going forward, only those who reach age 50 will be contacted, so the numbers will be much lower.

In terms of Member education, in April Sun Life will be conducting a group session as well as one-on-one sessions this year for our plan members. A. Bendor-Samuel mentioned that M. Becher noted some issues with the DC member booklet. The booklet was updated by Sun Life and is being reviewed. The updated booklet will be posted when finalized. It was also noted that the University is in discussion with Sun Life concerning the addition of more investment options for plan members, such as a Spousal RRSP.

Roberta Marsh joined the meeting.

A. Bendor-Samuel told the Board that the DC Committee is reviewing CAPSA guidelines and is struggling with some questions relating to plan inception. The DC Committee is looking for assistance from those who were part of the DC Committee in the past, and A. Bendor-Samuel asked for anyone with information to contact him. H. Hudek and R. Erb said they will try to assist.

A. Bendor-Samuel informed the Board that the RFP for DC Consultant was posted in February and will close on March 31, 2020. Some service providers were contacted directly regarding the RFP. A. Bendor-Samuel said the Committee also reviewed its Terms of Reference and noted that the definition of Quorum is different for every committee and it should be revisited and necessary changes made to have it standardized. He also said that DC Committee is looking to do another member survey this year. This survey will be done in two parts: a short 3-minute survey with a link to a longer survey. The survey should be ready for September.

5. Report from the Operations Committee (meeting of March 2, 2020)

In the absence of Ed Byard, M. Betcher presented the Operations Committee report. M. Betcher indicated that the Operation Committee discussed Trustee education and decided that there was no need for a prescribed minimum level of education for Trustees, as it is more important to have sufficient collective experience and expertise on the Board. T. Kumar and M. Walls will be providing an updated education survey to Trustees.

M. Betcher advised the Board that H. Hudek is not renewing his term and the Board will need to look for a new External Trustee as well as a new Board Chair. He also indicated that his own term is ending and that a request for nominations for a Trustee representing Excluded Employees has already been sent out. He further indicated that J. Townsend's term will likely be extended for another 2-years, and we are still waiting for confirmation from UWFA. The IUOE Trustee position is still vacant, while Ed Byard's term has been extended by 2 years. M. Betcher also reported that R. Youngson agreed to a further term of one year, however, that he was requested to extend his term for a further 2 years so that the end dates for External Trustees stay be staggered.

M. Betcher advised that the Board has been presented with a draft process for the election of a new External Trustee. The document consists of two parts: the first part is an extract from Trust agreement and the second part is a process developed by the Operations Committee in 2008 when the first slate of External Trustees was elected. He noted that while the Trust Agreement indicates that External Trustees should not be making nominations for External Trustees, nominations from External Trustees are welcome. The Operations Committee will also be seeking nominations from member of the University of Winnipeg Foundation as it would be an asset to the Board to have someone who has a financial background. He also indicated that changes have been made to the Calendar of Key Deliverables by the DC Committee as well as the Operation Committee.

M. Betcher indicated that the Committee also looked at attendance at Board and Committee meetings by non-Trustees for the purpose of T. Kumar's attendance at meetings to take minutes, and to allow himself to attend meetings in the event that he is not reelected as a Trustee. M. Betcher also informed the Board that the Operations Committee reviewed changes suggested by R. Marsh to the Civic web structure. The Operation Committee approved the changes to the private portion of Civic Web and these changes will be implemented retroactive to January 1, 2020; changes to the public portion of Civic Web were tabled to be discussed at the next meeting. The changes to the private portion of Civic Web will reflect a new structure based on the Board/Committee, and then by date. The CAPSA and Risk and Trustee Education folders will remain separate from the Board/Committee folders.

6. Trustee Education

M. Betcher and A. Bendor-Samuel shared the learning that they gained from their attendance at the Advanced Trust Management Standards session which they attended last year, and both of them thanked the Board for providing this education opportunity. Their report included the following overview of Legal and Administrative Standards:

- There are 3 sources of law in Canada: Constitution, Legislation (federal and provincial), and Common Law, all of which have an impact on pensions.
- Trustees have a responsibility to exercise a duty of care for plan members.
- Risk management tools may be used to help mitigate negligence, such as care and accuracy in member communications, and the use of disclaimers referencing Plan Text on documents that are sent to members.
- Trustees may delegate administration, but may not delegate policy.
- Fiduciary role is to mitigate and manage risk; cannot eliminate all risk.

- The law does not demand perfection, but rather a sound decision-making process.
- The absence of a Trustee from a meeting does not prevent liability and Trustees need to be fully engaged in the decision-making process.

A. Bendor-Samuel shared 3 case studies with the Board and said that Risk management is an important aspect of Trustee training along with the importance of having policies and procedures in place and following them. He noted that meeting minutes are a critical aspect for any Trust, and should reflect the essence of any meeting along with the details of discussions; minutes should be kept indefinitely.

7. Other Business

R. Marsh indicated that Human Resources is strengthening the marriage breakdown process and is still dealing with a number of marriage breakup's where an incorrect waiver/declaration form was signed in absence of written agreement and court order. She tried to get advice from the Plan's legal counsel this matter, but he requested a letter from the Board. H. Hudek asked R. Marsh to draft a letter for the Board's signature so that clarification can be obtained from Plan's legal counsel concerning the process for signatures.

A. Bendor-Samuel said that he was wondering whether the Board should have a formal policy on Privacy & Conflict of Interest. He indicated that he looked at other universities and found nothing on their websites. C. Morrison indicated that the Board already has a small "p" conflict of interest policy in place whereby all Trustees sign a conflict of interest disclosure each year, however, he also indicated that having a capital "P" policy is always preferable as a defense mechanism. He indicated that the Board needs to consider whether it has sufficient resources within the Board or whether outside expertise would be required to draft a formal policy. H. Hudek suggested that the Operation Committee examine potential deficiencies and provide an assessment on what all is required in terms of time and effort. He also asked Trustees to think about this issue for the next meeting.

ACTION ITEM: R. Marsh to draft a letter to the Plan's legal counsel regarding marriage breakup process clarification and provide to the Board for signature.

ACTION ITEM: Operations Committee to look at the requirement for formal Conflict of Interest and Privacy Policies and prepare a time and effort analysis.

8. Date of Next Meeting

The date of the next Board of Trustees meeting is June 8, 2020.

9. Adjournment

As there was no other business to come before the Board, the meeting was called adjourned.

Chair

Secretary