

*Meeting Minutes*

Saint Mary's University Pension Committee

Committee Members – Present		Regrets	Committee Support - non voting
Gabe Morrison	Joe Chrvala	Darlene Goucher	Darrell Rooney, Financial Services
Kim Squires		Jeff Power	Maureen Hayward, Treasury
Cindy Harrigan		Marc Patry	Sheree Delaney, HR Officer
Keith Hotchkiss		Yigit Aydede (Sabbatical)	Doug Brake, Pension Consultant, Mercer
Nicola Young			
Rob Thacker			
David Lane			
Lori Francis			

1. **Call to Order**

The Chair called the meeting to order at 3:10 p.m.

2. **Pension Committee Meeting Minutes (June 12, 2013)**

MOTION: To adopt the June 12, 2013 committee minutes.

Motion: Cindy Harrigan  
Second: Joe Chrvala  
  
In Favour: 7  
Opposed: 0  
Abstentions: 0  
Carried

3. **Business Arising from the Minutes**

A number of the action items from the June 12, 2013 meeting will be discussed under other items on the agenda.

4. **Debrief AGM – June 25, 2013**

The Chair asked the Committee members if they had any suggestions regarding the content and format of the AGM. There was some discussion regarding the number of attendees and the response to Rob Thacker's presentation on Target Date Funds.

5. **Pension Committee financial report**

The Chair reported that the June 30, 2013 quarterly report had been emailed to pension committee members on August 7, 2013.

Maureen Hayward reported that the September 30, 2013 report is due by November 15, 2013, which is 45 days after the period has ended. Nicola Young requested that report also be included with materials for the next Pension Committee meeting for reference.

**ACTION:** Maureen Hayward will email the report to Pension Committee members by November 15, 2013.

**ACTION:** Sheree Delaney will include the most recent Financial Report with the supporting documents for the Pension Committee meetings for reference at all future meetings.

Keith Hotchkiss joined the meeting at 3:15 p.m.

6. **Sun Life Financial confirmations**

a. **CSAE 3416 Report (former CICA 5970 Audit Report)**

Darrell Rooney reviewed the opinion of the Auditors. Darrell Rooney noted that the Report has a new name and has been updated to meet world-wide standards but is consistent with previous years reports.

**MOTION:** To accept the CSAE 3416 Report.

Motion: Nicola Young  
Second: Rob Thacker

In Favour: 8  
Opposed: 0  
Abstentions: 0  
Carried

b. **CAP Guidelines Certification**

Darrell Rooney reviewed the CAP Guidelines Certification provided by SunLife Financial, which satisfies the requirements under Section 6.1 of the CAP Guidelines. Doug Brake noted that it is industry best practice to follow the CAP Guidelines.

**MOTION:** To accept the CAP Guidelines Certification.

Motion: Rob Thacker  
Second: Joe Chrvala

In Favour: 8  
Opposed: 0  
Abstentions: 0  
Carried

**ACTION:** Darrell Rooney to request the reports from Sun Life and report to the Pension Committee in the Spring 2014, and thereafter in the Spring.

The Chair requested that the Pension Governance items on the agenda be moved ahead of the other agenda items as a number of items needed to be addressed in the Fall 2013 meeting. The Pension Committee members had no objections.

7. **Pension Committee Governance**

a. **Annual Information Return ( Darrell Rooney – verbal report)**

Darrell Rooney reported to the Pension Committee that the Annual Information Return has been completed and submitted to the Canada Revenue Agency by the deadline of September 30, 2013. The Return was available for inspection by Committee Members.

b. **Pension Committee Member Insurance and Indemnification Policy (Chair)**

The Chair provided Committee members with a copy of the member Insurance and Indemnification policy for the members' records.

c. **Pension Committee Self-Assessment (Chair – verbal report)**

The Chair noted that the Pension Committee Self-Assessment report was not included in the Pension Committee meeting supporting documents. The Pension Committee agreed to review the draft and provide comments via an e-mail exchange.

**ACTION:** Sheree Delaney will send out the Draft pension Committee Self-Assessment document for comment, review and approval.

d. **Election of Subcommittee members (Chair)**

The Chair reported to the Committee that according to the October 25, 2012 Pension Committee minutes, the election of the Subcommittee members should have occurred in the Spring of 2013. There was some discussion regarding the subcommittees and the work that is currently being undertaken by the Investment subcommittee.

**MOTION:** To continue current Subcommittee members until the Spring of 2014.

Motion: Nicola Young  
Second: Cindy Harrigan

In Favour: 8  
Opposed: 0  
Abstentions: 0  
Carried

8. **Report from the Subcommittees**

**Investment:**

- a. **Report on Subcommittee Activities – Summer 2013**
- b. **EAFE Equity Manager Evaluation & Search**
- c. **Target Date Funds)**

**a. Subcommittee Activities – Summer 2013 Report.**

1. Rob Thacker reported that the Investment Subcommittee has reviewed the option of adding shorter term GIC's and that the Investment Subcommittee is recommending that the members need education regarding early withdrawal from the five-year GIC and not to implement additional GIC options. There was discussion surrounding the recommendation.
2. Rob Thacker reported that the Investment Subcommittee investigated active versus passive bond management and recommends that the Pension Committee considers active management under the Sun Life Core Plus Options in order to improve overall returns for the fixed income portion of the pension plan investments. There was some discussion but it was agreed that this issue needed more discussion so it should be deferred to another meeting.
3. Rob Thacker reminded the Pension Committee that Mercer in its most recent Annual Performance Monitoring Report noted that the Statement of Investment Policy & Goals (SIP&G) required updating for several items. Mercer prepared an update and submitted it to the Investment Subcommittee for review. The Investment Subcommittee recommends approval of the revised SIP&G. Rob Thacker did note that if the Pension Committee proceeds with other changes, the SIP&G will require additional updates. There was some discussion surrounding when would be the appropriate time to update the SIP&G. Doug Brake, Mercer recommended that the Pension Committee complete the updates recommended in the most recent Annual Performance Monitoring Report as the SIP&G document was last updated in April 2010.

**MOTION:** To accept the recommended revised SIP&G in the report.

Motion: Rob Thacker  
Second: David Lane

In Favour: 8  
Opposed: 0  
Abstentions: 0  
Carried

**b. EAFE Equity Manager Evaluation & Search Report**

Rob Thacker reviewed the Investment Subcommittee's evaluation of the four (4) funds that were recommended by Mercer. There were three (3) areas that Rob Thacker brought to the Pension Committee's attention: Fees, Capital Preservation and Emerging Market Allocation. There was discussion surrounding the size of the fund and whether the fund would be opened to new customers. There was also some discussion surrounding the last quarter performance of Acadian.

There was also discussion surrounding how this change would be communicated to members as member's funds would need to be moved. Kim Squires suggested reviewing past communication to members when funds were moved from one manager to another.

The Investment Subcommittee recommended that the Pension Committee replace Acadian International Equity Fund with the MFS McLean Budden International Equity Core Strategy.

**ACTION:** Bring forward at the next Pension Committee meeting, December 2013.

**ACTION:** Bring forward communications pieces that have been used in previous changes.

**c. Target Date Funds**

Rob Thacker summarized the Pension Committee's review regarding the possible implementation of Target Date Funds. Rob Thacker noted that changing to Target Date Funds would be significant change in investment philosophy. Rob Thacker indicated that if the pension Committee is going to proceed, there would have to be a change in the SIP&G to indicate the change in philosophy.

**ACTION:** Bring forward the issue of active versus passive bond management to a future Pension Committee meeting.

**MOTION:** To recommend providing additional education regarding early withdrawal from the five-year GIC and not implementing additional GIC options.

Motion: Rob Thacker  
Second: Joe Chrvala

In Favour: 5  
Opposed: 2  
Abstentions: 1  
Carried

Items #6b, 6c, 6d, 8a, 8b will be carried forward to the next agenda.

**9. Other Business**

**c. Next Meeting Date:** December 2013

**10. Adjournment**

The meeting adjourned at 5:10 p.m.