

HALIFAX REGIONAL MUNICIPALITY PENSION COMMITTEE MEETING
Thursday, September 23, 2021
Microsoft Teams Meeting
9:00 am – 12:45 pm

- Members:** John Traves, Management, Co-Chair
Dan White, IAFF, Co-Chair
Britt Wilson, Management
Mike Sampson, Management
Ray MacKenzie, ATU
R. Scott MacDonald, HRP
Melanie Gerrion, NSUPE
Jerry Blackwood, Management
Steve Blackmore, CUPE
Renée Towns, Management
- Alternates:** Jason Snow, HRP
Andrew Bone, Retiree (acting for Mark Hartlen)
Brett Hartlen, IAFF
Dan Axford, IAFF
Bonnie Baldwin-Sheaves, NSUPE
Chris Mosher, CUPE
Patricio Garcia, ATU
David Webster, ATU
Jamy-Ellen Klenavic, NSUPE
Mike Matheson, NUMEA (acting for Greg MacKay)
Vicki Robertson, Management
Scott Chetwynd, CUPE
- Participating Employers:** Anne Patterson, HRCE
Cathy Maddigan, Halifax Public Libraries
Steve Vincent, Ocean View Continuing Care Centre
- Staff:** Robert Ritchie, CEO
Mark Whidden, Director, Pension Management
Matt Leonard, Director, Finance & Operations
Darin Eddy, Director, Public Markets
Vishnu Mohanan, Director, Private Investments
Paula Boyd, Director & Chief Pension Officer
Lisa Tanner, Director, Plan Member Services
Krista Tinslay, Executive Assistant
- Guests:** Joe Kaiser, President, NSUPE 13
Philip Churchill, Eckler
Les Morton, bfinance
Toby Woodworth, bfinance

An In-Camera meeting was held on September 22nd from 1:30 pm – 2:30 pm.

1. CALL TO ORDER

Mr. Traves called the meeting to order at 9:06 am.

Mr. Traves reviewed the changes to the HRM Pension Committee membership. The Committee thanked Mr. Tattrie, Mr. Dragatis, Mr. Wilson and Ms. Mooney for their service to the Committee, and welcomed the newly appointed members as follows:

- 1.1 Bonnie Baldwin Sheaves, Alternate for NSUPE
- 1.2 Jamy-Ellen Klenavic, Alternate for NSUPE
- 1.3 Vicki Robertson, Alternate for Management
- 1.4 Michael Matheson, Alternate for NUNEA
- 1.5 Scott Chetwynd, Alternate for CUPE, Local 108
- 1.6 Chris Mosher, Alternate for CUPE, Local 108
- 1.7 Patricio Garcia, Alternate for ATU
- 1.8 David Webster, Alternate for ATU

2. APPROVAL OF AGENDA

Mr. Traves asked if any additions needed to be made to the agenda; no points were raised.

Moved by Ray MacKenzie, and seconded by Mike Sampson, to approve the agenda as presented. Motion put and passed.

3. APPROVAL OF MINUTES, June 10, 2021

Moved by Ray MacKenzie, and seconded by Mike Sampson, to approve the June 10, 2021 minutes as presented. Motion put and passed.

4. CEO UPDATE

Mr. Ritchie presented the CEO Update to the Committee. He provided updates on Pension Office operations, Plan Member Services, 2nd quarter investment results, and the overall investment markets. As well, Mr. Ritchie provided a more in depth look at the Plan's infrastructure investments and a recent public equity restructuring that was completed.

5. GOVERNANCE REVIEW

5.1. Committee Self-Monitoring

- 5.1.1. Process
- 5.1.2. Performance

5.2. Governance Policy Review

- 5.2.1. Global Governance-Management Connection
- 5.2.2. Unity of Control
- 5.2.3. Accountability of the CEO

5.3. Governance Policy Review – Executive Limitations

- 5.3.1. Financial Condition and Activities
- 5.3.2. Service Providers
- 5.3.3. Investment
- 5.3.4. Communication and Support to the Committee

Mr. Traves noted that the Committee is responsible to review these policies on a regular basis; however, no changes to the policies are being suggested at this time.

No further discussion items were brought forward.

6. TRAINING & EDUCATION UPDATE

6.1. Training & Education Budget Update

Mr. Bone reviewed the Training & Education Budget to date and noted that spending on training and education is still low due to the pandemic and encouraged all Committee members to take advantage of any online opportunities they may find of interest.

Mr. Bone noted that he has been in contact with several of the newer Committee members to discuss training programs and opportunities. The Annual Education Session (AES) in October is a mandatory session for new Committee members, as well as completion of the Foundations of Trust Management Standards (FTMS) program offered by the International Foundation of Employee Benefit Plans (IFEBP).

Mr. Traves noted that while travel is still under restriction due to the pandemic, training is an expectation per the governance policies of the Committee. Mr. Traves asked the Training & Education Sub-Committee to build an inventory of priority training opportunities that Committee members should take.

No further discussion items were brought forward.

7. PLAN MEMBER SERVICE UPDATE

7.1. Reports on Service Standards – Q2 2021

Ms. Tanner presented the Service Standards report for Q2 2021 to the Committee. The overall service standards compliance was 99.6% compared to 98.7% in Q1 2021.

Mr. Bone asked if the number of retirement calculations had increased over the course of the COVID-19 pandemic. Ms. Tanner noted that there was no significant increase noted. Requests for retirement packages have been consistent month to month, and year over year.

No further discussion items were brought forward.

Mr. White joined the meeting at 10:30 am and acted as Chair for the remaining agenda items.

8. 2020 ACTUARIAL VALUATION REPORT

Mr. Churchill from Eckler presented the final results of the Actuarial Valuation as at December 31, 2020. Mr. Churchill noted that results have not changed since the preliminary report was presented at the June 2021 Committee meeting. Ms. Tanner acknowledged that the change in transfer ratio will be implemented as at October 1, 2021.

Moved by Ray MacKenzie, and seconded by Scott MacDonald, to accept and file the December 31, 2020 actuarial valuation report as presented. Motion put and passed.

9. LONG-TERM PLANNING UPDATE

Mr. White provided an update on the progress of the Long-Term Planning Committee (LTPC). The LTPC held a discussion on the HRM Pension Plan's current Funding Policy at yesterday's In-Camera meeting.

Mr. White has been directed by the LTPC to discuss with Union representatives the possibility of refreshing the Funding Policy. The Plan sponsor will also need to further discuss. After this is done, the LTPC will reconvene and determine what the next steps are.

10. INVESTMENTS

10.1 Public Market Alternatives Presentation

Mr. Ritchie introduced Les Morton and Toby Woodworth from bfinance, a Global Investment consultant, to provide an education session on Public Market Alternatives (PMA), and how they can be useful in the diversification of the Pension Plan's investments.

Mr. MacKenzie asked if PMA's were riskier than the Plan's other investments? Mr. Ritchie noted that incorporating a PMA strategy provides increased portfolio diversification that can increase expected returns and decrease risk.

10.2 Proposed DB SIPP changes - Public Market Alternatives allocation

Mr. Eddy presented details on the changes being suggested to the Pension Plan's Statement of Investment Policies & Procedures to incorporate a Public Market Alternative strategy.

Mr. Sampson requested information on what, if any, effect making this change would have on the long-term key metrics, specific to the calculation of PfAD and the flow of that PfAD into the actuarial valuation. Mr. Eddy confirmed that the PfAD calculation is based on a 20% long-term fixed income asset allocation – the proposal on the table does not breach that 20% threshold.

Ms. Towns requested clarification on where the suggested 7.5% of assets being allocated to Public Market Alternatives would be sourced from, and how that might affect the total liquidity available should a capital commitment come due. Mr. Eddy and Mr. Ritchie confirmed that with the proposed changes, liquid assets available would remain at 65%, which would allow for payment of any capital commitment; and noted that other fixed income investments would be available for sale should the need arise.

Moved by John Traves, and seconded by Melanie Gerrior to incorporate the changes to the Pension Plan's Statement of Investment Policies & Procedures as presented to permit an investment in Public Market Alternatives (PMAs) of up to 7.5% with a target asset mix of 0%. Motion put and passed.

11. EDUCATION SESSION

11.1 Pension Legislation

Ms. Boyd presented information on the current Nova Scotia *Pension Benefits Act and Regulations*, as well as the *Income Tax Act*. She noted that more information specific to the HRM Pension Plan will be provided during the Annual Education Session in October.

Committee members are encouraged to contact Ms. Boyd with any questions on the *Pension Benefits Act and Regulations*, or if they would like more in-depth information.

12. OTHER BUSINESS

12.1 Reappointment of Eckler for Actuarial Services

Ms. Boyd reported that the HRM Pension Committee is responsible for choosing the Plan's actuarial consultant. The current service provider is Eckler, and they have provided an updated pricing proposal guaranteed for the next 5 years.

Mr. Sampson asked for clarification as to why this decision was coming to the Pension Committee for approval. Mr. Traves noted that an amendment was made to the Plan Text in 2019 giving the Committee the authority to choose the Plan's actuary.

Moved by Mike Sampson, and seconded by Jerry Blackwood to enter into a 5-year agreement with Eckler to provide actuarial services based on the pricing outlined in their August 10, 2021 proposal, subject to final agreement on all other terms of the service agreement.

12.2 Request for new ASC Sub-Committee members

Mr. Blackwood noted that with Mr. Tattre's retirement, there were now two vacancies on the Audit Sub-Committee, and put the call out for volunteers.

Jason Snow, HRP and Melanie Gerior, NSUPE stepped forward to volunteer for the Sub-Committee.

No further business was brought forward.

13. ADJOURNMENT

Moved by Ray MacKenzie to adjourn the meeting at 12:50 pm. Meeting adjourned.



John Traves, Co-Chair



Dan White, Co-Chair