

HALIFAX REGIONAL MUNICIPALITY PENSION COMMITTEE MEETING
Thursday, December 9, 2021
Microsoft Teams Meeting
9:00 am – 12:30 pm

- Members:** John Traves, Management, Co-Chair
Dan White, IAFF, Co-Chair
Britt Wilson, Management
Mike Sampson, Management
Ray MacKenzie, ATU
Melanie Gerrior, NSUPE
Jerry Blackwood, Management
Steve Blackmore, CUPE
Renée Towns, Management
Greg MacKay, NUMEA
- Alternates:** Jason Snow, HRP (acting for R. Scott MacDonald)
Andrew Bone, Retiree (acting for Mark Hartlen)
Brett Hartlen, IAFF
Bonnie Baldwin-Sheaves, NSUPE
Patricio Garcia, ATU
Jamy-Ellen Klenavic, NSUPE
Mike Matheson, NUMEA
Vicki Robertson, Management
Scott Chetwynd, CUPE
Jason Colville, ATU
Brian Leslie, Retiree
- Participating Employers:** Cathy Maddigan, Halifax Public Libraries
Allan Campbell, Halifax Water
- 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
Quincy Cochrane, Investment Co-Op Student
Krista Tinslay, Executive Assistant
- Guests:** Joe Kaiser, President, NSUPE 13
Kimberly Scheelar, NSUPE 14
Brynley Horsfield, Management
Mike Murray, Peloton Capital Management
Steve Faraone, Peloton Capital Management

An In-Camera meeting was held on December 8th from 1:00 pm – 2:00 pm.

1. CALL TO ORDER

Mr. Traves called the meeting to order at 9:02 am.

Mr. Traves reviewed the changes to the HRM Pension Committee membership. The Committee thanked Mr. Webster and Mr. Mosher for their service to the Committee, and welcomed Jason Colville, Alternate for ATU as a newly appointed member.

2. APPROVAL OF AGENDA

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

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

3. APPROVAL OF MINUTES, September 23, 2021

Moved by Mike Sampson, and seconded by Dan White, to approve the September 23, 2021 minutes as presented. Motion put and passed.

3.1 **Business arising from the minutes - Long Term Planning Update**

Mr. White reported that further to the September 23, 2021 meeting of the HRM Pension Committee, discussions had taken place with union representatives, and a meeting will be scheduled in early January 2022 to discuss potential updates to the Funding Policy.

4. CEO UPDATE

Mr. Ritchie presented the CEO Update to the Committee. He provided updates on Pension Office operations, Plan Member Services, 3rd quarter investment results, and the overall investment markets. As well, Mr. Ritchie provided a more in depth look at Private Equity and Private Credit, as well as an update on ESG initiatives.

Mr. MacKenzie raised a question relating to the retirement and termination statistics presented and asked if it was possible to provide data by employer group. Ms. Tanner responded that she will look into this and provide the information to the Committee at a later date.

Ms. Klenavic asked Mr. Ritchie to speak to how ESG principles are used to guide investment decisions, specifically in relation to real estate. Mr. Ritchie noted that real estate is a natural fit for ESG investing - there is an alignment between the ESG principles and the way real estate developers look for ways to reduce energy and water consumption, provide solar power, and employ other strategies to enhance property values.

Mr. Ritchie noted that plans for 2022 include having a consultant present to the Pension Committee on ESG.

5. GOVERNANCE REVIEW

5.1. Committee Self-Monitoring

- 5.1.1. Process
- 5.1.2. Performance

5.2. Governance Policy Review – Governance Process

- 5.2.1. Global Governance Commitment
- 5.2.2. Governing Style
- 5.2.3. Committee Job Description
- 5.2.4. Agenda Planning
- 5.2.5. Cost of Governance

5.3. Governance Policy Review – Committee – Management Delegation

- 5.3.1. Delegation to the CEO

5.4. Governance Policy Review – Executive Limitations

- 5.4.1. Asset Protection
- 5.4.2. Investment
- 5.4.3. 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 for the year is low due to COVID and encouraged all Committee members to continue to take advantage of any online opportunities they may find of interest.

Mr. Bone reported several of the newer Committee members have completed the Foundations of Trust Management Standards (FTMS) program offered by the International Foundation of Employee Benefit Plans (IFEBP). As well, several Committee members recently attended the Lancaster House Pensions Conference and the IFEBP Annual Canadian Employee Benefits Conference.

A meeting of the Training & Education Sub-Committee will be scheduled in early 2022.

No further discussion items were brought forward.

7. PLAN MEMBER SERVICE UPDATE

7.1. Report on Service Standards – Q3 2021

Ms. Tanner presented the Service Standards report for Q3 2021 to the Committee. The overall service standards compliance was 100% compared to 99.6% in Q2 2021.

Ms. Tanner noted that she is expecting an increase in the number of calculations for Q4, as her team has been focused on processing a number of non-vested payouts, as well as receipt of a large number of terminations from the Halifax Regional Centre for Education.

No further discussion items were brought forward.

8. CO-CHAIR UPDATE

8.1 Term of Dan White Expires December 31, 2021

Mr. MacKenzie nominated Dan White to continue as Co-Chair. Mr. White accepted the nomination. There were no other nominations.

Motion put and passed by acclamation.

9. AUDIT SERVICES

On behalf of the Audit Sub-Committee, Ms. Gerrior and Mr. Blackwood provided information on the Request for Quote process undertaken to appoint an auditor for the period of 2021-2025.

Moved by Jerry Blackwood, and seconded by Mike Sampson, to appoint KPMG as the auditors for the HRM Pension Plan and Master Trust for the 2021-2025 period. Motion put and passed.

10. ENTERPRISE RISK MANAGEMENT

Ms. Boyd and Mr. Whidden provided an update on the Enterprise Risk Management initiative that was undertaken by the Pension Plan office earlier this year. Five risks were identified to be reviewed during 2021, and results of the risk analysis were presented for three of those - Valuation Assumptions, Governance, and Liquidity.

Mr. Sampson noted that in the past the HRM Pension Committee had discussed using a product offered by Eckler to determine mortality assumptions and asked if there was any value in considering that option again. Mr. Whidden noted that a full mortality study would be challenging for a plan of the size of HRM as there just aren't enough members to make it statistically viable. The mortality assumption recommendations from the Canadian Institute of Actuaries are tracking the Pension Plan's actual experience very well.

11. DB SIPP

Mr. Ritchie reviewed the proposed changes to the DB Statement of Investment Policies and Procedures (SIPP). He noted that all changes were minor, and included the amendments as approved at the September 23, 2021 Committee meeting to allow for investment in Public Market Alternatives.

No further discussion items were brought forward.

Moved by Dan White and seconded by Ray MacKenzie to accept the changes to the DB SIPP as presented. Motion put and passed.

12. EDUCATION SESSION

12.1. Canadian Private Equity - Peloton Capital Management

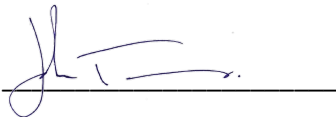
Mike Murray and Steve Faraone from Peloton Capital Management, a Canadian private equity manager, joined the meeting. Mr. Murray and Mr. Faraone presented information on who Peloton Capital Management is; provided private equity market perspectives; reviewed their fund's current holdings; provided an ESG update; and reviewed their sourcing strategies for upcoming investments.

13. OTHER BUSINESS

No further business was brought forward. The next Committee meeting is scheduled for March 31, 2022.

14. ADJOURNMENT

Moved by Dan White to adjourn the meeting at 12:28 pm. Meeting adjourned.



John Traves, Co-Chair