

HALIFAX REGIONAL MUNICIPALITY PENSION COMMITTEE MEETING
Thursday, December 8, 2022
Casino Nova Scotia, Compass Room & Microsoft Teams Hybrid Meeting
9:00 am – 12:30 pm

- Members:** Dan White, IAFF, Co-Chair
John Traves, Management, Co-Chair
Mike Sampson, Management
Jamy-Ellen Klenavic, NSUPE
Steve Blackmore, CUPE
Jon Beer, HRP
Mark Hartlen, Retiree
Ray MacKenzie, ATU
Renée Towns, Management
Greg MacKay, NUMEA
Britt Wilson, Management
- Alternates:** Jason Snow, HRP
Jason Colville, ATU
Vicki Robertson, Management
Andrew Bone, Retiree
Brett Hartlen, IAFF
Mark Voisin, CUPE
Mike Matheson, NUMEA
Brian Leslie, Retiree
Dan Axford, IAFF
R. Scott MacDonald, HRP
John MacPherson, Management (acting for Jerry Blackwood)
Patricio Garcia, ATU
Laura Power, Management
Chris Giddens, Management
- Participating Employers:** Cathy Maddigan, Halifax Public Libraries
Alicia Scanlon, Halifax Water
- Staff:** Robert Ritchie, CEO
Matt Leonard, Director, Finance & Operations
Darin Eddy, Director, Public Markets
Paula Boyd, Director & Chief Pension Officer
Mark Whidden, Director, Pension Management
Lisa Tanner, Director, Plan Member Services
Vishnu Mohanan, Director, Private Markets
Krista Tinslay, Executive Assistant
- Guests:** Kristen Sheppard, Responsible Investment Association

An In-Camera meeting was held on December 7, 2022, from 11:00 am – 12:00 pm.

1. CALL TO ORDER

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

Mr. Traves acknowledged that the meeting was taking place on the traditional and ancestral territory of the Mi'kmaq people.

Mr. Traves reviewed the changes to the HRM Pension Committee membership, noting Jamy-Ellen Klenavic's has replaced Melanie Gerior as the voting representative for NSUPE Local 13. Mr. Traves then introduced Chris Giddens and Laura Power as new alternate representatives for Management.

Mr. Traves also announced that with the upcoming retirement of the Plan's current CEO, Robert Ritchie, the Committee was pleased to announce that Paula Boyd has been appointed as Acting CEO for the HRM Pension Plan effective January 1, 2023. Paula is set to serve as Acting CEO for 2023 and the Committee will decide how to proceed after that. The Committee thanked Mr. Ritchie for his service as CEO and wished him all the best in his retirement.

2. APPROVAL OF AGENDA

Mr. Traves asked if any additions needed to be made to the agenda.

No further agenda items were brought forward.

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

3. APPROVAL OF MINUTES, September 22, 2022

Moved by Britt Wilson, and seconded by Steve Blackmore, to approve the September 22, 2022, 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, Environmental Social and Governance initiatives, Plan Member Services, 3rd quarter investment results, and the current state of the investment markets.

No further discussion items were brought forward.

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 for reviewing 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 and Education Budget Update

Mr. Bone reviewed the Training & Education Budget to date and noted an increase in training expenditures but that they were still well below budget. Mr. Bone stressed the importance of keeping up to date on industry trends and emerging issues and encouraged all Committee members to participate in some form of training in 2023.

The Training Calendar, noting both mandatory Committee programs, as well as other industry conferences will be distributed in January.

Mr. Bone asked if the Committee had any other items for review and/or discussion.

No further discussion items were brought forward.

7. PLAN MEMBER SERVICES UPDATE

7.1. Report on Service Standards – Q3 2022

Ms. Tanner presented the Service Standards report for Q3 2022 to the Committee. Service standards continue to be met. Ms. Tanner noted that as reported during previous quarters, calculations continue to trend very high, and HRCE continues to submit a large number of terminations. She noted that at the end of Q3, there have been as many calculations processed as during full years in the past.

She expects calculations to continue to trend high through to the end of 2022 and into 2023.

8. CO-CHAIR UPDATE

8.1. Term of Dan White Expires December 31, 2022

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

Moved by Ray MacKenzie, and seconded by Renée Towns, to renew Dan White's position as Co-Chair for another term. Motion put and passed.

9. FUNDING POLICY REVIEW & UPDATE

Ms. Boyd provided the Committee with background on the Plan's current Funding Policy, which was developed in 2015.

Ms. Boyd then briefly reviewed the proposed structure and presented an updated draft Funding Policy and encouraged Committee members to contact the Co-Chairs or the Pension Office with any questions. The new Funding Policy would be further discussed at the March 2023 Committee meeting. Approving the Funding Policy would be discussed at that time.

No further discussion items were brought forward.

10. ENTERPRISE RISK MANAGEMENT UPDATE

Mr. Whidden provided an update on the Enterprise Risk Management (ERM) initiative that was first undertaken by the Pension Office in 2021.

Mr. Whidden then presented a deep dive on three of the identified risks, Compliance, Regulatory, and Disclosure of Confidential Information.

Mr. Traves noted that HRM was also progressing with their own ERM process, and that the Committee should think about including ERM as part of the Governance policies that are reviewed

each year. He asked Pension Office staff to draft a governance policy to be discussed at a future Committee meeting.

No further discussion items were brought forward.

11. INVESTMENTS

11.1. Benchmarking Update

Mr. Eddy provided the Committee with information on proposed benchmark refinements that the Pension Office had reviewed in 2022 in conjunction with Mercer and Eckler. The refinements centered around changes to the benchmarks utilized in the private asset classes, improved specificity of benchmarks in all asset classes in the Statement of Investment Policies and Procedures (SIPP) and being more prescriptive in how the Plan's total benchmark is calculated.

Discussion then centered around other methodologies that could potentially be adopted for real assets and private equity. The Committee wished to further review and discuss these options before approving changes to the SIPP and asked Pension Office staff to provide additional information for further discussion at the March 2023 Committee meeting.

11.2. Proposed DB Statement of Investment Policies & Procedures (SIPP) changes

This item was deferred to the March 2023 Committee meeting.

12. EDUCATION SESSION

12.1. ESG - Responsible Investment Association

Ms. Boyd noted that one of the objectives of the Environmental, Social and Governance (ESG) journey undertaken in 2022 was for the Plan to become a member of an ESG organization that could also provide the Pension Office and Committee with education and assistance. The Responsible Investment Association (RIA) is a Canadian ESG association that the Pension Plan has recently joined.

Ms. Boyd then introduced guest speaker, Kristen Sheppard, Director of Membership & Partner Relations with RIA. Ms. Sheppard provided an overview of RIA, the benefits of becoming a member, and the education opportunities that are available through RIA.

The Committee thanked Ms. Sheppard for the presentation.

13. OTHER BUSINESS

13.1. Audit Sub-Committee – Request for Voting Member

Mr. Traves noted that the Audit Sub-Committee is looking for a new member. This member must be a Voting representative of the Committee. Interested members should contact Jerry Blackwood, Chair of the Audit Sub-Committee for further information.

13.2. Member Enrolment

On behalf of ATU, Mr. MacKenzie raised a concern relating to a recent Plan member experience. The concern has been noted with HRM and the Pension Office and will be acted on accordingly.

14. ADJOURNMENT

Moved by Renée Towns to adjourn the meeting at 11:56 am. Meeting adjourned.

A handwritten signature in blue ink, appearing to read 'John Traves', is written over a horizontal line.

John Traves, Co-Chair