

HALIFAX REGIONAL MUNICIPALITY PENSION COMMITTEE MEETING
Thursday, September 21, 2023
Casino Nova Scotia, Compass Room & Microsoft Teams Hybrid Meeting
9:00 am – 12:30 pm

Members:

John Traves, Management, Co-Chair
Dan White, IAFF, Co-Chair
Britt Wilson, Management
Melanie Parker, NSGEU
Renée Towns, Management
Jon Beer, HRP
Mark Hartlen, Retiree
Greg MacKay, NUMEA
Jerry Blackwood, Management
Mark Voisin, CUPE

Alternates:

Jason Snow, HRP
R. Scott MacDonald, HRP
Andrew Bone, Retiree
Brett Hartlen, IAFF
Jamy-Ellen Proud, NSGEU
Vicki Robertson, Management
Jason Colville, ATU (acting for Raymond MacKenzie)
Brian Leslie, Retiree
Laura Power, Management (acting for Mike Sampson)
Kimberley Taylor, NSGEU
Dan Axford, IAFF
Christopher Giddens, Management
Martin Deeble, CUPE
Mike Matheson, NUMEA
Scott Chetwynd, CUPE
John MacPherson, Management

Participating Employers:

Cathy Maddigan, Halifax Public Libraries
Heather Britten, Halifax Water
Steve Vincent, Ocean View Continuing Care

Staff:

Paula Boyd, Acting CEO
Matt Leonard, Director, Finance & Operations
Darin Eddy, Director, Public Markets
Vishnu Mohanan, Director, Private Investments
Mark Whidden, Director, Pension Management
Jessica Moores, Senior Manager, Plan Member Services
Marisa Tobin, Associate Manager, Plan Member Services
Daniel Hashem, Investment Associate, Private Investments
Megan Martin, Associate Portfolio Manager, Private Investments
Krista Tinslay, Executive Assistant

Guests: Philip Churchill, Eckler
Mary Kate Archibald, Eckler
Corinne Carey, NSGEU

An In-Camera meeting was held on September 20, 2023 from 9:00 am – 10:00 am.

1. CALL TO ORDER

Mr. White called the meeting to order at 9:01 am.

Mr. White reviewed the changes to the HRM Pension Committee membership and welcomed a new member to the Committee representing CUPE – Martin Deeble as alternate.

2. LAND ACKNOWLEDGEMENT

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

3. APPROVAL OF AGENDA

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

Moved by Jason Colville, and seconded by Greg MacKay, to approve the agenda as presented. Motion put and passed.

4. APPROVAL OF MINUTES, June 8, 2023

Moved by Melanie Parker, and seconded by Renée Towns, to approve the June 8, 2023 minutes as presented. Motion put and passed.

5. OFFICE UPDATE

5.1. Pension Office

Ms. Boyd provided the Committee with an update on Pension Office initiatives and projects, upcoming events and staffing. Ms. Boyd then introduced Marisa Tobin, Associate Manager, Plan Member Services, and Megan Martin, Associate Portfolio Manager, Private Investments.

Ms. Boyd also noted that Mark Whidden, Director of Pension Management, was leaving the HRM Pension Office for a new opportunity. His last day will be October 6, 2023. Best wishes were extended to Mr. Whidden.

No further discussion items were brought forward.

5.2. Investments

Mr. Eddy reviewed with the Committee some of the second quarter (Q2) investment market themes and the Plan's quarterly and year to date investment performance as of June 30, 2023.

Mr. Mohanan then presented an update on the Plan's private investment performance in Q2 2023 and reviewed the second quarter and post quarter investment activity.

Discussion was had about real estate investments, what the future of real estate looks like, and how hands on the Pension Plan is with real estate investments.

Mr. Mohanan noted that any investments in real estate are made with a long-term mind set – the current downturn in the real estate market is a very short-term view. In terms of how involved the HRM Pension Plan is with real estate, these investments are made with an investment manager into a pool of funds with like minded investors. The Plan does not invest directly in real estate.

Ms. Boyd also noted that the HRM Pension Plan is a reasonably small pension fund, and getting involved at the hands on level would require a skill set and resources that do not fit within a plan of our size. The HRM Pension Plan is investing funds on behalf of its members, as opposed to running an operating or management company.

Mr. Mohanan then provided the Committee with a deep dive on a recent co-investment with a private equity fund.

No further discussion items were brought forward.

5.3. Plan Member Services

Ms. Moores presented the Service Standards report for Q2 2023 to the Committee and provided an update on several projects currently underway with the Plan Member Services team. Ms. Moores also reviewed statistics relating to usage of the various tools available on the Employee Self Service website.

No other discussion items were brought forward.

6. GOVERNANCE REVIEW

6.1. Committee Self-Monitoring

6.1.1. Process

6.1.2. Performance

6.2. Governance Policy Review – Committee-Management Delegation

6.2.1. Global Governance-Management Connection

6.2.2. Unity of Control

6.2.3. Accountability of the CEO

6.3. Governance Policy Review – Executive Limitations

6.3.1. Financial Condition and Activities

6.3.2. Service Providers

6.3.3. Investment

6.3.4. Communication and Support to the Committee

Mr. White 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.

7. TRAINING & EDUCATION UPDATE

7.1. Expense Policy Review

On behalf of the Training & Education Sub-Committee, Mr. Bone reported that the Sub-Committee met in June and are recommending that the Committee increase the per diem reimbursement rates for meals when Committee members are traveling for training purposes. The Sub-Committee performed a review of mid-level restaurant meals and found that the current per diem levels were not sufficient.

Mr. Wilson noted that to the best of his knowledge, HRM was not expected to look at their per diem reimbursement rates in the near future - the Expense Reimbursement Policy was updated in the spring of this year to increase the allowable mileage rate.

Moved by Dan White, and seconded by Jason Colville, to accept the recommendation of the Training & Education Sub-committee and increase the daily maximum meal amounts as presented. Motion put and passed.

7.2. Training & Education Budget

Mr. Bone reviewed the Training & Education Budget expenditures to date and reported that in person training requests saw an increase for the fall, with a number of committee members attending both the ACPM National Conference and IFEBP Annual Canadian Conference.

Mr. Bone encouraged all Committee members to continue to focus on their training.

8. PENSION UPDATE

8.1. Actuarial Valuation Results as at December 31, 2022

Mr. Churchill from Eckler presented the final results of the Actuarial Valuation as at December 31, 2022. Mr. Churchill noted that the results have not changed since the preliminary report was presented at the June 8, 2023 Committee meeting.

Discussion was held on the impact of the increase in transfer ratio on the Plan's transfer deficiency holdback position. Ms. Boyd noted that the Pension Office will be conducting an analysis for presentation at the December Committee meeting with a recommendation to either continue with the holdbacks, or to eliminate that function.

Moved by Melanie Parker, and seconded by Renée Towns, to accept and file the December 31, 2022 actuarial valuation report as presented. Motion put and passed.

8.2. ALM Process

Ms. Archibald from Eckler reviewed the process that has been undertaken to perform an Asset Liability Study (ALM) for the Pension Plan in 2023. She noted that the last ALM was conducted in 2020, and it's prudent to revisit the study with the recent shifts in the economy and resulting effects on yields and inflation.

No further discussion items were brought forward.

9. 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 noted that three more risk assessments had been completed – Sponsor and Employee, Emergency/System Failure, and Legal. Mr. Whidden noted that information on the Emergency/System Failure and Legal review were included in Appendix form, and then presented a deep dive into the Sponsor and Employee Risk assessment.

No further discussion items were brought forward.

10. ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) UPDATE

Mr. Whidden provided an update on the progress made to date in completing the ESG action items that were identified in consultation with Quinn & Partners in 2022.

No further discussion items were brought forward.

11. OTHER BUSINESS

No further business was brought forward. The Committee was reminded of the next Committee meeting scheduled for December 7, 2023.

12. ADJOURNMENT

Moved by Renée Towns to adjourn the meeting at 12:11 pm. Meeting adjourned.

A handwritten signature in black ink, appearing to read "Dan White", written over a horizontal line.

Dan White, Co-Chair