

HALIFAX REGIONAL MUNICIPALITY PENSION COMMITTEE MEETING
Thursday, December 7, 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
Rob Ritchie, Management

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

Participating Employers: Heather Britten, Halifax Water
Angela Martell, HRCE

Staff: Paula Boyd, Acting CEO
Matt Leonard, Director, Finance & Operations
Darin Eddy, Director, Public Markets
Marisa Tobin, Associate Manager, Plan Member Services
Lisa Tanner, Director, Plan Member Services
Daniel Hashem, Investment Associate, Private Investments
Megan Martin, Associate Portfolio Manager, Private Investments
Yi Zheng, Senior Investment Associate, Public Markets
Jessica Moores, Senior Manager, Plan Member Services
Krista Tinslay, Executive Assistant

Guests: Philip Churchill, Eckler
Mary Kate Archibald, Eckler
Corinne Carey, NSGEU
Kimberly Scheelar, NSUPE Local 14

An In-Camera meeting was held on December 6, 2023 from 11:00 am – 12:00 pm.

1. CALL TO ORDER

Mr. Traves called the meeting to order at 9:07 am.

Mr. Traves reviewed the changes to the HRM Pension Committee membership and welcomed two familiar faces back to the Pension Committee. Rob Ritchie has been appointed Voting member representing Management, and Mike Sampson was appointed as an alternate, also representing Management.

2. LAND ACKNOWLEDGEMENT

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

3. APPROVAL OF AGENDA

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

Moved by Dan White, and seconded by Melanie Parker, to approve the agenda as presented. Motion put and passed.

4. APPROVAL OF MINUTES, September 21, 2023

Moved by Melanie Parker, and seconded by Patricio Garcia, to approve the September 21, 2023 minutes as presented. Motion put and passed.

5. OFFICE UPDATE

5.1. Pension Office

On behalf of the HRM Pension Plan Office, Ms. Boyd wished everyone a happy and safe Holiday season. She then provided the Committee with feedback from the Annual Education Session, staffing updates and an update on 2023 projects including an expense benchmarking exercise that was conducted by Fraser Group on Pension Plan administrative expenses. The results of that benchmarking exercise placed the Pension Plan in line with all other similar sized pension plans.

No further discussion items were brought forward.

5.2. Investments

Mr. Eddy noted that a new Question & Answer process had been implemented for the meeting, in which questions were submitted beforehand by Committee members. Responses were then formed by the Pension Office, and the response document circulated prior to the meeting. This process will continue over the next several meetings to see if it is a beneficial process for the Committee.

Mr. Eddy reviewed with the Committee the third quarter (Q3) investment market themes and the Plan's quarterly and year to date investment performance as of September 30, 2023.

Ms. Martin then presented information on the Plan's current asset allocation, noting that there has not been a lot of change quarter over quarter. Ms. Martin then provided the Committee with a deep dive on a recent co-investment the Plan did with a private equity fund.

Mr. Ritchie asked for more information in relation to the Plan's recent investment with a Canadian condominium development fund. Mr. Leonard noted that the investment manager is well known to the Plan as this will be the third fund the Plan has invested in with this manager. Mr. Leonard also noted that condominium development is a long-term investment as buildings take several years to be built. With the shortage of housing and increased levels of migration into Canada, housing development such as condominiums is much needed.

No further discussion items were brought forward.

5.2.1. Global Equities

Mr. Eddy reviewed the Plan's current Global Equity investment portfolio structure and provided the Committee with additional background on one of the investment managers and their approach to investing.

No further discussion items were brought forward.

5.3. Plan Member Services

Ms. Tobin presented the Service Standards report for Q3 2023 to the Committee. Ms. Tobin noted that in the past, Plan Member Services provided the Committee with a detailed report on ongoing projects, Information Session statistics, website usage and other related information on an annual basis. Going forward, this information will be shared semi-annually at the March and September meetings.

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 – Governance Process

- 6.2.1. Global Governance Commitment
- 6.2.2. Governing Style
- 6.2.3. Committee Job Description
- 6.2.4. Agenda Planning
- 6.2.5. Cost of Governance

6.3. Governance Policy Review – Committee-Management Delegation

- 6.3.1. Delegation to the CEO

6.4. Governance Policy Review – Executive Limitations

- 6.4.1. Asset Protection
- 6.4.2. Investment
- 6.4.3. 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.

7. TRAINING & EDUCATION UPDATE

7.1. Co-Chair Competencies

On behalf of the Training & Education Sub-Committee, Mr. Bone noted that the Sub-Committee had been discussing Co-Chair succession planning, and the Co-Chair competency document attached to the meeting package was the result of those discussions. Input for the document was provided by the Co-Chairs and Pension Office staff.

Mr. Traves provided some additional feedback on the time commitment of a Co-Chair and also noted that the Competency document is a guideline and may be formalized by the Committee at a later date.

7.2. Training & Education Budget

Mr. Bone reviewed the Training & Education Budget expenditures to date and reported that the Sub-Committee was pleased with the amount of training and conferences that Committee members participated in this year. He noted that the Evaluation forms received from each member were reviewed by the Sub-Committee, and those forms are used to both assess the value of each program, as well as to make recommendations for future training.

Mr. Bone encouraged all Committee members to continue to focus on their training for the upcoming year.

7.3. Request for New Sub-Committee Member

Mr. Bone reported that Ray MacKenzie has stepped down from the Training & Education Sub-Committee, and a new member needs to be appointed by the Pension Committee.

Mr. Traves nominated Laura Power to be on the Training & Education Sub-Committee. Ms. Power accepted that nomination.

Moved by John Traves, and seconded by Melanie Parker, to appoint Laura Power to the Training & Education Sub-Committee. Motion put and passed.

8. CO-CHAIR UPDATE

8.1. Term of Dan White Expires December 31, 2023

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

Moved by Melanie Parker, and seconded by Patricio Garcia, to renew Dan White's position as Co-Chair for another term. Motion put and passed.

9. PENSION UPDATE

9.1. Asset Liability Study Results

Ms. Archibald from Eckler reminded the Committee that at the September meeting she reviewed the process undertaken by Eckler to perform an Asset Liability Study for the Pension Plan.

Eckler has completed the study and is recommending minor changes to the Plan's asset mix, focusing on a reallocation within the alternative investment bucket from real assets into more private debt and private equity. The adjustments are to be made in two phases during 2024 and 2025.

No further discussion items were brought forward.

INVESTMENTS

9.2. Defined Benefit Statement of Investment Policies & Procedures (DB SIPP)

Mr. Eddy reviewed the proposed changes to the DB SIPP. He noted changes made to the Investment Belief section and also changes that were made to the Asset Mix and Benchmark Table as a result of the asset liability study completed by Eckler.

No further discussion items were brought forward.

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

9.3. Responsible Investment Policy

Ms. Boyd presented the Responsible Investment Policy that was approved by the Committee in 2022. Ms. Boyd confirmed that the Pension Office has reviewed the Policy and all conditions laid out in the Policy have been met in 2023.

No changes to the Policy are being suggested at this time.

9.4. Risk Appetite Statement

Ms. Boyd noted that in conjunction with the Responsible Investment Policy, a Risk Appetite Statement was developed. A list of the risks associated with the Pension Plan have been outlined in the statement. The risks are reviewed by the Pension Office and reported on to the Committee on a regular basis.

No changes to the Risk Appetite Statement are being suggested at this time.

10. COMMUTED VALUE TRANSFER HOLDBACKS

Ms. Boyd provided the Committee with background information on the current Commuted Value Transfer Holdback process, the number of members that have holdbacks and the total amount of those holdbacks.

Based on the improved transfer ratio and the administrative complexity the holdback creates, the Pension Office recommends that the Commuted Value Transfer Holdback process be eliminated as of January 1, 2024, and the Pension Office begins paying out the previously held back amounts.

Mr. Colville asked if there were any tax implications to paying the holdbacks to members— Ms. Boyd responded that the transfers will be made into existing Locked In Retirement accounts, so no, there would not be any tax implications for the Plan member.

Mr. Bone asked for clarification that the holdback process could be reinstated if there was a need to – Ms. Boyd responded that if circumstances changed, resulting in the deterioration of the transfer ratio, the Committee could decide whether or not to reinstate the holdback process.

Moved by Jon Beer and seconded by Jerry Blackwood to cease Commuted Value Transfer Holdbacks as of January 1, 2024, and for the Pension Office to begin paying out the previously held back amounts to members.

Mr. Bone asked for clarification on the communication to members, and Ms. Tanner confirmed that members with a holdback amount will be contacted directly in writing. Ms. Boyd noted that as part of the planning process, communications will be developed and distributed to members.

Ms. Tanner also noted that if there are members that submit their paperwork for processing between now and January 1, 2024, those members would be contacted and advised of the decision to eliminate the holdback and would be given the choice to defer their payment to 2024.

Motion put and passed.

11. OTHER BUSINESS

No further business was brought forward. The Committee was reminded of the 2024 meeting schedule:

Pension Committee Meeting Dates for 2024:

March 28, 2024

June 13, 2024

AGM – June 17, 2024

September 26, 2024


December 12, 2024

Annual Education Session Day 1 – October 23, 2024

Annual Education Session Day 2 – October 24, 2024

12. ADJOURNMENT

Moved by Melanie Parker to adjourn the meeting at 12:07 pm. Meeting adjourned.



John Traves, Co-Chair