

HALIFAX REGIONAL MUNICIPALITY PENSION
COMMITTEE MEETING
Thursday, December 5, 2019
Casino Nova Scotia, Compass Room
1983 Upper Water Street, Halifax, NS
9:00 am – 3:00 pm

Members: Dan White, IAFF, Co-Chair
Jane Fraser, Management
Britt Wilson, Management
Mike Sampson, Management
Ray MacKenzie, ATU
Greg MacKay, NUMEA
Scott MacDonald, HRP
Dwayne Tattrie, CUPE 108
Andrew Bone, NSUPE
Mark Hartlen, Retiree
Jerry Blackwood, Management (arrived at 12:00pm)

Alternates: Renée Towns, Management
Jack Dragatis, ATU
Marlinda Mooney, NUMEA
Jon Beer, HRP
Jason Snow, HRP
Dan Axford, IAFF
Brett Hartlen, IAFF

Participating Employers: Anne Patterson, HRCE

Staff: Rob Ritchie, CEO
Matt Leonard, Director, Finance & Operations
Melissa White, Executive Assistant
Vishnu Mohanan, Director, Private Markets
Darin Eddy, Director, Public Markets
Jessie Zheng, Senior Investment Associate
Lisa Tanner, Director, Plan Member Services

Guests: Matthew Guest, HRP
Melanie Gerrior, NSUPE
Ted Moore, IAFF
Joseph Kaiser, NSUPE 13
Dee Vipond, NSUPE 13
Matt Johnson, UBS Asset Management
Pierre Luc Gariepy, UBS Asset Management

An In-Camera meeting was held from 9am to 10am.

1. CALL TO ORDER

Mr. White called the meeting to order at 10:05am.

Mr. White introduced the topic of gender specific pronouns and invited Committee members to write their preferred pronouns in the space provided on their name cards. Mr. White then introduced the two new management alternates; Renée Towns and Steven Higgins (absent); the new HRP alternate member, Jon Beer; and announced the departure of

Peter Nixon as alternate member for HRP. Mr. White thanked Mr. Nixon for his service to the Pension Committee over the years.

2. APPROVAL AGENDA

Moved by Britt Wilson and seconded by Ray MacKenzie to approve the agenda as presented. Motion Put and Passed.

3. APPROVAL OF MINUTES

Mr. White highlighted changes made to sections 6.2 and 6.3 of the draft minutes.

Moved by Mark Hartlen and seconded by R. Scott McDonald to approve the September 26, 2019 minutes as amended. Motion Put and Passed.

4. CEO UPDATE

Mr. Ritchie presented the CEO Update to the Committee. He provided an update on Plan Member Service, an overview of investment performance for the third quarter and year-to-date, as well as an in-depth review of the Public Fixed Income Portfolio.

5. GOVERNANCE REVIEW

5.1. Committee Self-Monitoring

5.1.1. Process

5.1.2. Performance

Mr. White stated that the Committee is waiting to hear from the Superintendent of Pensions on regulation changes.

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

The above policies were reviewed by the Committee.

Moved by Ray MacKenzie and seconded by Andrew Bone to approve the policies as presented. Motion Put and Passed.

5.3. Governance Policy Review – Committee-Management Delegation

5.3.1. Accountability of the CEO

This policy was previously reviewed and approved at the September 26, 2019 Pension Committee meeting. Since then, amendments were made to part 3. of the policy.

Moved by Scott MacDonald and seconded by Jane Fraser to approve the above policy as amended. Motion Put and Passed.

5.3.2. Delegation of the CEO

Moved by Greg MacKay and seconded by Mike Sampson to approve the above policy as presented. Motion Put and Passed.

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. Leonard reviewed the Asset Protection report and mentioned that the health check on finance procedures has been completed by KPMG and their report has been presented to the Audit Sub-Committee.

During the review of the Communication and Support to the Committee report, Mr. Moore asked if the Governance Amendment 2019-01 had been approved yet. Ms. Tanner replied that the amendment was approved by the Nova Scotia Superintendent of Pensions in October and CRA acknowledged receipt in September.

Moved by Jane Fraser and seconded by Britt Wilson to approve the above policies as presented. Motion Put and Passed.

6. TRAINING AND EDUCATION UPDATE

6.1 Budget Update

Mr. Bone reviewed the training and education expenditures to date and informed the Committee that expenditures are under budget. Mr. Bone requested a motion from the Committee to forgive the 2019 deviations and not apply the deviation amounts to the 2020 budget. Mr. Wilson asked the Training and Education Sub-Committee for the total amount of the deviations. Mr. Bone replied that he would compile the amounts and present the total to the Committee at the March 26, 2020 meeting.

6.2 Expense Policy Update

At the September 26, 2019 Pension Committee meeting, the Training and Education Sub-Committee recommended to the Committee that the per diems for meals be increased to \$70 total and that bottled water and phone card expenses be reimbursed. No changes were made to the expense policy at that meeting.

Mr. Wilson provided an update to the Committee on meal per diems and mentioned that HRM has not changed their expense policy. He stated that the Committee is not tied to the HRM expense policy and can change their per diem levels if desired.

Further discussion was had by the Committee. The Training and Education Committee reintroduced the recommendation to the Committee to increase the per diem levels and provide for the reimbursement of bottled water and phone card expenses.

Moved by Mark Hartlen and seconded by Jason Snow to approve the increase of the meal per diems per the Expense Policy to a daily maximum of \$70.00 (breakfast: \$15.00, lunch: \$20.00, and dinner: \$35.00) without receipts. Further that bottled water and phone card expenses incurred are to be reimbursed with receipts. The changes to the policy will be effective January 1, 2020. Motion Put and Passed.

6.3 Request for a New Training & Education Sub-Committee Member

Mr. Bone noted that Mr. Dragatis had stepped down as a member of the Training and Education Sub-Committee and that there were now two vacant positions to be filled.

The Training and Education Sub-Committee put forward Ray MacKenzie and Mark Hartlen to join the Sub-Committee. The Committee approved, and Mr. MacKenzie and Mr. Hartlen accepted the appointments.

7. PLAN MEMBER SERVICES UPDATE

Ms. Tanner provided the Committee with an update on Plan Member Services. She reviewed the Service Standard Report for Q3 2019 and highlighted that 100% of the calculations were completed within the service standards. A higher than normal volume of transactions occurred as a result of the small deferred and non-vested project.

8. CO-CHAIR UPDATE

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

Moved by Ray MacKenzie and seconded by Andrew Bone to appoint Dan White as Co-Chair until December 31, 2020. Motion Put and Passed.

9. DB SIPP ANNUAL APPROVAL

Mr. Eddy presented the Committee with an updated Defined Benefit (DB) Statement of Investment Policies and Procedures (SIPP). He reviewed the changes made to each of the sections of the SIPP and provided reasons for the changes made.

Mr. Sampson asked if the SIPP applied to both the HRM Pension Plan and the HRM Master Trust. Mr. White confirmed that it did.

Moved by Dwayne Tattrie and seconded by Jane Fraser to approve the DB SIPP dated December 5, 2019, as amended. Motion Put and Passed.

10. EDUCATION SESSION

Mr. Leonard introduced Mr. Johnson and Mr. Gariepy from UBS Asset Management. Mr. Johnson gave the Committee a presentation titled, 'Thinking Beyond Tomorrow, Responsible Investing in Real Assets'.

11. OTHER BUSINESS

11.1 Request for a New Audit Sub-Committee Member

Mr. Blackwood announced that Mr. Sampson was stepping down from the Audit Sub-Committee and that there were now two vacant spots to be filled. The Audit Sub-Committee put forward Renée Towns to join the Sub-Committee. The Committee approved, and Ms. Towns accepted the appointment. Mr. White then asked the Committee for a volunteer to join the Audit Sub-Committee for the remaining vacant spot. There were no volunteers at this time.

12. ADJOURNMENT

The next meeting is March 26, 2020.

Moved by Ray MacKenzie and seconded by Mike Sampson to adjourn the meeting at 2:03pm. Motion Put and Passed.

Dan White, Co-Chair