



## Meeting Highlights June 28 and 29, 2016 Victoria, BC

The *Meeting Highlights*<sup>1</sup> document is a summary of issues that were considered, or decisions that were made, by the Municipal Pension Board of Trustees (board) at their latest board meeting.

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### Items of Note

The board approved the Municipal Pension Plan financial statements for the year ending December 31, 2015. The financial statements will be included in the Annual Report, which will be published on the plan website in August 2016.

The board approved a budget for plan investment management fees of \$138.6 million for the period from April 1, 2016 to March 31, 2017.

### Reports from Service Providers

Administration services are provided by the BC Pension Corporation and investment services are provided by the BC Investment Management Corporation (bcIMC). Both agents report to the board at each regular board meeting. The post-retirement group benefits program is administered by Pacific Blue Cross (PBC).

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<sup>1</sup> Please note that the *official Board Minutes* record the business conducted by the Municipal Pension Board of Trustees and their decisions. If there are any discrepancies between the *Meeting Highlights* and the *official Board Minutes*, the *official Board Minutes* shall govern. Disclosure of any document referred to in the *Meeting Highlights* or the *official Board Minutes* is subject to applicable Board policies.

## **A. Plan Administration – Report from the Pension Corporation (corporation)**

The corporation reported on service performance metrics for the twelve month period ending March 31, 2016. The report included service statistics on member satisfaction, transaction volumes and on-time service results against performance targets established in the corporation's [Service Delivery Plan](#).

The corporation completed changes to My Account to ensure compliance with the new *Pension Benefits Standards Act*.

## **B. Plan Investments – Report from the British Columbia Investment Management Corporation (bcIMC)**

The Municipal Pension Plan's preliminary return for the year ending March 31, 2016, was -0.2 per cent compared to a benchmark of -0.3. The five year annualized return was 8.7 per cent compared to a benchmark of 7.2 per cent.

Further information about the Municipal Pension Plan's investments is available on the website at [www.mpp.pensionsbc.ca](http://www.mpp.pensionsbc.ca). Select "Plan Governance" and then click "Investment Information" in the Investment Holdings section.

## **Committee Reports**

The Municipal Pension Board has five standing committees: Benefits, Communications & Advocacy, Governance, Investment, Valuation, and an Appeals Panel.

### **C. Benefits Committee**

The committee reported on the approval of applications from one employer wanting to move participation of their plan members in public safety occupations (police and fire) from Group 2 to Group 5 with a higher pension benefit accrual rate.

The board approved entering into negotiations for a pension transfer agreement with the Royal Canadian Mounted Police.

The board approved amendments to the post-retirement group benefit rules to introduce the voluntary unsubsidized dental plan, effective January 1, 2017.

The committee reported on the approval of a Group 5 application and various employer modifications of participation in the plan.

### **D. Communications and Advocacy Committee**

The board approved the 2015 Annual Report, as amended, and delegated final approval of the 2015 Annual Report to the Communications and Advocacy Committee. The 2015 Annual Report will be available on the Municipal Pension Plan's website at [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca) in August 2016.

The board approved posting the Cubic Health reports, considered by the board during review of the post-retirement group benefits program, to the plan website at [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca). The reports will be posted together with an Executive Summary, once finalized by a working group delegated to approve the Executive Summary.

#### **E. Governance Committee**

The board approved revisions to the following policies and documents;

- Trustee Orientation, Mentoring and Education Policy

The revised policies and documents will be posted on the Plan website at [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca); just look for the Board Governance Policy section toward the top of the Member page and click on “More”.

#### **F. Investment Committee**

The board approved renegotiating the contract with Aon Hewitt Inc. for investment consulting services.

The board approved a new Investment Reporting Framework with bcIMC, that outlines the information to be reported on

#### **G. Valuation Committee**

The board approved the economic and demographic assumptions to be used in the actuarial valuation of the plan as at December 31, 2015. Early indicators show there will be no contribution rate increase required from this valuation of the plan. The board will consider the report on the valuation at a special meeting scheduled for September 22, 2016, and formally announce the valuation results thereafter.

The board approved various assumptions for input to the stochastic model. The board’s stochastic modelling study will include analyzing the plan’s funded position in accordance with the Joint Trust Agreement transitional requirements and current Funding Policy, as well as the impact of certain benefit and Funding Policy alternatives.

#### **H. Appeals Panel**

The Board’s Appeals Panel did not need to meet this past quarter. The Panel posts decisions issued by the Panel on the Plan website, with all information that could identify an individual removed from the written decision. You can find these decisions at [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca) by following these links: Plan Governance> Board Governance > Appeals.

#### **Interplan Committee Reports**

Municipal Pension Trustees also represent the Board on two standing committees with the other BC public sector pension plans: the Interplan Audit and Interplan Trustee Education committees, and on ad hoc or special purposes interplan committees such as the Interplan Website Review Committee.

## **I. Interplan Audit Committee**

The Interplan Audit Committee is a committee of the College, Municipal, Public Service and Teachers' Pension Boards of Trustees, to assist the four boards in meeting their duties in respect of the financial administration of the plans.

The board approved the Municipal Pension Plan financial statements for the year ending December 31, 2015. The financial statements will be included in the Annual Report, which will be published on the plan website in August 2016.

## **J. Interplan Trustee Education Committee**

Trustees represent the board at the Interplan Trustee Education Committee with other BC public sector pension plans.

The Interplan Trustee Education Committee organizes the BC Public Sector Pension Conference and provides recommendations for updating the Board's Trustee Orientation, Mentoring and Education Policy. The conference is an initiative of the College, Municipal, Public Service and Teachers' Pension Boards of Trustees and is held annually to provide training and information of mutual interest to the four boards. The board approved a preliminary conference budget for the April 26 and 27, 2017, conference.

## **K. Interplan Website Review Committee**

The committee reviewed the progress of the website development for the College, Municipal, Public Service and Teachers' Pension Plans.

## **Future Board Meeting Dates**

A special meeting of the board, to consider the valuation report, will take place on September 22, 2016, in Victoria, BC.

The next regular meeting of the board will take place November 16 and 17, 2016, in Victoria, BC.

The board's next Annual General Meeting (AGM) will be held on Thursday, October 13, 2016, at the Anvil Centre in New Westminster, BC.

The following dates have been set for meetings in 2017:

- Wednesday and Thursday, March 29 and 30, 2017, Victoria, BC
- Wednesday and Thursday, June 21 and 22, 2017, Victoria, BC
- Wednesday and Thursday, November 29 and 30, 2017, Victoria, BC

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