



Meeting Highlights June 21 and 22, 2017 Victoria, BC

The *Meeting Highlights*¹ 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

Board Governance

The board completed its triennial strategic planning review, and approved its 2017-2027 Strategic Decision Framework; mission, vision, principles and goals. The [2017-2027 Strategic Decision Framework](#) is available on the website at www.mpp.pensionsbc.ca/, under Governance Documents in the About Us section.

The board received presentations from the corporation and bcIMC to commence review of, and provide early input to, the development of their agents' next three year business plans and budgets.

¹ 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.

Audit

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

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

The corporation reported on its service performance metrics for the twelve month period ending March 31, 2017. The report included service statistics on member satisfaction, transaction volumes and on-time service results against performance targets established in the Service Delivery Plan with the board. The report noted that My Account registrations continue to rise with retired member registrations up 45 per cent over 2015/16.

The corporation reported on progress of its three-year Service Delivery Plan. The corporation continues to implement new programs and tools to further enhance the member experience. Of note was the launch of a new telephone system focused on helping corporation staff improve the members' experience.

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, 2017, was 12.1 per cent compared to a benchmark of 11.3 per cent. The five year annualized return was 9.9 per cent compared to a benchmark of 8.7 per cent.

The market value of the fund was \$47.9 billion.

Further information about the Municipal Pension Plan's investments is available on the website at www.mpp.pensionsbc.ca/. Go to the About us section, and select [Investments](#).

Committee Reports

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

C. Benefits Committee

The board approved the draft Service Performance Agreement between the board and Pacific Blue Cross (PBC). The agreement establishes the performance service standards, support and reporting deliverables required by PBC to the board.

The board approved providing a written submission to Health Canada regarding proposed amendments to the Patented Medicines Regulation. The proposed amendments are intended to provide the Patented Medicines Prices Review Board with more relevant and effective regulatory tools to better protect Canadians from excessive prices for patented drugs. Further information regarding the submission is available on the plan website at www.mpp.pensionsbc.ca/ in the About Us section, under Research and Advocacy.

The board approved various new employer applications, and various employer withdrawals and modification of participation.

D. Communications and Advocacy Committee

The board approved the draft 2016 Annual Report, and delegated final approval of the 2016 Annual Report to the Communications and Advocacy Committee. The 2016 Annual Report will be available on the plan website in August 2017.

The board occasionally signs on to various investor statements and letters. The board approved posting investor statements and letters signed by the board to the Responsible Investing page of the Municipal Pension Plan website.

E. Governance Committee

The board appointed trustees and alternate trustees to the board's committees and to the Appeals Panel for a two-year term, from June 22, 2017 to the June 2019 board meeting.

The board approved housekeeping revisions to the Trustee Travel and Business expense Policy. The policy is available on the website at www.mpp.pensionsbc.ca/ under Board policies in the About us section.

The board approved renewing the contract for insurance brokerage services with Aon Reed Stenhouse Inc, for a three year term from June 30, 2017 to June 30, 2020.

F. Investment Committee

The board approved an estimated internal and external direct investment management fees of \$154.5 million (31.6 basis points), for the period from April 1, 2017 to March 31, 2018.

The board approved amendments to the Statement of Investment Policies and Procedures (SIPP) to allow for participation in bcIMC's Canadian Quantitative Active Equity Fund and Global Quantitative Active Equity Fund. The restructured funds may result in expanding the current use of derivatives and in short selling of certain stocks. The revised SIPP is available on the plan website at www.mpp.pensionsbc.ca/ in the About Us section, under Investments.

G. Valuation Committee

The board approved changes to the plan's option tables and pension factors used in calculating pension benefits, actuarial purchase of service, reciprocal transfers, early retirement programs and commuted values. The changes will ensure that conversion of special agreement balances to additional pension, election of optional forms of pension, reciprocal transfers, purchase of

service, and pension transfers within the family of BC public sector pension plans reflect the plan's most recent actuarial valuation.

Further information regarding the changes are available in the [Board Communique](#) and [Member News](#) on the plan website at www.mpp.pensionsbc.ca/ in the About Us section.

The board approved revisions to the Actuarial Services Agreement with Eckler Ltd., renewing the actuarial services engagement for a three year term, commencing January 1, 2018.

H. Appeals Panel

The board's Appeals Panel did not need to meet this past quarter.

Interplan Committee Reports

Municipal Pension Board trustees also represent the board on two standing interplan committees with the other BC public sector pension plans (the College, Public Service and Teachers' Pension Boards of Trustees): the Interplan Audit and Interplan Trustee Education committees. Municipal Pension Board trustees also participate in ad hoc or special purposes interplan committees such as the Interplan Website Review Committee.

I. Interplan Audit Committee

The Interplan Audit Committee assists the four public sector pension 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 fiscal year ended December 31, 2016. The financial statements will be included in the Annual Report, which will be published on the plan website in August 2017.

The board authorized Lyn Kocher to sign the December 31, 2016 Municipal Pension Plan financial statements on behalf of the board, replacing Philip Twyford. Hilary Woodward is authorized as the other signatory.

J. Interplan Trustee Education Committee

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 25 and 26, 2018 conference.

K. Interplan Website Review Committee

There was no report for the period.

Future Board Meeting Dates

The next regular meeting of the board will take place November 29 and 30, in Victoria, BC.

The board's next Annual General Meeting (AGM) will be held on Thursday, October 12, 2017, at the Anvil Centre in New Westminster, BC.

The dates and location for the the 2018 board meetings are as follows:

- Wednesday and Thursday, March 28 and 29, 2018, Victoria, BC
- Wednesday and Thursday, June 20 and 21, 2018, Victoria, BC
- Tuesday and Wednesday, November 13 and 14, 2018, Victoria, BC

Coming Up

Some of the issues that the board is considering at future meetings include:

- an asset-liability review that will help the board confirm or adjust the long-term strategic asset allocation for the Municipal Pension Plan's investments,
- consideration and input to the development of the Pension Corporation's and the BC Investment Management Corporation's three-year strategic plans and costs, and
- planning discussions for review of the voluntary dental plan design and carrier, scheduled to begin after not more than 24 months of experience with the new dental plan.

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