



Meeting Highlights

June 20–21, 2018

Victoria, BC

Meeting Highlights¹ is a summary of issues considered or decisions made by the Municipal Pension Board of Trustees (board) at its latest board meeting.

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¹ Please note: the official Board Minutes record the business conducted by the Municipal Pension Board of Trustees and its 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.

Items of note

Trustee appointments

The board appointed Donna Lommer to the British Columbia Investment Management Corporation Board of Directors effective January 1, 2019 to December 31, 2021, replacing Dennis Blatchford.

Tom Stamatakis was appointed as an alternate trustee effective March 27, 2018 to December 31, 2018, replacing Todd Sweet.

Lorne Burkart was appointed as an alternate trustee effective April 28, 2018–December 31, 2018, replacing Gayle Duteil.

Committee memberships

Lyn Kocher and Tom Stamatakis were appointed to the Governance Committee, as members at large. These appointments were to fill the vacancies created by the board's recent decision to increase the members-at-large positions on Governance Committee from two to four trustees.

Board governance

Audit

The board approved the Municipal Pension Plan financial statements for the year ending December 31, 2017. The financial statements will be included in the Annual Report, which will be published on the plan website in August 2018.

Strategy and Risk Management

The board approved a project charter and budget to engage a contractor to lead and plan the board's next strategic planning and risk management process.

Asset Management Framework

The board approved the asset management framework (strategic allocation and tactical ranges) that will be incorporated into the board's Statement of Investment Policies and Procedures (SIPP), for consideration at its November 16 and 17, 2018 board meeting. The board's SIPP is available on the plan website at mpp.pensionsbc.ca. Click About us > [Governance Documents](#).

Reports from service providers

Administration services are provided by BC Pension Corporation, and investment services are provided by BC Investment Management Corporation. Both agents report to the board at each regular board meeting.

Plan administration – report from Pension Corporation

The board received a report from the Pension Corporation on the quality service index, the plan rule compliance report, the disclosure report, service dashboards, and service delivery costs. The corporation reported that final costs for the fiscal year 2017/18 came in under budget. As of March 2018, the quality service index scores were high, and average processing times for most activities tracked on the dashboard fell within the targeted time frame.

Plan investments – report from BC Investment Management Corporation

The board received BCI’s inaugural Climate Action Plan, regarding BCI’s strategies and commitments for managing climate related risks and opportunities. The presentation included a draft of BCI’s disclosures mapped to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for asset managers. BCI’s publication on climate change and TCFD financial disclosures will be posted on BCI’s website in summer 2018.

The board received a report on BCI’s Key Performance Indicators, that illustrate progress on implementation of BCI’s business plan initiatives, and the benefit realization to the Municipal Pension Plan.

BCI’s preliminary combined pension return for the year ending March 31, 2018 was 9.1 per cent, compared to the market benchmark of 7.4 per cent. As of June 15, 2018, the plan fund’s market value was over \$53 billion.

More information about Municipal Pension Plan investments can be found on the plan website at mpp.pensionsbc.ca. Click About us > [Investments](#).

Committee reports

The board has five standing committees (Benefits, Communications and Advocacy, Governance, Investment and Valuation) and an Appeals Panel.

A. Benefits Committee

At a special board meeting held on May 17, 2018, the board approved a mid-year adjustment to the post-retirement group benefit dental plan premiums, effective August 1, 2018. The revised premiums are as follows:

	Essential Dental	Enhanced Dental
Single	\$ 27.36	\$ 45.08
Couple	\$ 52.14	\$ 85.41
Family	\$ 87.69	\$ 120.87

Further information regarding the mid-year adjustment is available in the [Board Communique](#) on the plan website at mpp.pensionsbc.ca.

The board approved various Group 5 and new employer applications, and employer withdrawals and modification of participation.

The board approved plan rule amendments to complete the third and final phase of employer contribution rate simplification, as requested by the plan partners. The amendments eliminates gender and age differentiation in employer contribution rates, and will reduce year over-year employer contribution rate volatility and assist with budget planning.

B. Communications and Advocacy Committee

The 2017 Annual Report was approved, as tabled, with final approval delegated to the Communications and Advocacy Committee. The 2017 Annual Report will be published on the plan website at mpp.pensionsbc.ca in August 2018.

C. Governance Committee

The board approved a stand-alone Governance Policy, that consolidates the requirements of the CAPSA guidelines and PBSA/PBSR into one source document.

D. Investment Committee

The board approved changes to the Guidelines for Signing on to Investor Statements and Letters. The changes are intended to broaden the scope so that it may apply to statements and letters targeted not only to public policy makers or industry associations, but also to companies or wider society as a whole.

E. Valuation Committee

There were no items to report for the period.

F. Appeals Panel

There were no items to report for the period.

Interplan committee reports

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

G. Interplan Audit Committee

The Interplan Audit Committee helps the four public sector pension boards meet their duties regarding financial administration of the plans.

The board approved KPMG as its auditor to conduct the financial statement audit for the year ending December 31, 2018.

The board approved the nomination made by the College Pension Board of Trustees of Kerry Clarke for appointment as a member of the Interplan Audit Committee.

H. 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’ boards and held annually to provide training and information of mutual interest to the four boards.

The board approved a preliminary conference budget for the April 24 and 25, 2019 conference.

I. Interplan Website Review Committee

The Interplan Website Review Committee reviews and provides feedback on behalf of the four public sector pension boards on the development of the new plan websites.

There were no items to report for the period.

Future board meeting dates

The next regular board meeting will take place November 13 and 14, 2018, in Victoria, BC.

The next Annual General Meeting will be held on Thursday, October 11, 2018, at the Anvil Centre in New Westminster, BC.

Coming up

Issues for board consideration at future meetings include:

- Finalize revisions to the Statement of Investment Policies and Procedures to implement the board-approved asset management framework (strategic allocation and tactical ranges) for the plan’s investments
- Review of the group health and dental plan design and carrier

For comments or questions regarding this report, please contact the Municipal Pension Board of Trustees;

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