



Meeting Highlights March 29 and 30, 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.

Table of Contents

Items of Note

Reports from Service Providers

- A. Plan Administration – Report from the BC Pension Corporation (corporation)
- B. Plan Investments – Report from the BC Investment Management Corporation (bcIMC)

Committee Reports

- C. Benefits Committee
- D. Communications and Advocacy Committee
- E. Governance Committee
- F. Investment Committee
- G. Valuation Committee
- H. Appeals Panel
- I. Interplan Audit Committee
- J. Interplan Trustee Education Committee
- K. Interplan Website Review Committee

Items of Note

Trustee Appointments

Al Richmond was appointed, by Union of BC Municipalities, as primary trustee, effective January 1, 2017, replacing Frank Leonard.

Donna Lommer was appointed, by Public Sector Employers' Council and Union of BC Municipalities, as alternate trustee, effective March 8, 2017, replacing Jane Lindstrom.

Trustee Re-Appointments

Gary MacIsaac was re-appointed, by Union of BC Municipalities, as alternate trustee, effective January 1, 2017.

Lyn Kocher and Mary Procter were re-appointed, by Health Employers Association of BC, as primary trustees, effective January 1, 2018.

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.

New Municipal Pension Plan website

The board received a live demonstration of the new Municipal Pension Plan website located at <https://mpp.pensionsbc.ca/>. The website was redesigned to keep pace with member needs and expectations. Among other things, the new website now provides members the ability to complete tasks online (ie: nominate a beneficiary, change an address, make a pension estimate or retire), and provides improved search functionality.

Many of the board's key governance policies and documents are on the new website. You can find them in the About us section (see Who we are > Municipal Pension Plan). Board policies and other governance materials not on the site are available from the Municipal Pension Board Secretariat, by request.

Board Governance

The board approved a budget in the amount of \$40,604,000, for plan administration for the period April 1, 2017 to March 31, 2018, plus a one per cent variance tolerance of \$406,000 and net GST of \$1,353,000 for a total budget of \$42,363,000.

The board also approved a one-time, extraordinary budget in the amount of \$680,000 for the consolidation of the BC Pension Corporation offices from five offices to two offices for the period April 1, 2017 to March 31, 2018, plus a one per cent variance tolerance of \$7,000 and net GST amount of \$23,000 for a total budget of \$710,000.

The board received a presentation, from Deloitte Inc., regarding information risk management practices and safeguards in place at the board's agents and service providers. The focus of the review was to document the controls, frameworks, policies, procedures and technology in place, at each agent, to protect sensitive information.

The board received presentations from bcIMC and Pension Corporation on their enterprise risk management programs, including current risks and mitigation strategies.

The board is undertaking its triennial strategic planning review. This includes a review of its [2014-2024 Strategic Decision Framework](#); mission, vision, principles and goals, followed by completing a strengths, weaknesses, opportunities, threats, and risk analysis. The outcome of the review will be development of the board's short-term priorities for 2018 to 2020, to help the board focus on initiatives that support achieving the long-term strategic goals.

Appointment of Auditor

The board appointed KPMG as its auditor to conduct the December 31, 2016 year-end audit at a cost of \$55,500.

Committee Memberships

The board made the following changes to committee memberships:

- Diana Lokken was appointed to the Appeals Panel and the Communications and Advocacy Committee, replacing Jane Lindstrom and Hilary Brown, respectively.
- Hilary Woodward was appointed to the Benefits Committee, replacing Jane Lindstrom
- Patti Price was appointed to the Interplan Website Review Committee, replacing Trevor Davies

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 Pension Corporation (corporation)

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 completion of the redesigned Municipal Pension Plan website. The corporation's update included a live demonstration of the website.

The corporation reported on costs to date under the three-year Service Delivery Plan, and planning for development of the 2018 to 2021 service delivery plan.

The corporation reported on the activity resulting from the changes to the post-retirement group benefits. The corporation reported that although the application deadline to join the voluntary, unsubsidized dental plan was August 31, 2016, the corporation continued to receive and accept large volumes of applications until the end of the year.

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

The Municipal Pension Plan's preliminary rate of return for the total fund for the year ending December 31, 2016, was 4.3 per cent compared to the total benchmark return of 6.6 per cent. The preliminary five-year annualized rate of return for the total fund, at December 31, 2016, was 9.9 per cent compared to the total benchmark return of 8.8 per cent. The total benchmark returns include private markets but the preliminary total fund returns do not. The market value of the fund was \$45.6 billion.

The board received a presentation from bcIMC providing information regarding bcIMC's three-year strategic plan and related costs, and regarding planning for development of the next three-year strategic plan.

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 various new employer applications, and various employer withdrawals and modification of participation.

D. Communications and Advocacy Committee

The 2016 Report to Members was approved, as tabled at the meeting, with final approval delegated to the Communications and Advocacy Committee. The 2016 Report to Members will be published mid May 2017.

The board approved the executive director blog title, and the inclusion of a byline, a photo and a disclaimer with the blog. The executive director blog, the [Pension Percolator](#), is available on the plan website. You can find it in the About us section, or via the search function.

E. Governance Committee

The board approved revisions to the following policies and documents:

- Trustee Skills, Knowledge and Experience Criteria
- Committee Memberships and Appointments Policy
- Remuneration Policy

The board approved the Plan Assessment Report as at December 31, 2016. The Plan Assessment Report satisfies the requirements of section 41 of the *BC Pension Benefits Standards Act* and section 49 of the Regulations, which require pension plan administrators to assess the administration of the plan on a triennial basis. The assessment categories are outlined in the legislation.

F. Investment Committee

The board ratified that certain individuals/positions at bcIMC represent the Municipal Pension Plan on the Principles for Responsible Investment (PRI) Policy Advisory Committee and on the PRI-Coordinated Hydraulic Fracturing Engagement Steering Committee.

The board signed the Global Statement on Investor Obligations and Duties, which calls on policymakers around the globe to provide clarity to investors on the extent to which ESG integration is a requirement of investors' obligations and duties.

G. Valuation Committee

There was no report for the period.

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 boards in meeting their duties in respect of the financial administration of the plans.

The board designated Philip Twyford and Hilary Woodward to sign the December 31, 2016 Municipal Pension Plan financial statements on behalf of the board.

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.

There was no report for the period.

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 June 21 and 22, 2017, 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 board approved the following dates and locations for the 2018 board meetings:

- 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:

- approval of the Municipal Pension Plan 2016 Annual Report, which provides the latest information about investment performance, plan demographics and various initiatives of the Municipal Pension Plan,
- an updated asset-liability review that will help the board confirm or adjust the long-term strategic asset allocation for the Municipal Pension Plan's investments,
- revisions to the board's 2014-2024 Strategic Decision Framework, and finalization of the short-term priorities for the 2018 to 2020,
- 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
- preliminary 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.

Contact us:

By phone 250 356 6220
By fax 250 356 6245
By email MPBT@pensionsbc.ca
By mail PO Box 9460
 Victoria BC V8W 9V8