



Meeting Highlights

March 28–29, 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

Tony Collins and Johnston were reappointed as alternate trustees effective January 1, 2018–December 31, 2018.

Jim Calvin was appointed as an alternate trustee effective January 1, 2018–December 31, 2020, replacing Kelly Knox.

Committee memberships

The board made the following changes to committee memberships:

- Chris Finding was appointed to the Benefits Committee, replacing Kelly Knox.
- Jim Calvin was appointed to the Communications and Advocacy Committee, replacing Chris Finding.

Board governance

The board approved a revised Pension Plan Administration Services Agreement between the Municipal Pension Board of Trustees and the BC Pension Corporation, including the Service Plan for the three year period 2018/19 to 2020/21.

The board approved a cost allocation budget in the amount of \$42,804,000 for the administrative services of the Municipal Pension Plan by the BC Pension Corporation, for the period April 1, 2018 to March 31, 2019, plus a one per cent variance tolerance of \$428,000 and net GST of \$1,427,000 for a total budget of \$44,659,000.

The board approved the estimated internal and external direct investment management fees for the Municipal Pension Plan in the amount of \$167,700,000 (31.8 basis points), for the BC Investment Management Corporation's fiscal year ended March 31, 2019.

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 accomplishments of the 2015-2018 service delivery plan, including the new plan website and ability for members to complete an online retirement application, and received the new 2018-2021 service delivery plan. The board also received a report on various other plan administration service activities, the plan's financial summary and forecasts of the post-retirement group benefit costs.

Plan investments – report from BC Investment Management Corporation

The plan's preliminary return for the total fund for the year ended December 31, 2017, was 8.3 per cent and the five year annualized return was 10.3 per cent, compared to the benchmark of 9.9 per cent and 10.3 per cent, respectively. The preliminary total fund return excludes private markets, whereas the benchmark return include private markets. The fund's market value was \$50.2 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

The board approved the scope of the 2018-2019 group benefits program review. The scope of the program review reflects the board's commitment to consult with members on the dental plan and includes consultation on the extended health care plan.

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

B. Communications and Advocacy Committee

The 2017 Report to Members was approved, at tabled, with final approval delegated to the Communications and Advocacy Committee. The 2017 Report to Members will be published in May 2018.

C. Governance Committee

The board approved revisions to the Remuneration Claim Policy, regarding travel per diem claim amounts provided within paragraph 11 of the policy, that provides a per diem of a quarter day for travel time between 2 and 3.5 hours.

D. Investment Committee

The board approved revisions to the Statement of Investment Policies and Procedures to permit the Municipal Pension Plan to participate in the BC Investment Management Corporation's two new funds; the Corporate Bond Fund and the Principal Credit Fund.

The board approved signing on to the Climate Action 100+ initiative; a five year, investor-led initiative aimed to curb corporate greenhouse gas emissions, strengthen climate-related financial disclosures, and improve governance of climate-related risks and opportunities.

E. Valuation Committee

There were no items to report for the period.

F. Appeals Panel

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

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 the nomination made by the Public Service Pension Board of Trustees of John Mazure for reappointment as a member of the Interplan Audit Committee.

The board approved the engagement letter with KPMG and BC Investment Management Corporation, and fees in the amount of \$7,811, for the triennial audit of the schedule of annual performance returns for the Municipal Pension Plan, for the year ended December 31, 2017.

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.

There were no items to report for the period.

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 June 20–21, 2018, in Victoria, BC.

The plan's next AGM will be held on Thursday, October 11, 2018, at the Anvil Centre in New Westminster, BC.

The board approved the following dates and locations for the 2019 board meetings

- Wednesday–Thursday, March 27–28, 2019, Victoria, BC
- Tuesday–Wednesday, June 25–26, 2019, Victoria, BC
- Wednesday–Thursday, September 11–12, 2019, Victoria, BC
- Tuesday–Wednesday, November 19–20, 2019, Victoria, BC

Coming up

Issues for board consideration at future meetings include:

- Asset-liability review that will help the board confirm or adjust the long-term strategic asset allocation 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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