



Meeting Highlights

November 13, 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

Gary Yee will be chair of the board for 2019. Hilary Brown was elected vice chair for 2019 and will be chair in 2020.

Dennis Blatchford, Angie Sorrell and Robert Weeks were reappointed as primary trustees effective January 1, 2019 to December 31, 2021.

Lorne Burkart, Josef Rieder and Tom Stamatakis were reappointed as alternate trustees effective January 1, 2019 to December 31, 2021.

Chris Armeanu was appointed as a primary trustee, effective January 1, 2019 to December 31, 2021, replacing Debra Ducharme.

Dean Levangie was appointed as an alternate trustee, effective January 1, 2019 to December 31, 2021, replacing Tony Collins.

Chris Rathbone was appointed as an alternate trustee, effective January 1, 2019 to December 31, 2021, replacing Hilary Woodward.

David Williams was appointed as an alternate trustee, effective January 1, 2019 to December 31, 2021, replacing John Johnston.

The board recognized departing trustees Tony Collins, Debra Ducharme, John Johnston, Kelly Knox and Hilary Woodward on November 13, 2018.

More information about the trustees and their appointments can be found on the plan website at mpp.pensionsbc.ca. Click About Us > Who we are > [Municipal Pension Plan](#)

COLA for Pensions in 2019

The board approved a cost-of-living adjustment (COLA) to regular pensions in pay of 2.1 per cent, effective January 1, 2019, which is the maximum allowed under the board's COLA cap. COLA is determined by the change in the Canadian Consumer Price Index (CPI) between September 2017 and September 2018.

The COLA cap is in place to help maintain the long-term sustainability of funds in the inflation adjustment account, so they aren't used up faster than they can be replaced. The COLA cap of 2.1 per cent was implemented effective January 1, 2017, and will be reviewed in the plan's next actuarial valuation.

Annual General Meeting

The 2018 Annual General Meeting (AGM) was held on October 11, 2018 with approximately 230 people in attendance, including 45 trustees and service providers.

Hilary Brown, board chair, welcomed attendees. Presentations regarding the financial highlights of the plan, post-retirement group benefits review and what's ahead were delivered, followed by a question and answer session.

The presentation slides and audio recording from the AGM are available on the plan website [here](#).

The 2019 Annual General Meeting will be held on October 17, 2019 at the Anvil Centre, New Westminster, BC.

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 results of its annual benchmarking initiative, service volume metrics for the six months ended September 30, 2018, plan rule compliance, and service experience scores. The report included an update on activities completed to address the phone wait times that members are experiencing.

The board received the Pension Corporation's annual report on their enterprise risk management program. The report included a report on the top risks that affect administration of the pension plan, and the risk management practices in place to mitigate them.

Plan investments – report from BC Investment Management Corporation

The annualized return for the total plan fund over the five years ended June 30, 2018 was 9.9 per cent, compared to the benchmark of 8.9 per cent.

The board received a report from BCI highlighting achievements in their second fiscal quarter ended September 30, 2018, including updates on investment acquisitions and proxy voting, release of the BCI Climate Action Plan, developments in the senior leadership team, and the appointment of Gayle Gorrill to the BCI board of directors.

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 received a report from the Benefits Committee, regarding negotiations with Pacific Blue Cross for renewal of the post-retirement group benefit plan premiums, for 2019. The Benefits Committee is delegated authority to approve the post-retirement group benefit plan renewal premiums. The Benefits Committee will meet on November 30, 2019 to approve the 2019 renewal premiums, which will be posted in the winter edition of the PensionLife newsletter for Municipal Pension Plan retirees.

The board approved plan rule amendments that reflect alignment with the changes to the 2018 *Employment Standards Act* (ESA) pertaining to the ESA's introduction of two new leaves of absence that require an employer to pay into a pension plan if an employee who is a member of that pension plan takes such a leave and chooses to pay into the pension plan for that leave.

The board approved applications from various employers to participate in the plan for the first time or to move participation for employees in public safety occupations from Group 2 to Group 5. The board also approved employer withdrawals and modifications of participation.

B. Communications and Advocacy Committee

The board approved a Board Communiqué regarding contribution rate reallocations to strengthen the plan's inflation funding. The amount members contribute to the plan is not changing, but the percentage of that contribution going into the inflation adjustment account will increase January 1, 2019.

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

C. Governance Committee

The board approved a budget of \$3.2 million and \$1.2 million for board operations and secretariat services, respectively, for the fiscal period January 1 to December 31, 2019.

D. Investment Committee

The board approved revisions to the plan Statement of Investment Policies and Procedures (SIPP) to implement the asset mix framework, performance benchmark transition framework and revised asset class benchmarks resulting from the asset liability review.

The board's SIPP is available on the plan website at mpp.pensionsbc.ca. Click About us > [Governance Documents](#).

E. Valuation Committee

The board approved participation in Club Vita Canada, a longevity analytics service provider, for purposes of understanding and monitoring mortality and longevity risk to support sustainability of the plan. The participation in Club Vita Canada is subject to completion of due diligence and contract negotiations between the board and Club Vita Canada.

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 plan boards (College, Public Service and Teachers' pension boards of trustees): the Interplan Audit and Interplan Trustee Education committees.

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 Interplan Audit Committee's 2019/20 funding request to the four pension boards in the amount of \$32,000 for professional and other expert resources, and for committee education. The amount is to be split equally between the four pension boards.

The board approved the nomination made by the Public Service Pension Board of Trustees of Kelly Wheeler 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' pension boards and held annually to provide training and information of mutual interest to the four boards.

The board approved the dates and location for the 2020 BC Public Sector Pension Conference.

Future board meeting dates

The next regular board meeting will take place March 27 and 28, 2019, in Victoria, BC.

The next Annual General Meeting will be held on Thursday, October 17, 2019, at the Anvil Centre in New Westminster, BC.

Coming up

Issues for board consideration at future meetings include:

- Post-retirement group benefits review
 - Actuarial valuation as at December 31, 2018
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For comments or questions regarding this report, please contact the Municipal Pension Board of Trustees;

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