

*Meeting Minutes*

Saint Mary's University Pension Committee

Committee Members – Present		Regrets	Committee Support - non voting
Gabe Morrison	Marc Patry	Darlene Goucher	Darrell Rooney, Financial Services
Kim Squires	Jeff Power	Yigit Aydede	Maureen Hayward, Treasury
Cindy Harrigan	Lori Francis	(Sabbatical)	Sheree Delaney, HR Officer
Keith Hotchkiss	David Lane		Todd Saulnier, Pension Consultant, Mercer
Nicola Young	Joe Chrvala		
Rob Thacker			

1. **Call to Order**

The Chair called the meeting to order at 4:06 p.m.

2. **Pension Committee Meeting Minutes (December 13, 2013)**

MOTION: To adopt the December 13, 2013 committee minutes.

Motion:	Nicola Young
Second:	Joseph Chrvala
In Favour:	8
Opposed:	0
Abstentions:	0
Carried	

3. **Business Arising from the Minutes**

**a. Pension Committee Insurance & Indemnification**

Maureen Hayward confirmed with CURIE that committee members appointed by the faculty union and other unions are covered by the University's errors and omissions liability insurance policy. The policy has been amended accordingly.

**b. Charges for the Annual Retirement Session**

Maureen Hayward reported to the committee that Mercer will revise the charges for the 2013 Annual Retirement Session and it will be reflected on the Pension Committee financial report – March 31, 2014.

**c. Communication to members regarding the replacement of Acadian**

The Education Subcommittee provided a copy of the communication to members regarding the replacement of Acadian. There were no comments or concerns by Pension Committee members or plan members.

3. **Pension Committee financial report – December 31, 2013**

Maureen Hayward reported to the Pension Committee that the December 31, 2013 report had been completed within the 45 day timeframe and included a breakdown of expenditures, Committee activities and a detailed breakdown of the funds.

4. **Report from subcommittees:**

- **Investment**

No report.

- **Internal agents**

No report

- **External agents**

No report

- **Education**

Kim Squires reported to the Pension Committee that the Pension booklet has been posted on the Human Resources website. Kim Squires reported that the following sessions have been completed since the December 13, 2013 Pension Committee meeting:

1. Your SMU retirement plan – February 19, 2014 Night staff – 19 attendees
2. Your SMU retirement plan – February 20, 2014 – 30 attendees
3. Individual sessions – February 20, 2014 – for staff whose sessions were cancelled on November 28, 2013 or on the waiting list from the November 28, 2013 session
4. Email to promote RRSP season – February 24, 2014

Kim Squires reported that the following sessions are upcoming:

1. The Annual Retirement Day is scheduled for April 26, 2013. (As of March 31, 2014, 19 employees plus 7 spouses are registered for the session).
2. April 30, 2014 – Successful transition to retirement (email sent out to distribution list on April 15, 2014).
3. May 22, 2014 – Pension Member Responsibilities and How to Select a Financial Advisor to be delivered by Dan Radisuella, RBC. Information will be sent out in early May.

Keith Hotchkiss joined the meeting at 4:14 p.m.

Lori Francis joined the meeting at 4:17 p.m.

5. **Target Date Funds (Investment Subcommittee)**

**MOTION: Whereas**, in the early to mid-portions of a Plan member's working career, they can generally take advantage of higher yielding, but riskier investments because they have a longer investment horizon and by comparison a larger proportion of their retirement income is expected to come from future contributions as opposed to accumulated savings;

**Whereas**, in the later stages of a Plan member's working career the ability to take risk generally diminishes because the investment horizon shortens and by comparison, a larger proportion of their retirement income is expected to come from accumulated savings as opposed to future contributions;

**Whereas**, Target Date Funds offer the advantage of automatically adjusting the asset mix over time in a gradual and logical manner to a more conservative level as the member approaches his or her expected retirement date and reduce the risk of member apathy or other factors leading to inappropriate asset allocations over a career; and

**Whereas**, in comparison with off-the-shelf TDF's, a custom approach (by reformulating the current custom target risk funds to target date funds) offers several advantages to the governance and costs of the investment choice offerings by using many of the same fund managers within the TDF's as in the a-la-carte fund offering.

- 1) The Pension Committee adopts the belief that the target date portfolio approach would be better support less engaged Plan members and accordingly should be the default investment approach.
- 2) The Pension Committee shall engage Mercer to assist, in consultation with the Investment and Education Subcommittees, with developing a strategy to replace target risk composite funds with target date funds. Specifically, the strategy shall include:
  - a. Design of the custom TDF's including negotiation of pricing with SunLife Financial
  - b. Implementation, transition, communication, and education plans; and
  - c. Draft revisions to the Statement of Investment Policies and Goals.
- 3) Custom portfolio options will remain unchanged.

The completed strategy to transition to target date portfolios shall be presented to the Pension Committee for final evaluation.

Motion: Rob Thacker  
Second: Jeff Power

In Favour: 10  
Opposed: 0  
Abstentions: 0  
Carried

There was some discussion the wording is section three of the motion and it was agreed by consensus that the words "or other factors" be added to the motion. There was discussion

surrounding the motion and the strategy to implement Target Date Funds. It was agreed that the Investment and Education Subcommittees should meet to discuss timelines. Maureen Hayward suggested that Target Date Funds should be an agenda item the AGM.

**ACTION:** Sheree Delaney will arrange a meeting for the Investment and Education Subcommittees to discuss implementation, transition, communication and education plan and report back to the Pension Committee.

**9. Other Business**

- a. Next Meeting - first week of June 2014
- b. AGM – week of June 23 – 27, 2014

**10. Adjournment**

The meeting adjourned at 4:40 p.m.