

ATTENDANCE:

Present: Henry Hudek (Chair), Mike Emslie (Treasurer), Barry Barske, Bill Evans, Lorne Hilton, Colin Morrison, Hans Werner, Laurel Repski (Vice-Chair)

M. Emslie noted that there are two glide path provisions in the SIP: a glide path from growth to fixed income, and a glide path from Universe bonds to Long bonds since Long bonds should have a similar duration to plan liabilities. However, there is now disconnect in the duration since as a closed plan, liabilities have a shorter duration than Long bonds and that gap will continue to grow over time. AON is recommending a move to a custom bond mix which will match the duration of Plan liabilities; the Committee will be discussing in future meetings. This is not an urgent issue as the duration of the mixed bond portfolio (partially long partially universe) will approximate the plan duration after the current move down the glide path. The difference will be more material in future years if we continue to move assets to Long Bonds.

The DB Committee also discussed an alternative approach to developing the investment mix, tying it more closely to cash flow expectations. Will be discussing with A. Kulyk and AON over the next few months.

ii. Report from the DC Committee (met November 16, 2017)

In the absence of R. Youngson, H. Werner provided the DC Committee report.

H. Werner indicated that communication on the new divested fund was sent to plan members. There was an issue with the name of the fund (communicated as RBC fund, actual name is PH&N fund) which may have caused confusion, and a new communication will be sent to plan members.

The Committee is working on a DC risk assessment. The Sun Life action plan and service standards report were discussed, as was member education. The Committee also discussed action items from the DC member survey; the action plan is pending. Will also be looking at a decumulation presentation.

iii. Report from Operations Committee (met November 20, 2017)

The September 30, financial statements were provided to the Board for information.

The draft budget for 2018 was presented for approval. It was noted that there was some carryover of the analytics work/costs resulting from the manager search which resulted in a discrepancy between the budgeted and actual amounts for 2016 and 2017. A question arose as to administration fee tracking vs. other plans. M. Emslie indicated that this was looked at a couple of years ago and we were in a comfortable range. Will look at again.

It was MOVED: (E. Byard/L. Repski)

..CARRIED

The Committee has set the dates for 2018 Board meetings as follows:

- Monday, March 12, at 2:00 p.m.
- Monday, June 4, at 2:00 p.m.
- Monday, September 10, at 2:00 p.m.
- Monday, December 10, at 2:00 p.m.

It was noted that room 3C12 has been booked for all of the meetings except March 12. The March 12 meeting will take place in the President's Boardroom.

E. Byard reported that three responses were received to the Auditor RFP. The evaluation of responses lead to one being eliminated as the firm did not demonstrate it had relevant experience and they were more costly. The two remaining responses (including incumbent KPMG) were scored very closely by the Committee. The Committee is recommending that we remain with KPMG as they have more pension clients and recent familiarity with our plan.

It was MOVED: (E. Byard/M. Emslie)

..CARRIED

The Committee reviewed the calendar of deliverables . With respect to the external Board governance review, the Committee met with J. Langan. J. Langan provided a high level overview of the Board governance process. No major gaps were identified. He noted that the Board process is well documented with a clear structure. Web information is easily accessible for Trustees and plan members. Some items that were noted for improvement included the responses to the self-assessment CAPSA questionnaire some of which he felt were too broad. Also noted was access to documents referred to in Board materials and also how Board materials are handled. It was also noted that governance is very broad and it was suggested that our reviews be more narrowly focused.

## 2. Other Business

Trustee Education:

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