

2011 Joint Pension Board Retreat

Retirement Trends – Discussion

TREND	MEASURE
<ul style="list-style-type: none"> • Expected larger amount of RIF assets • Large influx of baby boomers • Members still treating DC plan like a DB plan 	<ul style="list-style-type: none"> • Revisit investment tool • Provide training specific to age groups
<ul style="list-style-type: none"> • Inertia: many people not paying attention at all 	<ul style="list-style-type: none"> • Education needs to be more “in your face”
<ul style="list-style-type: none"> • Members staying in default option 	<ul style="list-style-type: none"> • Provide better education
<ul style="list-style-type: none"> • People not paying attention 	<ul style="list-style-type: none"> • Need new ways to reach out to people • Tool for them to use • Try in cohorts
<ul style="list-style-type: none"> • Members not making investment decisions 	<ul style="list-style-type: none"> • Offering only one option • Provide more education
<ul style="list-style-type: none"> • Equity misalignment 	<ul style="list-style-type: none"> • Balancing glide path need • Communication not supporting % equity/debt • Is there a way to show pie chart that is on annual statement online?
<ul style="list-style-type: none"> • Inappropriate equity exposure 	<ul style="list-style-type: none"> • Provide appropriate investment tool
<ul style="list-style-type: none"> • More attention devoted to RIF members 	<ul style="list-style-type: none"> • Use power of attorneys • Legislation change • More RIF content at annual meeting
<ul style="list-style-type: none"> • Increase in member servicing required for RIF members 	<ul style="list-style-type: none"> • Provide age group appropriate training
<ul style="list-style-type: none"> • Other trends: <ul style="list-style-type: none"> ○ Increasing RIF complexity ○ Lack of sophistication and technology adoption ○ Increase in members equity exposure ○ Most people just go into the default and stay there ○ More member servicing 	

Governance Structure Discussion

An Effective Board Structure

- Set up ad hoc committees could be helpful if we have difficult issues or special projects
- Sub committees would put people who are comfortable with a subject
- We need more variety of expertise on the Board; currently we're all accountants and finance people
- Monthly meetings is a good timing, agendas are reasonably full; quarterly meetings and longer would be another option
- More variety of expertise
- Maybe have a retiree on the board
- Monthly meetings, number of board members (11), length of term are good
- Consider adding a retiree to the Board
- Target people with communication, marketing and legal expertise to serve on the board

Investment Manager Review Meetings

- If there are contentious issues with the manager, mandate attendance by Board members
- Board members should attend at least one meeting per year because it is a good opportunity to learn and get educated
- Management should attend meetings
- Investment manager review meetings should be kept separate from the formal board meetings as it is too long
- Attendance should continue to be voluntary
- Discuss the pre-reading material in the Joint Pension Board Meeting
- Yes, meetings are too long
- Managers have a slide deck; metrics should be placed in appendix and presentation should start with investment philosophy
- Attendance is not great
- Everyone should attend when there's underperformance
- The summary is good
- The chair or a designate must attend
- Like the separate structure of the meeting, but bundled with the JPB meeting
- Members should commit to attend at least one per year
- Provide the schedule of manager reviews in advance
- In the pre-reading material include the top 5 issues with the manager

Optimizing Joint Pension Board Meetings

- Introduce a vice-chair; the person would get experience before becoming chair
- Introduce a job description for the chair
- The current format works
- Keep it as one meeting (no committees)
- Should we spend more time on communication?
- There's too much content on investment matters and not enough on other matters
- Like the pre-reading and the fact that meetings are scheduled in advance
- Provide name tags for members, with what they do and expertise
- Too much information: trends and highlights, e.g. Russell
- Don't know how to interpret the data; have an education session provided by Russell

- Meetings are quiet; not enough robust discussion lately
- There could be an issue with lacking confidence in a decision; some trust from board members in a committee
- Comfort with decisions; looking back, are we happy?
- We need continuity in the chair position
- It's o.k. to have the material posted only 2 or 3 days in advance as board members wait closer to the meeting to read the material in order to have it fresh in their mind
- The meetings are working well
- Monthly meetings are good to keep people engaged

Effective Orientation and Education for Board Members

- It's not clear what our role is as a pension board member, e.g. monitoring the cash
- We need more description as to when, how often we need to monitor or review the various accountabilities; create a big calendar or perpetual agenda
- We need a matrix to understand our role on a perpetual basis, not just at the beginning; could be posted on the JPB website
- The binder is overwhelming; too much information
- We need to prioritize, we need a focus area that is necessary to function as a board member
- We should have a formal class once a year; all board members should review their responsibilities, structure, duties, pension plan
- Provide a history of board decisions
- Invite potential members
- Give info before orientation session
- Liked being invited to meetings before joining the board
- There's currently no on-going training except conferences
- Provide online training, book recommendations
- Is Martin the best person to train (biases)?
- Provide prior minutes, historical background and top 10 issues we worked on in the past to provide an historical perspective
- Give preference to new members when attending conference
- Have more board members attend conferences
- Provide a review of Russell performance charts
- Introduce new topics; Russell consultant
- Have the orientation closer to retreat or a meeting
- Governance structure presentation at the Joint Pension Board retreat two years ago was great and should be repeated
- Some members not familiar with the investment consultant and his role
- Include a glossary in the education presentation