

TRIO Board of Directors Meeting
Minutes

February 12, 2015
4:00PM

St. John's Sheraton
St. John's, NL

DIRECTORS PRESENT	ALSO PRESENT	REGRETS
Dennis Kelly, President Rodney Cumby, Director ¹ Carol Ann Smith, Director* Elmo Bingle, Director * - by teleconference only 1 - by teleconference on Thursday and in person on Friday	Terry Taylor, General Manager Mary Galway, Manager, Risk & Insurance Programmes* Doug Brake, Mercer Lori Park, Mercer	John Dawson, Vice President Neil Shute, Director

1. Call to order and Opening Remarks

The meeting was called to order at 3:50PM. President Kelly welcomed all, especially Elmo Bingle, a new member of the Board.

2. Approval of Agenda

Motion:	Carol Ann Smith/Elmo Bingle
CARRIED	That the agenda be approved

3. Adoption of previous meetings' minutes

Motion:	Carol Ann Smith/Elmo Bingle
CARRIED	That the minutes of the meeting of October 8, 2014 be adopted as presented.
Motion:	Elmo Bingle/Carol Ann Smith
CARRIED	That the minutes of the teleconference of October 27, 2014 be adopted as presented.

4. T. Taylor presented his report which was accepted by the Board.

5. Group Plans Report

- a) M. Galway reported that The Town of Winterton will join the plan on March 1, 2015. In addition, a number of other municipalities have received quotations.

- b) M. Galway reported that the claims fluctuation reserve is fully funded at \$208,637, and the unrestricted deposit account has a balance of approximately \$554,000.
- c) M. Galway reported that the 2015 renewal rates are in effect and that no premiums were increased. Any required rate increases were offset by other rate decreases.

Motion:	Carol Ann Smith/Elmo Bingle
CARRIED	That the renewal rates used for the 2015 group plan programme be approved.

- d) Update website
The new employee booklets will be added to the website.
- e) M. Galway suggested that an outside consultant be retained to perform an experience review on the programme. The purpose is to determine if the rates being charged each participating employer are sufficient to offset the loss experience of each employer.

Motion:	Carol Ann Smith/Rodney Cumby
CARRIED	That <ul style="list-style-type: none"> • Terms of Reference be distributed to the Board for approval; • Upon approval of the Terms of Reference, Mercer be contracted to perform the experience review • The cost of the work be paid for with funds drawn from the unrestricted deposit account • No changes resulting from the review be implemented without Board approval

- f) M. Galway reported that the TRIO database and the Sun Life database are almost exactly synchronized and that full synchronization is within reach. TRIO will use the Sun Life database to produce monthly billing statement for the next three months to ensure that full synchronisation has been achieved. The plan is to rely solely on the Sun Life data to produce the monthly billing as of June 2015.
- g) There was a lengthy discussion concerning the coverage that should be afforded to elected officials aged 70 years and older. Currently, there is no limitation applicable to elected officials while for participating employees, all coverage ceases at age 70.

Motion:	Rodney Cumby/Elmo Bingle
CARRIED	That <ul style="list-style-type: none"> • Until further notice, all elected officials joining the plan after February 12, 2015 will be subject to the age 70 rule

	<ul style="list-style-type: none"> • Existing elected officials over the age of 70 years who are currently covered by the health care programme be exempted from any changes that might affect their access to coverage • M. Galway investigate the possibility of extending medical and drug coverage to all participants to age 75
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- h) M. Galway reported that she is developing an administration guide for each participating employer. She is also interested in determining which participating employers are accessing the EAP coverage.

6. Board Administration Action Items

- a) The Board meeting schedule for 2015 was accepted
- b) Review of the Information Teleconference
It was agreed that the teleconference was a success, with participants from about 10 municipalities . One of the recurring themes was that participating employees did not have a clear understanding of the relevance of the information contained on their annual pension statement. Mercer will be asked to develop a document that will assist employees in deciphering the numbers and their relevancies

New Business

- a) T. Taylor outlined the rationale for reviewing the existing bylaws. T. Taylor offered to submit a paper outlining suggested changes to the current bylaws.
- b) T. Taylor reported on the difficulty in securing adequate accommodation at the 2015 MNL convention. Currently, there are 2 bedrooms for Wednesday to Saturday night; 3 bedrooms for Wednesday to Thursday night and 2 bedrooms for Wednesday night only. We need at least 2 additional bedrooms for Wednesday to Friday night. It was suggested that MNL-affiliated Board members might be able to register as a delegate from their municipality.
- c) T. Taylor reported that a number of exhibitors at the 2014 MNL convention were dissatisfied with the physical set up of the exhibit area, with the changes in the “passport” feature and with the relative low turnout of delegates. As an alternative, T. Taylor suggested that TRIO place a favour in each registration kit, and host an “invitation only” cocktail party instead of hosting an exhibit booth. The Board asked T. Taylor to develop a costing to this proposal.
- d) The Board discussed the request from some participating employees that the TRIO Board meetings be posted on the TRIO website

Motion:	Carol Ann Smith/Elmo Bingle
CARRIED	That beginning with the Minutes of the February 2015 meeting, the Minutes of TRIO Board meetings be posted on the TRIO website.

7. Communications & Marketing Committee

- a) The Board accepted the report of marketing activities since October 2014.
- b) T. Taylor requested that, when it is appropriate to do so, Board members promote TRIO's programmes to their peers. This will be especially helpful between municipal administrators for those communities who do not utilize TRIO's pension plan and/or health care programme.

8. Board Administration

- a) T. Taylor presented the summary of the revenue and expenses for January 1-December 31, 2014. TRIO realized an overall operating surplus of \$27,540.94 for the year ending December 31, 2014.

Motion:	Rodney Cumby/Neil Shute
CARRIED	That the report of the revenue and expenses for 2014 be accepted.

- b) T. Taylor reported that \$19,756 in actuarial fees had been incurred as part of the defence against the possible CUPE lawsuit.

Motion:	Carol Ann Smith/Rodney Cumby
CARRIED	That TRIO reimburse the pension plan \$19,756 from the 2014 surplus for actuarial fees incurred in connection with the defence preparations for threatened CUPE lawsuit.

- c) T. Taylor presented the budget for 2015.

Motion:	Rodney Cumby/Elmo Bingle
CARRIED	That the budget for 2015, as presented, be adopted.

- d) The Board reviewed and accepted the cheque register for the period October 8, 2014-February 2, 2015

10. Correspondence

The Board reviewed the letter from the Town of Wabush, requesting the NLMEB to designate a seat on the Board exclusively for a representative of those participating employees who are union members. The Board reviewed a draft response and asked that it be sent to Lori Park for her comments.

(At this point, the Board adjourned its meeting until 9:00AM, Friday, February 13, 2015.)

11. Pension Plan Items

There were no new participating employers since the last meeting

12. Outstanding Action Items

03-01-13 - Blanket Municipal Solvency Exemption

MNL will present the results of our 2013 valuation to bolster our argument that a blanket municipal exemption is warranted.

13. Business Arising from Previous Meetings

The Board accepted the report that in total over 50% of participating employees have transferred from either option 3 to option 10 or 11, and from option 1 to option 12

14. New Business

- a) The Board finalized the creation of Options 11 and 12

Motion:	Carol Ann Smith/Elmo Bingle
CARRIED	That Mercer prepare the required amendment to the plan text that enables to creation of pension plan options 11 and 12.

- b) L. Park explained the interrelationship between LTD coverage and the options for continuing contributions to pension plans while collecting LTD benefits. T, Taylor was asked to review minutes of previous meetings to ascertain if the Board had made any decisions previously pertaining to Workers' Compensation payments and ongoing pension plan contributions

- c) Mercer's invoice for Q3-2014 was reviewed.

Motion:	Rodney Cumby/Elmo Bingle
CARRIED	That Mercer's invoice for Q3-2014 be accepted.

Due Diligence Items

- a) Recurring Items

The Board received the contributions report. There are no serious overdue balances.

- b) Plan Amendments

Mercer presented Amendment 22, which established options 10, 11 and 12

Motion:	Carol Ann Smith/Rodney Cumby
CARRIED	That the Board adopt pension plan amendment 22 as presented

- c) Items Assigned to This Meeting

- i. *Report on Summary of Plan*

Mercer reviewed the 2013 valuation. The going concern funded ratio improved to 91.4% in 2013.

- ii. *Effect of Reduced Bank of Canada Interest Rate*

The lower rate improved the market value of the bonds in the portfolio, but had a negative effect on our liabilities. Mercer advised that adjustments to our 2014 discount rate would be necessary.

- iii. *2014 Discount Rate*
Mercer presented a chart which showed how different discount rates would affect our 2014 valuation. Mercer will table a preliminary 2014 valuation and make a final recommendation at the June 2015 Board meeting
- iv. *Frozen Asset Upgrade Option*
Mercer will make a recommendation at the June 2015 Board meeting on the feasibility of upgrading the frozen assets in 2015.
- v. *Information Support to Participating Employers*
T. Taylor confirmed that the employers had been informed of the Special Payment requirements for 2015.
- vi. *Retention and Review of External Agents*
The Board is satisfied with the current arrangements
- vii. *GM's Annual Report on Agenda Checklist*
T. Taylor confirmed that all items had been attended to
- viii. *PA/PAR report*
Mercer confirmed that these adjustments had been made

- 15. The Board directed T. Taylor to correspond with Todd Saulnier of Mercer to express the Board's utmost satisfaction with the investment results realized in 2014
- 16. The next meeting of the Board will be on Wednesday, April 15, 2015 in Corner Brook
- 17. The meeting adjourned at 10:45AM