

TRIO Board of Directors Meeting

November 12, 2019
9:00 AM

Delta Hotel
St. John's, NL

DIRECTORS PRESENT	ALSO PRESENT	REGRETS
Dennis Kelly, President John Dawson, Vice President* Carol Ann Smith, Director Keith Keating, Director Tony Pollard, Director Brian Hudson, Director	Terry Taylor, General Manager Mary Galway, Manager, Risk & Insurance Programmes Doug Brake, Mercer Lori Park, Mercer Jonathan Croft, Mercer Matt Maclean, Mercer	Steve Kent, Director Trina Appleby, Director

1. Call to order and Opening Remarks

Dennis Kelly called the meeting to order at 9:02 AM and welcomed everyone present.

2. Approval of Agenda

Motion:	Keith Keating/Tony Pollard
CARRIED	That the agenda be approved

3. Adoption of previous meeting's minutes

Motion:	John Dawson/Tony Pollard
CARRIED	That the minutes of the meeting of June 6, 2019 be adopted.

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

5. Group Plans Report

- a) M. Galway reported that the Town of Meadows had joined the health care plan.
- b) M. Galway briefed the Board on her attendance at the PMA World Café in Gander in September
- c) **New Items**
M. Maclean and M. Galway outlined the negative impact on 2020 rates caused by the adverse loss ratio during the last 12 months. The participating towns will see rate increases ranging from 10% to 35%, based on each town's benefits utilization

since the last renewal. A decrease in utilization will likely result in future rate reductions. M. Galway will provide further detail to the towns with their renewal packages.

Motion:	Brian Hudson/Tony Pollard
	That the recommended rates increases be applied for 2020

6. Board Administration Action Items

- a) T. Taylor reported that the Public Procurement Office had recognized TRIO's benefit programmes as being compliant with the provisions of the *Public Procurement Act*.
- b) The Board discussed the position paper prepared by T. Taylor respecting the method to be used in seeking and confirming future candidates to become Directors-at-Large

Motion:	John Dawson/Tony Pollard
	That the recommended process for selecting future candidates for the Position of Director-at-Large be adopted as presented.

7. New Business

- a) T. Taylor indicated that the MNL policy review process was chiefly concerned with existing services provided by MNL to its members and supposedly did not contemplate the future offering of employee benefit programmes to compete with TRIO.

8. Communications & Marketing Committee

- a) The Board accepted the report of marketing activities since June 2019.

9. Board Administration

- a) The Board was presented with the revenue/expenses report for the period January 1- October 31, 2019.

Motion:	John Dawson/Carol Ann Smith
CARRIED	The Board accept the report as presented

- b) The Board reviewed the preliminary budget for 2020. A final budget will be presented for the Board's approval at the February 2020 meeting.

Motion:	Keith Keating/Carol Ann Smith
CARRIED	The Board accept the preliminary budget as presented

Motion:	Keith Keating/John Dawson
CARRIED	That Carol Ann Smith be re-appointed as Director-at-Large for a further term of two years.

- c) The Board reviewed and approved the Q3-2019 invoice from Mercer.
- d) The Board reviewed and accepted the agenda for the Special Meeting to be held on November 15, 2019.
- e) T. Taylor advised the Board that the next organizational meeting will be held immediately following the next Annual General Meeting in June 2020.
- f) The Board reviewed and accepted the proposed 2020 meeting schedule. The Board will determine in June 2020 if a meeting in August 2020 is required.
- g) The Board reviewed the list of Directors whose term of office is scheduled to expire in 2020.
- h) The Board determined that the annual member teleconference be repeated in February 2020.
- i) The Board reviewed and accepted the register of the cheques issued since the June 2020 Board meeting.

10. Changes to Pension Plan Participants

T. Taylor reported that no new municipalities had joined the pension plan since the last meeting.

11. Outstanding Action Items

None

12. Business Arising from Previous Meetings

None

13. New Business

- a) The Board reviewed the 2018 valuation prepared by Mercer.

Motion:	Tony Pollard/Carol Ann Smith
CARRIED	That the Board accept the valuation as presented.

- b. The Board reviewed the Special Payments amounts for 2020.

Motion:	John Dawson/Carol Ann Smith
CARRIED	<ul style="list-style-type: none"> • That the Special Payments remain unchanged for 2020. • That Special Payments now be levied against Portugal Cove- St. Phillips and Paradise

- c. Mercer advised that the reduction in long term bond yields has had a negative impact on the financial aspects of the pension plan. It is imperative that the lost interest income be replaced. Mercer suggested that the most effective solution would be to increase contributions by 6% on both the employers and the employees, beginning in January 2020. This would not be a permanent increase but would be in effect until bond yields increased sufficiently. T. Taylor is to draft an explanatory letter to be sent to the participating towns.

Motion:	John Dawson/Brian Hudson
CARRIED	That the contributions of the employers and the employees each be increased by 6%, beginning January 2020 and stay in effect until the extra contributions are no longer necessary.

- d. The Board reviewed the current asset mix of the pension plan investments.
- e. J. Croft made a presentation that suggested additional investment strategies for the Board's consideration. The aim is to marginally increase our risk factor for the purpose of increasing our investment income. New investments in real estate, private equity and private debt were discussed. The long term goal of these investment strategies is to beneficially affect the discount rate used in our pension valuations. J. Croft will make a further presentation at the February 2020 Board meeting.
- f. Mercer will send a letter to the Superintendent of Pensions inquiring about the extension of our solvency exemption.

Due Diligence Items

- a) Recurring Items
The Board received the contributions report. Delinquent participants are being addressed.
- b) Plan Amendments
There were two plan amendments, both of which were previously approved by the Board.

Motion:	Carol Ann Smith/Tony Pollard
CARRIED	That the consolidated plan text as of January 2019 be approved.

c) Items Assigned to This Meeting

i. *Confirmation of Employee Benefits Statements*

These statements have been sent to all employees.

ii. *Initial Education Programme/Information to New Board Members*

B. Hudson confirmed that the current programme is adequate.

iii. *Report to Stakeholders*

D. Brake confirmed that the *Year in Review* pamphlet will be included with the 2019 statement in 2020.

iv. *Retention and Supervision of Internal Agents*

No additional action required.

14. The next meeting will be on February 7, 2019 in St. John's.

15. The meeting adjourned 2:23 PM