

TRIO Board of Directors Meeting

October 3, 2018
Noon

Albatross Hotel
Gander, NL

DIRECTORS PRESENT	ALSO PRESENT	REGRETS
Dennis Kelly, President John Dawson, Vice President Carol Ann Smith, Director Tony Pollard, Director Keith Keating, Director Glenn Clarke, Director Brian Peckford, Director Steve Kent, Director	Terry Taylor, General Manager Mary Galway, Manager, Risk & Insurance Programmes Kate Ravlo, Mercer	

1. Call to order and Opening Remarks

Dennis Kelly called the meeting to order at 12:42PM and welcomed everyone present.

2. Approval of Agenda

Motion:	Brian Peckford/Keith Keating
CARRIED	That the agenda be approved

3. Adoption of previous meeting's minutes

Motion:	John Dawson/Carol Ann Smith
CARRIED	That the minutes of the meeting of August 10, 2018 be adopted.

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

5. Group Plans Report

- a) M. Galway reported no new participants have been enrolled since the last meeting. She has provided one town with a quotation.
- b) T. Taylor reported that the corrected quotation for Medavie Blue Cross to include the charge for the high cost claim resulted in an additional charge of \$245,000. This new quotation irrefutably placed the Sun Life quotation as the best value for the plan.

c) New Items

- i. M. Galway asked the Board to consider hiring Mercer (Canada) Limited to expand their current roll in the management of the health care programme. She pointed out that Mercer already provides some analytical assistance for an annual cost of \$10,000. She proposed that an expanded roll would include assistance in the renewal negotiations, expanded data analysis, and suggestions for plan design and improvements. Their engagement will also include a market survey every five years. These new tasks would bear an extra cost of \$15,000 annually, making the total annual contract valued at \$25,000. She suggested that these fees could best be paid out of the Unrestricted Deposit Account.

Motion:	John Dawson/Brian Peckford
CARRIED	That Mercer be retained to expand their annual services as proposed by M. Galway at a total annual cost of \$25,000

- ii. M. Galway announced that an overall 5% reduction would be applied to the 2019 renewal rates. It was suggested that this news be conveyed to elected officials as well as the chief staff people.

6. Board Administration Action Items

- a) T. Taylor reported the new mailing address had been established. After some discussion, the Board asked T. Taylor to explore the feasibility and possibility of sharing office space with PMA at the new MNL offices. B. Peckford reported that it was PMA's wish that TRIO maintain its physical presence to keep the MNL-PMA-TRIO relationship intact.
- b) T. Taylor tabled his suggested amendments to the per diems paid to directors.

Motion:	Carol Ann Smith/Tony Pollard
CARRIED	That the directors' per diem be set at \$150.00 and the president's per diem be set at \$200.00, effective October 3, 2018

7. New Business

- a) T. Taylor updated the Board on the *Public Procurement Act* and how it will affect TRIO and its municipal partners. Stewart McKelvey has been retained to analyse the Act and to suggest a methodology that will enable TRIO to provide municipal partners with the services that will enable them to be in compliance with the Act vis-à-vis health insurance services.

8. Communications & Marketing Committee

- a) The Board accepted the report of marketing activities since August 2018.

9. Strategic Plan Items

- a) T. Taylor reported that both PMA and MNL had agreed to allow TRIO to revise our bylaws so that their appointees to the TRIO Board need no longer be a current member of their Board. Such bylaw amendments will be referred to the 2019 NLMEB Annual General meeting.
- b) Carol Ann Smith, Keith Keating and T. Taylor will review the current rules and roles that the bylaws now impose on all directors and bring forth recommendations for suggested changes. Such issues as required qualifications, term of office and maximum term of service will be reviewed.
- c) There was no report from T. Pollard and S. Kent on suggested amendments to the timing or content of the Annual General Meeting.
- d) T. Taylor and M. Galway presented their individual lists of duties and responsibilities associated with their respective staff positions. The Board accepted their reports.

10. Board Administration

- a) The Board was presented with the revenue/expenses report for the period January 1- September 30, 2018. T. Taylor explained why some items are expected to be over budget by year end.

Motion:	Keith Keating/Glenn Clarke
CARRIED	That the Board accepts report as presented

- b) The Board was presented with the preliminary budget for 2019. A final 2019 budget will be presented for approval at the next board meeting.
- c) The Board reviewed the Q3-2018 invoice from Mercer for pension services. It was noted that actuarial service charges exceed the annual \$150,000 allowance. There was some discussion as to how these charges were accounted for. It was agreed that in future, the detailed report from Mercer outlining the individual charges for each quarter will be distributed to the Board. It was also noted that a mathematical error is contained in the Q3 invoice which T. Taylor will address.

Motion:	Carol Ann Smith/John Dawson
CARRIED	That the invoice be accepted as presented, subject to the error being addressed.

- d) The Board reviewed and accepted the agenda for the Annual General Meeting and the Organizational Meeting.
- e) T. Taylor announced the time and location of the 2019 Board meetings:
 Early February - St. John's
 June 5 - St. John's
 August 9 - Port Blandford
 October 31 - St. John's
- f) The Board agreed to hold the "Talk to the Board" teleconference in February 2019, with the view to reviewing its benefits for continuing it in future years.
- g) The Board accepted the cheque register for the period August 10 - September 26, 2018.

11. Changes to Pension Plan Participants

There were no new participants since the last Board meeting.

12. Outstanding Action Items

None

13. Business Arising from Previous Meetings

None

14. New Business

- a) K. Ravlo reviewed the 2017 pension plan valuation. The higher than expected investment returns have helped to increase our going concern ratio to 100.9%. She expected that Special Payments for 2019 can remain unchanged if the ROI in the last quarter 2018 is 1.9% or better.

Motion:	John Dawson/Tony Pollard
CARRIED	That the 2017 valuation be accepted as presented.

- b) K. Ravlo suggested that the discount rate can be lowered to 5.75% for the 2017 valuation.

Motion:	Brian Peckford/Steve Kent
CARRIED	That for the purposes of the 2017 valuation, the discount rate be set at 5.75%

- c) There has been no change to the current asset mix of investments since the last meeting.

Due Diligence Items

- a) Recurring Items
 The Board received the contributions report. Delinquent participants are being addressed.

b) Plan Amendments

The Board was presented with the amendment to reduce the retirement payment and distribution options for retirees, as discussed at the August 2018 meeting.

Motion:	Tony Pollard/ Glenn Clarke
CARRIED	That the amendment be adopted as presented

c) Items Assigned to This Meeting

- i. Mercer confirmed that all employee benefits statements have been distributed.
- ii. S. Kent advised that the new Board member orientation process was acceptable.
- iii. T. Taylor reported that the annual report to stakeholders would occur during the Annual General Meeting.
- iv. T. Taylor confirmed that the fiduciary insurance had been renewed.
- v. The Special Payments will remain unchanged for 2019 if there are no adverse developments in the securities markets during the last quarter.
- vi. The Board remained satisfied with the current internal agents.

15. The next meeting will be in early February in St. John's.

16. The meeting adjourned 4:05PM