

Approved Minutes

ADRP BOARD OF DIRECTORS MEETING
2:00 – 4:00 p.m., Tuesday, February 18, 2020
Monaghan Square Board Room, 6140 Young St., Halifax

Present: Heather Schellinck (Chair), David McNeil, Oriel MacLennan, Grace Paterson, Randy Barkhouse, Marek Kujath, Richard Apostle, David Mercer, David Tindall, Ed Leach.
Regrets: Peter Wallace, Phil O'Hara, Glenda Butts.

1. Adoption of the Agenda:

Two items were added to the Agenda, which was sent out the day before: 7) CURAC; and under Any Other Business (AOB), the Nominating Committee.

2. Minutes of Board Meeting of January 14, 2019

A. Approval.

A number of corrections were made, and some personal names were deleted. MOVED (McNeil/Apostle) that the minutes be approved. CARRIED.

B. Matters Arising

After some discussion, it was MOVED (Leach/Barkhouse) that approved minutes be posted to ADRP's website but not included in the *Newsletter*. CARRIED (7 for, 1 against, 1 abstention).

Richard Apostle asked if arrangements had been made for ADRP members to pick up their tickets for *Controlled Damage* if they were not planning to attend the lunch before the performance. No Board members knew the answer, so Richard agreed to get some clarification.

3. President's Report

Since Phil O'Hara was about to start his second week of chemotherapy and radiation treatments, he could not attend the meeting. Heather Schellinck as 1st Vice President, assumed the chair. She noted that Phil had circulated a memo before the meeting that could be accepted as the "President's Report." The first few items all had to do with arrangements for the present Board meeting. Phil then added the following:

1. I met with Stewart Cameron. He is setup to work with the web site. David McNeil is also setup with the same access. We haven't met to go over the details yet.
2. I bought a service called Jetpack for the website which ensures it runs as a secure site, provides statistics and does automatic backups. It is \$49 annually. I'll get the paperwork to Ed for payment soon.
3. I filled out our renewal documentation for CURAC and sent it along to Ed. He will need a 2nd signature on the \$300 cheque. I'm back and forth every day for treatment so can easily

drop by and sign it, but I think Grace is still able.

4. Treasurer's Report

Ed Leach circulated a report (see below) with the latest ADRP financial information earlier in the day. Some details were clarified, including the amount of the Dalhousie Account (\$2,999.16).

1. CUA Chequing Account. The balance in the CUA Chequing Account is \$1,794.93. There is an outstanding cheque to Neptune for \$1,794 and a deposit to be made of \$1,039.16. \$300 will be sent to CURAC.
 2. Savings Account. Balance is \$81.40.
 3. GICs.: There are now four term GICs with CUA. Values as of 02/17/2020 are #40 = \$10,441.96 (03/02/2020), #41 = 11,590.56 (03/02/2020), #42 = 19,849.00 (19/12/2020) and #43 = 10,000 (02/06/2023).
- Dalhousie Account: Balance unchanged at \$2,999.16. (This figure was verified by Ed Leach.)

5. Committee Reports:

A. Benefits

Peter Wallace was not present, but he had forwarded a report to the Board on the Benefits Committee meeting of Feb. 10th (see Appendix 1). Randy Barkhouse did make some remarks on the proposed reduction in premiums and the fact that more claims were being made by the employees rather than the retirees. A new method of administering insulin was being considered as a possible benefit. Richard Apostle raised what he described as an implied debate, which emerged about halfway through Peter's report. This debate seemed to be between those who wanted to favor coverage of routine items or items that were encountered by many members, as opposed to coverage of more expensive items that were normally only needed by a small proportion of members. Randy offered the relatively small coverage provide for hearing aids as an example. David Tindall made the point that if premiums were to go up to cover more expensive items that only affected a few members, it was logical to hypothesize that more members would opt out of the plan. In short there was a need to aim for widespread use of the plan for the plan to be viable in the long term. Heather Schellinck asked about measures for keeping those retirees under-65 informed about their benefit options. David McNeil responded by saying that he was an under-65 retiree in 2018 and that he had been very well informed of his options at his exit interview. However, it wasn't known if all exit interviews for under-65 retirees were the same.

B. Communications

Marilyn Klein commented on the need to have a co-ordinated strategy between the *Newsletter* and the website. For example, the *Newsletter* could serve as a kind of Table of Contents for the website, where more detail could be available for interested parties. Another question was the issue of how much to push the content—i.e., just

attach the *Newsletter* to an e-mail, or require members to find the *Newsletter* themselves on the website. She felt that the *Newsletter* editor should *de facto* be a member of the communications committee. Randy remarked that his understanding was that the communications committee did consist of the *Newsletter* editor, assistant editor and the website master, but he didn't know how often they actually met.

A co-ordinated strategy would also include good reasons for where to host the website, and management of the website should be a joint responsibility (i.e., not maintained by a single person). Any click of the link for ADRP on the Dalhousie website should automatically redirect to the new independent ADRP website.

The deadline for submissions for the next *Newsletter* is April 15th, which is timely given that the AGM is at the end of April.

C. Membership

Heather reported that there are approximately 670 ADRP members, roughly half of the total number of retirees. Only 35 ADRP members receive a physical copy of the *Newsletter*, and there are approximately 30 ADRP members with no known mailing address. The issue of getting Dalhousie to deduct ADRP dues automatically was discussed. It wasn't known whether this was due to an administrative failure on the part of Dalhousie HR, or a failure of members to grant their permission for dues to be deducted. In either case, it was felt that efforts should continue to make sure that dues are collected. Heather also emphasized the need to keep up-to-date contact information on members.

6. Other reports:

A. Pension Advisory Committee

Randy Barkhouse had circulated a report on the Pension Advisory Committee meeting of January 31st (see Appendix 2). So far this plan year (since July 1, 2019) the pension plan has performed fine, but as Dalhousie treasurer Colin Spinney reported, one wonders where future growth will come from as both bonds and equities are at such levels that one would not expect either to contribute much to asset growth in the next 12 months.

Many money managers have been waiting for a correction to this historically long lived 10-year-old bull market. When it does come, the pension funds will take a hit. The uncertainty is how much, and for how long.

That being said, if January and February gains hold to June 30, 2020, further automatic indexation in January 2021 seems possible.

There was some discussion of the of the *Pension Recipients' Audit*, specifically that pensioners will receive a letter from Morneau Shepell on behalf of Dalhousie

University regarding their pension. The letter will require the named recipient of the pension to sign a form indicating they are receiving their pension.

B. Seniors' College (SCANS)

Heather reported that the results of the membership survey had been processed (there were approximately 400 responses). Generally, the members were satisfied with the courses. The only concern was among HRM members who could not get into classes because of room capacity restrictions. Every effort will be made to find larger spaces suitable for SCANS courses.

The Spring Term has been planned (13 courses). Heather also indicated that she has now stepped down as Chair of the Curriculum Committee. While SCANS is healthy financially, the Curriculum Committee is always looking for new instructors and courses.

There is a public lecture on the 1918-19 Influenza Pandemic, which will be Monday, February 24th at the William Spry Centre.

7. CURAC

Grace Paterson said that there was a meeting (conference-call) last Wednesday. She had completed an article on medication policy for PMPRB (Patented Medicine Price Review Board). It will be published in the ADRP and the *CURAC Newsletters*. Grace reported that international issues regarding pricing were discussed. There was evidence that contradicted the claim that the United States bore more of the cost of development of pharmaceuticals than other countries. (The cost of drugs like insulin is much higher in the US than elsewhere.) Grace explained the PMPRB's role in the approval of drugs, and the use of a comparator-countries figure (11 countries).

Grace also mentioned that CURAC had gone through their archive and determined that there are two policies that had been adopted that pertained to benefits for retirees. The first was adopted at the 2005 CURAC meeting and contained two statements. First, it stipulated that "improvements or additions to health, dental, and travel insurance benefits that are negotiated for faculty and staff should also apply fully to retired faculty and staff." The 2005 policy also included the following: "any reduction in benefits or increase in premiums agreed to by faculty and staff associations or unions should not apply to retirees unless retirees participate in the negotiating process and that the changes are balanced by improvements in other benefits or pensions" (Statement, CURAC, May 12, 2005). The second policy adoption occurred in 2010, the first paragraph of the preamble reads as follows: "When people retire from Canadian colleges and universities they typically find themselves written out of contracts for services they previously enjoyed. These services are primarily research-related. Access to electronic journals and computer purchasing are cases in point. For institutions that value their retirees and avow the hope that they will continue to make a

contribution, these exclusions conflict with the institutions' publicly stated stance." The official policy adoption reads,

Therefore, CURAC espouses the principle of inclusiveness of retirees and commends the practice that when Canadian colleges and universities negotiate with external providers for research-related services they will understand "staff" and "faculty" to include retired staff and faculty and will expect this inclusive language when they sign agreements. (CURAC, Board of Governors, Feb. 22, 2010)

Grace reminded the Board that David McNeil had pursued this very issue with respect to Dalplex fees and benefits (e.g., tuition waivers) for Dalhousie retirees (see Matters Arising, ADRP Board Meeting, January 14, 2020).

It was determined that ADRP could help pay the expenses (approx. \$2,200) of one more Board member (in addition to Grace Paterson) to attend the CURAC meeting in Vancouver. David McNeil and Ed Leach said that they would consider attending.

8. Any Other Business

It was agreed that Richard Apostle would head up the Nominating Committee. The slate for any new board or committee members would typically go into the *April Newsletter*. Richard then asked members of the board if they were willing to stand for another year. Every member present indicated that they were willing to continue in their roles for 2020-21.

Ed Leach provided information on six up-coming conferences that may well be of interest to ADRP members:

1. NHNS, Designing the Future of Care - April 22-24, 2020;
2. Silver Economy Summit – May 19-20;
3. Age-Well Pitch Event in Halifax – June 4, 2020;
4. National Frailty Network – Sept 21, 22nd at the Westin (very clinical in focus);
5. Global Innovation Showcase - Oct 5 2020;
6. Innovate Care – Oct 6 Potentially held jointly with Global Innovation Showcase.

9. The next meeting is scheduled for March 17 (St. Patrick`s Day).

10. Adjournment

The meeting adjourned at 3:40 pm.

Appendices:

1) Summary of discussions of the Dal Retirees Benefits Advisory Committee Meeting, Monday Feb 10, 2020

Experience Review and Claims Analysis

Overview – renewal rates to go down to \$37.83 single and \$75.87 family

Rationale – premium amounts paid has gone up from \$194k to \$206k with charges to the plan at \$170k (claims, fees, admin, etc.) resulting in a surplus which gives an overall surplus (includes from SSQ, interest, carry over surplus from year prior, etc.) of \$36k.

EHB claims have been steady but premiums have increased through more members (491 to 531) Physio has increased +14% from last year along with nursing (+ 18%) and chiro (+29%) whereas medical equip dropped -20% and diabetic has dropped 67% from 2 years ago. Overall the increased have been cancelled by the decreases.

Total number of claims overall have held steady over the past 3 years (~2,000)

From the analysis it is projected that claims for the year ending May 2021 will be around \$160k (5% increase) resulting in a large surplus if maintain current premium rate.

Premium Holiday

\$157k is the current surplus amount and with pay out to all pre-1935 retirees the cost will be \$33k. This will result in a surplus beyond what the committee determined 3 years ago when decided to close out the fund in 5 years' time. At that time, it was projected that paying the premiums for all retirees born prior to 1935 would exhaust the fund. Seems the projection was too conservative and will last longer doing this.

Decided that we will continue to pay the premiums to those born in 1934 and before up to the ultimate disposal of the surplus. This is easy to admin and will ultimately benefit those most in need for the longest time.

Under age 65 analyses

Noted that the plan for those under age 65 is in a deficit of \$52k from being in surplus last year (+\$6k) with a minor deficit the year before (-\$6k). This year's deficit is offset by the surplus gained from the regular subscribers (regular employees) so is not a problem.

Mercer Marsh fees

Agreed to a 20% increase in consultation fees from \$7.5k to \$9k (has been no increase for 10 years so due).

Other Items

1. Abbott Free-Style Libre blood monitor: a committee member will look into the cost analysis if we want it to be included in plan on April 1, 2020. Will do an email around for comments once the costs have been assessed.
2. Overall assessment of plan: many of the plan's re-imbursements are essentially premium increases equal to the re-imbursement increases so any changes will affect premiums immediately. Vision and hearing aids are good examples of this. Our re-imbursements on these are at the low end of other plans in place, para-medicals are in the middle. Discussion rose about what is an insurance plan for; unexpected costs versus yearly or bi-yearly

expected expenses – i.e. an accident versus getting new glasses every 1 - 2 years. Any changes will likely result in an increase in premiums. The question is- will the membership agree to a 20% increase? Looks like this is might be a no go.

3. Changing the review date and ultimately the premium renewal date: Will be difficult to implement because SSQ plan involves more than us and so most likely will not change and so will be an administrative nightmare. Will also put us out of timing with the regular plan which also will be administratively a problem. We will have to get the membership to suggest changes at the Christmas general meeting and not the AGM if we want changes quickly.

Circulated by Peter Wallace

2) Pension Advisory Committee (PAC) Meeting of January 31, 2020

1. Financial Update

As of December 31st, the Going Concern Test applied to the Dalhousie Pension Plan found the Plan as slightly over funded at 100.9%.

The Dalhousie Plan is exempt from the solvency test which applies to most private plans. The solvency test establishes the adequacy of Plan funding on an immediate wind-up when Plan must pay out some amounts and buy annuities for existing members of the Plan. Dalhousie is exempt from the solvency test, because it is considered unlikely that the Plan will be wound-up with no Dalhousie assets to back-stop the Plan. The solvency test is applied to determine when the valuation of the whole plan should be undertaken; if the solvency deficit is more than 15%, then it will take place annually and if the deficit is less than 15%, than every three years. The solvency test is affected substantially by interest rates and the cost of annuities. For some time, interest rates have been low making the cost of annuities high.

Generally, Dalhousie Pension Plan investments have exceeded their hurdle rates (target rates) which is good news for January 2020 indexation. Board analysis are sounding a note of caution regarding continued good returns pointing to the length of the recent good run and the distorting influences on the market of certain large cap investments i.e., Amazon. Dalhousie is deliberately diversifying its holdings to include private equity and real estate.

It is noteworthy that the retirees trust fund assets are now nearly ½ the value of the whole plan: the PTF is worth \$760.6 million and the RTF is worth \$707.7 million for a total Plan value of \$1,468.3 million as of December 31,2019

2. Plan Administration

In March as part of the *Pension Recipients' Audit*, pensioners will receive a letter from Morneau Shepell on behalf of Dalhousie University regarding their pension. The letter will require the named recipient of the pension to sign a form indicating they are receiving their pension. There will be a follow up for forms not returned. A telephone line will be set up for questions.

3. Provision for Adverse Deviation (Pfad)

Even after a long delay, the provincial government has not yet introduced legislation to implement its proposed policy to add additional safeguards for adverse deviation to its pension legislation and in addition to promote the pension legislation's conformity to that of other jurisdictions. In the last PAC of Nov 6th there was extensive discussion of the policy, and as indicated in the notes to the ADRP, profound disagreement on whether the PfAD should be applied to the Dalhousie Plan in view of the already existing Plan provisions for adverse deviation. All ADRP members should be concerned over how the implementation might affect Plan provisions for indexing.

In view of the lack of legislation and information on how the new policy might affect the Plan, discussion was limited.

Circulated by Randy Barkhouse