# CUPA/ARUC
# Concordia University Pensioners' Association
# Association des Retraité(s) de l'Université Concordia

## MINUTES OF THE FIFTY-SEVENTH MEETING

**Wednesday, November 4, 2015 – 10:00 A.M.**
**Room H-767, Hall Building, Sir George Williams Campus**

1. Call to Order and President's Remarks

   President Bill Knitter called the meeting to order at 10:13 a.m.

   Bill welcomed all attendees and announced that Ann Soden would be the guest speaker at 11:00 a.m. Ann is an Elder Law lawyer and she will address issues of enhanced estate planning, planning for incapacity, end-of-life planning, housing and care options, mental capacity, legal representation and the prevention of elder abuse and financial exploitation.

   Bill recognized and read the names of Concordia retirees who had passed away since the Fall 2015 General Meeting. Bill welcomed new CUPARUC members and announced the names of all new members who had joined since the Fall 2015 Meeting.

2. Approval of the Agenda

   The agenda was approved.

3. Minutes of the Meeting of April 30, 2015

   The minutes of the April 30, 2015 meeting were distributed. The minutes were adopted unanimously.

4. Business Arising from the Minutes

   There was no particular business arising from the Minutes other than what appears under Reports or elsewhere in the Agenda.

5. Reports

   5.1. Financial Report and Membership Statistics

   The Interim Financial Statement for the period June 1, 2014 – May 31, 2015 was made available to all attendees. Bill Knitter presented the financial report on behalf of Garry Milton. He informed members that the balance on May 31st was $15,156.10 and the balance on August 31st was $21,421.03. The total revenue since June 1, 2015 is $15,422.02, which is made up from membership fees, net receipts from the annual dinner as well as a $500 contribution from Concordia. Total expenses to-date are

$10,128. The major expenses relate to the general meetings and events ($5,757), printing of the newsletter and meeting documents ($1,046) and postage costs for the mailing of the newsletters ($1,110). The association also spent $993 in legal fees for opinions related to the anticipated new pension legislation.

To-date, there are 285 active paid members for the 2015-16 year. An additional 148 members have paid dues at some point over the past four years but have yet to renew for the current year. It should be noted that all mailings go out to all paid members as well as to anyone that has paid membership fees over the past four years.

5.2. Pension and Benefits Committees

Bill Knitter introduced Howard Fink (Chair, Pension and Benefits Committee) and George Tsoublekas (CUPARUC Alternate Pension and Benefits Representative) and thanked them for their work on the Benefits and Pension Committees on behalf of CUPARUC.

5.2.1. Benefits Committee

Howard presented the written report he had prepared, which was made available to all attendees and is appended to the minutes.

5.2.2. Pension Fund

George Tsoublekas presented the written report he had prepared on the performance and state of the pension fund, which was made available to all attendees and is appended to the minutes. George noted that his report is based on preliminary unaudited data.

5.3. Social Activities Committee

Wendy Hedrich (Chair, Social Activities Committee) reported that the Christmas luncheon will be held on December 10th in the Refectory on the Loyola Campus. Proposed social activities are listed in the newsletter. Please contact Wendy if you are interested in attending any of the events or if you would be interested in organizing one or more events in the upcoming year.

Wendy requested that if anyone has ideas for social events to please let her know.

5.4. Scholarship Committee

A written report was made available in the Fall 2015 Newsletter. Mary Baldwin (Chair, Scholarship Committee) reported that four graduate awards would be awarded, 2 to students in Arts and Science, 1 to Engineering and Computer Science and 1 to a student in JMSB. Mary reminded everyone to note the Scholarship Fund on the Annual Giving Form.

Mary remarked that the students who receive our awards are always most appreciative. She encouraged all present to be generous in order that our fund can grow.

5.5. Technical Committee

Roger Kenner (Chair, Technical Committee) noted that the website is up to date, including the latest newsletter. He encouraged people to check the website on a regular basis as the "Latest News" section on the home page is kept current with the most recent information about upcoming meetings, events and news.

The list serve has been changed to cupa@lists.concordia.ca

Roger noted that it is a challenge keeping the membership list up-to-date. If you check the list of members on the website, the names are in different colours if an email is not active or unavailable.

5.6. Newsletter / Issue with Retiree's Email Addresses

John Woodrow (Chair, Newsletter Committee) noted that the Spring newsletter had been mailed to members and posted on the website thanked everyone.

John noted that two newsletters per year are sent out to the members. If anyone is interested in taking over as editor of the newsletter, please contact John or Bill.

5.7. Membership Recruitment

Doreen Hutton (Chair, Membership/Recruitment) submitted a written report she had prepared, which was made available to all attendees and is appended to the minutes. Thank you to both Doreen and John for working with Human Resources recently on membership recruitment.

5.8. Relations with Other Associations

No report

6. Other Business

Bill reminded everyone that the Christmas lunch will be held at Loyola and encouraged everyone to attend for good food, nice location.

Bill introduced members of the Executive Committee and thanked all members for their service and noted that they were a great group of people to work with.

7. Next Meeting

The Spring General Meeting is tentatively scheduled for 10:00 a.m., the last week of April,

2016, on the Loyola Campus.

8. Adjournment

The meeting was adjourned at 10:52 a.m. following a unanimous motion. The formal meeting will be followed by a talk from our guest speaker, Ann Soden, who will speak on putting our financial house in order.

Following the meeting we were treated to lunch by the Concordia Centraide Committee. A presentation was given by a representative from Centraide during the luncheon encouraging everyone to make a donation to this worthwhile cause.

Minutes submitted by
Wendy Hedrich
April 29, 2016

REPORT: CONCORDIA BENEFITS COMMITTEE, last 6 months to Oct, 2015
for CUPARUC general meeting, November 4, 2015 Howard fink.

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In brief, there were three meetings of this Committee since our April CURAC General meeting: on May 13, August 31 and October 22. The most important topic in all these meetings was the issue of the Quebec government's legislation to make major changes to universities' pension arrangements with their employees.--of which more in a moment.

Among insurance issues was the decision to transfer our various insurance surpluses from the insurers to the Concordia Foundation, where they could now hope for considerable increases in
interest. I was assured that the amounts of each separate surplus, and any increase, would be separately recorded. Concerning insurance coverage for medications, it was confirmed that Desjardins insurance covers 80% of drugs on the Quebec RAMQ list, and 50% of prescribed drugs NOT on that list. (For those over 65, Desjardins and RAMQ together pay the same percentages as under-65s receive.). Two benefits insurances were renewed: The optional Accidental death and dismemberment policy (no premium increase). The Optional Life Insurance policies (surplus, no premium increase).

On August 31 it was announced that the Board had decided it was not necessary for the Chair of this Committee to be a member of the Board. This change in the pension Plan text was passed, and Ms. Saputo became the new Chair of this Committee.

On October 22 the discussion concerned the annual renewal of the Health, Vision and Dental insurance policies. The Health policy for 65s and over might have been renewed with a premium increase of 12.6% while under 65s had no increase. But the Committee was convinced that the alternative, a 2,9% increase for all employees and retirees would be fairer, ant it was so passed. There was no increase of vision premiums. Dental care premiums increased by 25%.

On the subject of universities' pension changes, the Quebec government has again delayed the tabling of the Bill in the national Assembly. Hence there is no "hard" news, though in meetings with universities, the government committee has finally retreated from its position that indexation to retirees might be reduced or cancelled—that is, on this one issue of direct concern to retirees, indexation will continue as before, both concerning indexation benefits already earned, and future credits. As I said, this is not hard news because the Bill has not been passed, but it does seem among the most certain of Government decisions on the pension issue.

**CUPARUC General Meeting of November 4, 2015**

**Report on the Pension Fund – Preliminary Unaudited Data (by George Tsoublekas)**

- The return net of fees of the current portfolio in Cdn$ for the first 9 months of 2015 was 5.82%. This rate is not annualized and is cumulative and incremental on a monthly basis. It has been affected negatively by the turbulence in the markets during the months of August and September.

- The annual target rate that is considered to be the base rate for going concern and is used in all projections with regard to the obligations of the plan is 6%, which prorated for the first 9 months would correspond to 4.47%. Therefore, in spite of the market volatility, the pension fund is ahead of its target.

- The new structure of our portfolio limits the impact of violent moves in the market through diversification. Thus, the performance of all three categories of investments (capital preservation, growth, and diversification) has been strongly positive and above their respective benchmarks.

- Very important among the indicators that are used to judge performance is the Sharpe Ratio. The Sharpe Ratio gives a measure of the risk undertaken for the return that is being realized (extra return per unit of volatility). In other words, this is a risk-weighted return and the higher this ratio is the better. Our fund's annualized Sharpe ratio, as of September 30, stood at 2.3, which is very good.

- The performance of our fund to date compared to others, according to the data compiled by CIBC/Mellon is as follows:
  - In terms of Annualized Returns, we are
    - In the middle of the top quartile among 98 pension funds of comparable size, and
    - At the top among 9 university pension funds
  - In terms of Annual Sharpe Ratio, we are
    - At the top among 97 pension funds of comparable size, and
    - At the top among 9 university pension funds
  - A reminder that needs to be made here is that, our actual performance is even better than what is shown in the CIBC/Mellon's statistics because our return is expressed in net terms while the returns of the other funds are in gross terms.

- It is worthy to remember that about 30% of the fund is in US$ and thus we have benefited from the US$ strength. On the other hand, prudence requires that foreign currencies be hedged to limit losses in case of their weakness. For the moment hedging is done passively for 50% of the portfolio in foreign currencies and is executed for us by CIBC. Hedging has a cost which reduces our return. In the case that we stayed un-hedged, the net return would have higher.

- The Pension Plan is still underfunded. However, the fund's good performance helps in gradually closing the gap.

- The focus of the new asset allocation is capital preservation. Thus, the Plan is expected to slightly underperform in good times but to perform well above average in bad times; while the returns that the Plan now achieves are at a lower risk.

- From the point of view of strategies, the portfolio is allocated as follows:
  - 68% capital preservation
  - 24% growth
  - 8% diversification

- From the point of type of investment instruments, the portfolio is invested as follows:
  - 42% in equity strategies
  - 48% in fixed income/credit strategies
  - 4% in real asset strategies
  - 5% in other strategies, and
  - 1% in cash.

- It should be noted, however, that these strategies are constantly changing and consequently the percentages may be modified, but the basic philosophy remains.

- One of the guiding principles of our Investment Policy is to invest in assets that are easy to be liquidated within a short time without a great amount of loss. Thus, about 46% of our assets could be liquidated, if needed, daily. 28% could be liquidated monthly and 23% quarterly. 3% are in private equity considered to be illiquid. In a nutshell, 97% can be liquidated within 90 days, which is better than the limit of 80% in 90 days set in the guiding principles of our Investment Policy.

- As of September 30, 2015, there are two managers who had still not been assigned their allocated funds: Ruffer in the Tactical Allocation group and UBS in the Private Real Estate group. All paperwork has been completed and their allocations were expected to be realized within October 2015.

- The Investment Sub-Committee has been going through two interviews per month of existing investment managers who are quizzed about their strategies, changes in personnel, and their views about international developments

- In addition, the Investment Sub-Committee has been going through interviews of other investment managers who present their investment strategies for the possibility that Concordia would like to invest with them. The idea is to potentially get to other forms of investment, within the spirit of portfolio diversification with as many investment types that do not correlate with existing investments. Low correlation among investments implies that when the market goes down, not all of them do.

**Concordia University Pensioners Association - CUPARUC**

**Annual General Meeting - November 4, 2015**

***Report on Membership Initiatives***

The Membership Report submitted at the AGM on April 30, 2015, outlined one of the challenges which CUPARUC has been facing with respect to reaching out to retirees who are not members. For reasons of confidentiality, we have not been privy to their contact information, which encumbers our ability to encourage them to join the Association.

However, as of now, we have overcome this obstacle somewhat, and the following initiatives have been put into practice.

1) The Department of Human Resources has agreed, indeed, suggested, that as part of the retirement process that they are willing to include, a form which gives the retiring employee the option to release their contact information, or not. Their choice.

*The retiring employee also has the option to retain their Concordia e-mail address,* and to allow this e-mail address to be submitted to CUPARUC. This will in turn allow CUPARUC to send direct e-mail notifications related to Pension, Benefits, Social Events and other issues of interest to all retirees.

2) The Department of Human Resources also agreed to send out as a mass mailing to all retirees (members or not) a copy of the CUPARUC Membership Form, which includes a brief overview of the history of CUPARUC, as well as some brief information of the benefits of becoming a member.

The CUPARUC Executive wishes to extend its' sincere appreciation to the Department of Human Resources, for their willingness to listen, to provide support, and to continue to act in the best interest of the Association.

Respectfully submitted
Doreen A. Hutton
Membership