

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

MINUTES OF THE SIXTIETH MEETING

Thursday, April 27, 2017 – 10:00 A.M.
Room HC-155, Hingston Hall, Loyola 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 Concordia President Alan Shepard would be the guest speaker at 11:00 a.m.

Bill informed the members that this is his last meeting as President as he has now completed his third two-year term, which is the maximum permitted by our constitution. He noted that as this is the Annual General Meeting, elections for the Executive Committee would be held later in the meeting. Bill thanked all the Executive Committee members he has worked with over his term for their support and commented upon how much he appreciated his time as President.

Bill recognized and read the names of Concordia retirees who had passed away since the Fall 2016 General Meeting. Bill welcomed new CUPARUC members and announced the names of all new members who had joined since the Fall 2016 General Meeting.

2. Approval of the Agenda

The agenda was approved.

3. Minutes of the Meeting of November 2, 2016

The minutes of the November 2, 2016 meeting were distributed. The minutes were adopted with the following change:

3.1. Item 5.5: The final sentence was changed to read "Bill noted that the CUPARUC website is no longer hosted by Concordia and that CUPARUC has contracted with an outside firm for our hosting needs, which opens up possibilities that didn't exist previously."

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, 2016 – April 25, 2017 was made available to all attendees. Garry Milton (Secretary/Treasurer) presented the financial report. He informed members that the balance on April 25th was \$21,086.51. The total revenue since June 1, 2016 is \$8,003.65, which is made up from membership fees and net receipts from the annual dinner. In addition, the association will be receiving a \$500.00 contribution from Concordia this year. Total expenses to-date is \$6,047.95. The major expenses relate to the general meetings and events, printing of the Newsletter and meeting materials and postage costs related to the mailing of the newsletter packages.

Questions related to the level of financial support received from Concordia to CUPARUC were raised. There was a general feeling by many members present that the University should do more to support the Association, both financially and otherwise. It was noted that the Executive shared this concern and would pursue this matter over the upcoming year.

A copy of the Interim Financial Statement is attached to the minutes.

There are 316 active paid members for the 2016-17 year. An additional 140 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 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

5.2.1. Benefits Committee

Howard Fink (CUPARUC Representative, Benefits Committee) presented the written report he prepared, which was made available to all attendees and is appended to the minutes.

Howard noted that the University has responded to the new government regulations related to pension plans and reviewed the major elements of the changes and the comprehensive communications program underway to explain the details of the new plan. He noted that all current employees must declare whether they wish to stay in the pension plan. To date, 18% of the active members have submitted forms with the vast majority opting to stay in the plan. Howard emphasized that for current retirees, there are no changes to pension benefits, including indexation. Howard also reported that despite some discussion regarding splitting the pension plan into several plans based on constituencies, a single plan representing all Concordia employees has been retained, which was the University's and CUPARUC's desire.

Howard commented that the focus and energy of the Benefits Committee has been

on the implementation of the new pension legislation. As a result, there has been little time to consider other benefits issues. However, it is likely that health and other insurance benefits may soon be a focus of attention, with the intent of the University to decrease costs. There is a possibility of the University re-opening the “flex-plan” debate. Howard emphasized our need to be vigilant on such issues in order to ensure that retirees are remembered and protected when changes to benefits are being considered.

5.2.2. Pension Fund

Hal Proppe (CUPARUC Representative, Pension Committee) 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.

Hal thanked Howard Fink and George Tsoublekas for their work on the Pension Committee and the Investment Subcommittee over the past many years. He noted that the pension fund is managed quite differently now than in the past and praised their effort and experience in moving the transition forward.

Hal noted that the value of the pension plan should hit the \$1 billion mark by the end of the year, which is important in attracting investment managers.

Hal reported that for the first time in many years, our pensions would be indexed. Although the final calculations are still underway, it is likely to be somewhere between .7 – 1%. The indexation will be effective June 1 and the payout should occur on July 1, retroactive to the first of June.

5.3. Social Activities Committee

Wendy Hedrich (Chair, Social Activities Committee) reported on successful outings to the Centaur Theatre for the plays *You Will Remember Me* and *Clybourne Park*. The plays were preceded by enjoyable lunches at Stash’s restaurant.

Upcoming events include Million Dollar Quartet at the Segal Centre, the Chagall Exhibit at the MMFA, the McCord Museum for the Fashion at Expo 67 and Aislin exhibits, the Centre d’Histoire de Montréal and the Aura show at Notre Dame Basilica. Emails will be sent out to all members with more information about the events.

Wendy made her regular appeal for people to join the committee and/or to help with organizing events. Bill thanked Wendy for organizing the events over the past year, including the annual Christmas luncheon.

5.4. Scholarship Committee

Mary Baldwin (Chair, Scholarship Committee) presented the written report she had prepared, which was made available to all attendees and is appended to the minutes.

Mary highlighted the fact that this is the last year the University will top-up the money generated from the endowment fund in order to maintain the number and value of the scholarships and bursaries at the same levels as in the past. As a result, there may be fewer awards and at a lower level in 2017/18.

Mary informed everyone that this has been her last year as the Chair of the Scholarship Committee and thanked Joanne Locke for her assistance over the past year. She noted that Joanne would be taking over the portfolio in June and that the portfolio is in very good hands under Joanne's leadership.

Mary encouraged all present to be generous when the annual campaign begins in order that our fund can grow.

Bill Knitter thanked Mary for her dedication and diligent work in moving the scholarship portfolio forward over the past ten years and presented her with a gift on behalf of CUPARUC.

5.5. Technical Committee

Roger Kenner (Chair, Technical Committee) presented the written report he had prepared, which was made available to all attendees and is appended to the minutes.

With respect to the website, Roger noted that we pay annually for the domain name and that we pay hosting fees for a three year term, which allows us to maximize our savings.

Roger 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. He reminded everyone for social events, to respond to Wendy directly rather to the general email address.

5.6. Newsletter

Craig Buchanan (Newsletter Editor) referred all present to the written report he had prepared, which was made available to all attendees and is appended to the minutes.

5.7. Membership Recruitment

There was no report.

5.8. Relations with Other Associations

There was no report.

6. Election of 2017 – 2018 Executive Committee

Bill Knitter noted that as his term has finished, he would be staying on as the Past President. He also noted that Mary Baldwin is resigning from the Executive Committee and that Joanne Locke has agreed to takeover the Scholarship portfolio from Mary. He further noted that the Executive Committee has unanimously nominated Garry Milton as the next President. All other Executive Committee members are in the middle of their two-year terms and are, therefore, not up for election.

Bill asked if there were any nominations from the floor and noted that if Garry is elected as President, the Secretary and Treasurer positions will be vacant. As there were not any nominations forthcoming, Garry Milton was acclaimed as President.

The 2017 – 2018 Executive Committee is as follows:

President: Garry Milton

Vice President and Benefits/Pension Committee Representative: Howard Fink

Past President: Bill Knitter

Alternate Benefits/Pension Committee Representative: Hal Proppe

Secretary: vacant

Treasurer: vacant

Member at Large and Scholarship Committee: Joanne Locke

Member at Large and Social Committee: Wendy Hedrich

Member at Large and Web and Electronic Media Chair: Roger Kenner

Member at Large and Newsletter Editor: Craig Buchanan

Members at Large: Nancy Helms, Joyce Payan, George Tsoublekas.

7. Other Business

There was no additional business.

8. Next Meeting

The Fall General Meeting is tentatively scheduled for 10:00 a.m., the last week of October 2017, on the Sir George Williams Campus.

9. Adjournment

The meeting was adjourned at 11:00 a.m. The formal meeting will be followed by a talk from our guest speaker, Concordia President Alan Shepard, entitled “The Future of Higher Education”.

Minutes submitted by

Garry Milton

October 29, 2017.

CUPARUC
Interim Financial Statement for the Period
June 1, 2016 - April 25, 2017

Opening Balance May 31, 2016 \$19,130.81

INCOME

Membership fees	\$6,606.65
Net Receipts - Annual dinner	\$1,397.00
Concordia contribution	\$0.00

TOTAL INCOME	<u>\$8,003.65</u>
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EXPENSES

General Meetings & Events	\$3,653.66
Legal Fees	\$0.00
CURAC Membership	\$226.50
Website	\$26.77
Gifts	\$0.00
Postage	\$766.83
Printing & Copy Centre	\$727.88
Stationery and Supplies	\$146.36
Telephone Rental	<u>\$499.95</u>

TOTAL EXPENSES	<u>\$6,047.95</u>
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NET INCOME	<u>\$1,955.70</u>
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Closing Balance as of April 25, 2017	<u><u>\$21,086.51</u></u>
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April 25, 2017 (AGM)

Concordia Benefits Committee Report

2017 CUPARUC Spring Annual General Meeting

First, to remind you, the Concordia Benefits Committee (as well as its Working Group) is a sub-committee of the Board, to make recommendations to the Board concerning all employee and retiree benefits. In the past several years the Benefits Committee has simply concentrated on developing detailed recommendations concerning Concordia University's accommodation to the new Quebec Government regulations concerning pension premiums and benefits. The Benefits Committee has therefore not taken up any other issues in the past several years. I'll say something on this below.

As for our work on the new pension regulations, the original government proposals included requiring retirees to participate in repayment of deficits--mainly through removal of indexation. In the final version of the government regulations, however, retirees' benefits, including indexation, were unchanged. In other words, for all retiree benefits (and those of all other non-actives), in the end it was the status quo.

I won't go into the details of the changes in premiums and deficit repayment for actives. The major points are that actives will be retaining all their minor pension benefits, including indexation in retirement. Also, individual Actives will by January 2018 be paying increased premiums equivalent to 45% of the annual premium costs--while the University will pay 55%, as regulated by the government. The increase in premiums for actives will be approximately 3.5% of salary and actives and the University are sharing past and future pension deficits.

The University and the Benefits Committee have developed a thorough and comprehensive program to explain all the details of the new Plan, as affecting each individual active member. Since the category of non-contributors has been abolished by the government (though their past earned benefits will be honoured) each such member will have to formally decide whether to become a contributing member (at a premium of up to 9.5% of salary) or to withdraw from the Plan. That decision can be delayed however. It was decided to extend this delay (in some form) to previous contributors as well as future employees. Individual decisions will have to be reported, by means of a form, by September 27th of this year.

Unlike the past, actives' pension premiums can no longer be defined in precise terms, because each year they must be figured as a percentage (45%) of the total of that year's premium costs - and those costs will differ depending on the total number of active members. Every two or three years there will be a formal valuation of the pension fund, and the contribution rates will then be adjusted to maintain the 45% - 55% split. The University is keeping a record of the numbers of individual forms received, and of the numbers of positive active members on these forms. There are some four thousand individual active members, and the deadline (as I have said) is next September. Nevertheless, 186 forms have been received by March. Of these, 185 have decided to join the Plan as contributors, which, despite the minimal numbers, is encouraging.

As I said, the Benefits Committee has not been dealing with any other benefits apart from pension benefits. However, rumour has it that the issue of health and other insurance changes may soon be re-opened.

Howard Fink,

CUPARUC Representative, Benefits Committee

Report on Pension Fund

CUPARUC Spring 2017 Annual General Meeting

Preliminary estimates show that the overall return of the pension fund in 2016 was just over the long-term objective of 6% (the exact final figure will be in the financial statement for 2016). The moving three-year average for our plan is 8.2 %, which is well above this long-term target of 6%. Our plan's performance last year compares favourably with other Canadian pension plans of similar size.

The fund has 23 managers, investing in three broad categories: capital preservation, growth, and diversification. These categories or investment strategies are set out in a detailed Investment Policy approved and recently updated by the Pension Committee. Returns for all three were positive in 2016 and the rolling five-year averages were all above their respective targets.

Some of the managers show acceptable negative returns from time to time because of market fluctuations, but occasionally it is necessary to change a manager whose performance at an unsatisfactory level persists. This happened with one of our managers at the end of 2016, and that portion of the portfolio was split and assigned to two new managers who share expertise in a specialized investment area (see below).

The Pension Committee, through its Investment Subcommittee, has mandated a formal performance review of all 23 managers, beginning this spring.

The Investment Policy seeks to optimize the rate of return while minimizing the risk. Because of the large number of managers our investments are considerably diversified. One measure of diversification and (therefore reduced risk) is a low correlation of the monthly returns between different managers. As of December 2016, only 6 of 253 correlations (i.e. of returns over a 36 month period) were greater than 0.7 and only 2 of them greater than 0.75. Another measure of risk is the Sharpe ratio: 1 is good, 2 is very good. Our Sharpe ratio for 2016 was 1.7, and for the last 3 years it was 1.9, in the top 5% of 88 comparable pension funds.

The Investment Subcommittee is continually looking for additional ways to diversify by familiarizing itself with new investment possibilities. If there is preliminary agreement, usually after a presentation by an expert in the area, a rigorous process is initiated and generally involves a lengthy search with meetings over several full days to interview the finalists. Such a search was recently completed, and a small percentage of the fund has been allocated to two companies that specialize in Insurance-Linked Securities – essentially re-insurance to cover costs of extreme events such as hurricanes and earthquakes in the U.S.A.

In summary, the pension fund is doing well. The changes to the pension plan that were approved by the Board of Governors affect only active members, and then only as of January 1, 2018. No benefits have been modified for any members, active or inactive, except for the discontinuance of the non-contributory option as of next year.

Respectfully submitted,

Hal Proppe

Concordia University Pensioner's Association Scholarship Report for 2016-17

The Concordia Retired Faculty and Staff Awards Endowment Fund was established in 2002 through the generosity of Concordia University Pensioners' Association (CUPA) members at that time, and the hard work of the late John Hall. The endowment is the result of the agreement between the University and CUPA to use the proceeds of the demutualization of the Sun Life Insurance Policy to fund scholarships in the name of retired Concordia employees. These awards are funded from the investment of the original endowment, plus additional gifts, and are managed by the Concordia University Foundation (CUF).

The annual payout is divided equally between graduate and undergraduate awards. Recipients are selected by the University, must be Canadian citizens or Permanent Residents, and must have completed one year of full-time studies at Concordia. Awards are not renewable, but recipients may be eligible, and re-apply in successive years.

In recent years changes to the investment policies of the Foundation have been implemented to safeguard the value of endowments over time. Starting in 2014-15, the annual payout from endowments was reduced from 5% to 3.5%. The University agreed to supply top-up funds to cover the 1.5% payout adjustment for three transition years, of which 2016-17 is the last. It was hoped that the new investment policies introduced in 2014 would lead to stronger and more stable performance of the Foundation, and the actual 3.5% payout has increased slowly over the last three years from \$26,372 for 2014-15 activities to \$29,056 for 2016-17 activities, which the University topped up each year to \$40,000.

At the graduate level Faculties now choose the recipients of our awards, while Graduate Studies ensures an equitable distribution across graduate programs and monitors the process and payments to ensure the conditions of the awards are met. Normally four awards of \$5000 were given each year. However, in 2016-17 due to changes in the timing of distribution of awards by the Faculties, and accounting problems which did not adequately include future commitments, as Graduate students are paid in three instalments, it appeared to Graduate Studies that more money was available, so a total of seven awards were distributed to the Faculties, thus creating a deficit against the 2017-18 payout. Cynthia Raso was appointed Manager of Graduate Awards late in the fall; Joanne Locke and I met with her several times and she investigated the source of the problem, which has now been rectified. The prediction is that there will be sufficient funds for one graduate award in 2017-18 after clearing the deficit. It has been a pleasure to work with Cynthia, as the process of distribution and monitoring is quite complex.

At the undergraduate level four bursaries of \$2450, and four scholarships of \$2450 have also been awarded, one of each in each of the four Faculties. The scholarship recipients were: Emilie Brussat (B.Sc., Major Exercise Science; Ioannis Georgantas (B.Eng., Computer Engineering - Co-op); Gabrielle Montpetit (B.F.A. Major Art History -Co-op); and Charles-Olivier Boucher (B.Com, Major Accountancy - Co-op).

Going forward to 2017-18 there will be no further top-ups, so fewer awards will be made at both levels, and the number may fluctuate year to year depending on the performance of the Endowment. Graduate Awards will remain at \$5000, and Undergraduate scholarships and bursaries will not fall below \$2000 each.

On March 28th the Concordia Donor and Student Awards Celebration was held at the Omni Hotel; Bill Knitter and I attended and met two of this year's recipients Gabrielle and Miriam. Gabrielle is graduating in June with a BFA in Art History, and plans to go on to a Masters in Art History documenting art and architecture of old churches on reservations. Miriam will graduate with a Masters degree; her work is at the intersection of web design, search engines and artificial intelligence and she already has a job lined up. It was interesting to hear about their programs and plans, and both Gabrielle and Miriam wanted us to be sure to let the retirees know how very much they appreciated the financial help and the confirmation of their academic aspirations which receipt of a scholarship/award gave them. I also had the opportunity to meet Victoria Pilger, who is replacing Valerie Rosen as our contact with the University Advancement Office while Valerie is on maternity leave.

In fund raising campaigns such as Annual Giving, in order to designate gifts to our fund, the Concordia University Retired Faculty and Staff Scholarships and Awards Endowment, we must use the "other" box and fill in the name of our fund – we really need donations. The students who receive our awards are always so appreciative and deserve all the support we can give - so be generous please.

This year I have very much appreciated Joanne Locke's assistance with the scholarship portfolio and she will be taking over in June, as I have completed my term on the CUPARUC Executive Committee.

Mary Baldwin, April 24th, 2017.

Concordia Pensioners' Association Web Site

<http://CuparucConcordia.ca>

A reminder of some features of your web site:

- 1) **Timely announcements** of events and other information are shown on the opening page. Where possible, **links** provided by speakers to additional materials are included. You can also find the *full* copy of the latest newsletter.
- 2) There is a **library of the minutes** of our Spring and Fall General Meetings, going back to the founding of Cuparuc in the late 1980s.
- 3) There is **library of former newsletters**, back to the first one in 1992.
- 4) There are **pictures from social events**, such as the Christmas luncheons. These go back to 2005. (If you have pictures or announcements from earlier events, please share them.)
- 5) The **Membership Page** contains:
 - a. **A list of all members.** Names are in two colours, indicating whether we have or do not have a current email address. When announcements sent on our *listserv* bounce back to us, we take you off the list and change the colour.
 - b. **A list of new members.**
 - c. **A list of recently deceased pensioners**, whether members or not.
 - d. We do not give out people's email addresses, but if someone wishes to reach you, they may write to me and **I will forward their message** on to you.

Roger Kenner
Webmaster
roger@rogerkenner.ca

Newsletter Annual Report

2017 CUPARUC Spring Annual General Meeting

The CUPARUC newsletter is published at least twice a year to coincide with our semi-annual meetings. The first four pages are mailed out to all active members and those who have been active in the past two years. The entire newsletter is available on our web site at cupaconcordia.ca. We mail out only the first four pages in an effort to keep printing and mailing costs down. In our most recent edition we included an offer to those without access to the web edition the opportunity to request the full newsletter by mail.

The newsletter regularly carries an article from our president, an update on our pension and benefits committees, as well as an update on the pensioners' scholarship fund. We also have information about upcoming social events for our association. In each edition we try to have one or two articles of interest that are written by members of CUPA. We welcome other authors to contribute their own original writing, in English or French, for inclusion in an upcoming edition. If you would like to contribute, please contact the newsletter editor at craiglangbuchanan@gmail.com.

Craig Buchanan