



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.  
BOARD OF DIRECTORS**

MINUTES of the meeting of the Alberta Local Authorities Pension Plan Corp. Board of Directors, held on December 15, 2017, in the Local Authorities Pension Plan Board Room, Suite 1202, 10250 – 101<sup>st</sup> Street, Edmonton.

**Board members**

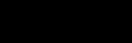
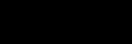
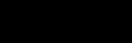
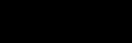

**Present:**

- D. Sander - Chair
- T. Agoto - Vice-Chair
- K. Balkwill
- S. Bradshaw
- K. Craig
- T. Giesbrecht (by phone)
- P. Marsden
- S. Pusch
- H. Rogers
- L. Thompson
- R. West
- J. Whaley

**Absent:**

- S. McGillivray

**Staff/Board Advisors (Present at the request of the Board):**

- , President and CEO
- , Vice-President, Stakeholder Relations and Communications
- , Vice-President, Investment Policy and Risk Management
- , Vice-President, Pension Policy and Funding
- , Board Secretary

**NEXT REGULAR BOARD MEETING SCHEDULED FOR: February 23, 2018**



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.  
BOARD MEETING  
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December 15, 2017**

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D. Sander, Chair convened the Board of Directors Meeting at 8:00am on December 15, 2017 with 12 Board members present.

## **CONFLICT OF INTEREST DECLARATION**

The Chair asked if any Board member had any conflicts of interest to declare. Hearing none, the meeting commenced.

### **1. IN CAMERA WITH THE CEO**

██ joined the meeting at 8:15 am.

### **2. APPROVAL OF AGENDA**

**MOTION AL17:12:01** That the Board of Directors accept the agenda as amended.

**Carried 12-0**

### **3. APPROVAL OF MINUTES – November 17, 2017**

**MOTION AL17:12:02** That the Board of Directors accept the minutes of the November 17, 2017.

**Carried 12-0**

### **4. BUSINESS**

#### **4.1 Management's Business Report**

The ALAPP Corp. CEO provided an update to the Board on the process optimization review currently underway at APS. The ALAPP Corp. VP, Pension Policy and Funding provided an update to the Board about contribution rate integration with the YMPE and the upcoming Next Gen plus amendments.

D. Sander and T. Giesbrecht declared a conflict of interest.

*D. Sander and T. Giesbrecht left the meeting at 8:45am.*

**As quorum was lost, the Committee of the Whole commenced.**

T. Agoto assumed the Chair.

The Committee discussed the contribution rate decrease implementation by employers, the authority of the Board over employers' actions, the cost of early implementation and past practice of contribution rate changes. The Committee directed the CEO to prepare a letter to the Minister outlining the issues.

*D. Sander and T. Giesbrecht joined the meeting at 8:55am.*

D. Sander assumed the Chair.

**The Committee of the Whole adjourned, and the Board of Directors meeting resumed.**

**MOTION AL17:12:03** That the Board receives this report for information.

**Carried 12-0**



#### **4.2 2017 Business Plan Completion**

The ALAPP Corp. CEO provided an overview of the report to the Board.

**MOTION AL17:12:04** That the Board receives this report for information.

**Carried 12-0**

#### **4.3 Annual Strategic Plan Review**

The ALAPP Corp. CEO provided an overview of the report to the Board.

**MOTION AL17:12:05** That the Board reviews the LAPP Strategic Plan: 2017-2019 and confirms it in its present form the next year.

**Carried 12-0**

#### **4.4 Annual Strategic Policies Review**

The ALAPP Corp. CEO provided an overview of the report to the Board. There was discussion about the ongoing long term funding strategy review.

**MOTION AL17:12:06** That the Board approves the amendments to the Ten-Year Master Planning Calendar as recommended.

**Carried 12-0**

#### **4.5 Annual SIP&G Review**

The ALAPP Corp. VP, Investment Policy and Risk Management, provided an overview of the report to the Board.

There was discussion about AIMCo's implementation of the changes, responsible investing and the renewable resource pool.

**MOTION AL17:12:07** That the Board of Directors recommend that the Board of Trustees approve the amended Statement of Investment Policy and Goals.

**Carried 12-0**

#### **4.6 2018 Budget Review**

The ALAPP Corp. CEO provided an overview of the report to the Board. There was discussion about the letter from the Minister and subsequent correspondence from department officials.

**MOTION AL17:12:08** That the Board approve discretionary budget restraint measures for 2018 as recommended, and that the Chair communicate such measures to the Minister, in response to the Minister's request.

**Carried 12-0**



#### **4.7 Conflict of Interest & Ethics and Conduct Policies – Annual Review**

Each Board member present confirmed their adherence to the policies and submitted the completed certificates to the Board Secretary.

#### **4.9 2017 SRC Plans Review/ 2018 Plans**

The ALAPP Corp. VP, Stakeholder Relations and Communications provided an overview of the reporting to the Board. There was discussion about past surveys and processes for sharing the outcomes of future surveys with stakeholders.

**MOTION AL 17:11:09** That the Board support the 2018 SRC Action Plan.

**Carried 12-0**

#### **4.10 2018 Investment and Risk Management Plan**

The ALAPP Corp. VP, Investment Policy and Risk Management provided an overview of the report to the Board.

**MOTION AL 17:11:10** That the Board support the 2018 Investment and Risk Management Plan.

**Carried 12-0**

#### **4.11 2018 Pension Policy and Funding Plan**

The ALAPP Corp. VP, Pension Policy and Funding provided an overview of the report to the Board. There was discussion about part-time contribution rates having its own subsection within the plan and the APS relationship.

**MOTION AL 17:11:11** That the Board support the 2018 Pension Policy and Funding work plan.

**Carried 12-0**

#### **4.12 2018 Board Work Plan**

The ALAPP Corp. CEO provided an overview of the report and draft work plan to the Board.

**MOTION AL17:12:12** That the Board receives this report for information.

**Carried 12-0**

The Board of Directors meeting adjourned at 10:20am.

The Board of Directors meeting resumed at 10:35am.

#### **4.8 2018 Committee Membership**

The Board reviewed the report and recommended the Board committee membership for 2018.

**MOTION AL 17:11:13** That the Committee membership for 2018 be as follows:



Audit Committee: Kim Craig, Heather Rogers, Peter Marsden, Shelly Pusch, Vacant (AAMDC Representative)  
Board Governance Committee: Steve Bradshaw, Darren Sander, Tina Giesbrecht, Richard West, Liz Thompson

Human Resources & Compensation Committee: Ken Balkwill, Susan McGillivray, Shelly Pusch, Liz Thompson, Darren Sander

**Carried 12-0**

#### **4.14 HR&C Committee Report**

K. Balkwill, Vice-Chair, HR&C Committee, provided an overview of the report to the Board.

The Board went in camera with the CEO at 10:40am.

████████████████████ left the meeting at 10:40 am.

██████ left the meeting at 10:50am.

████████████████████ joined the meeting at 11:05 am.

There was discussion about the growing risks to staff recruitment and retention.

**MOTION AL 17:11:14** That the Board approves the ALAPP Corp. CEO performance and incentive package as recommended by the Human Resources and Compensation Committee.

**Carried 12-0**

**MOTION AL 17:11:15** That the Board approve a submission to the President of Treasury Board and Minister of Finance (Minister) pursuant to section 11 of the Reform of Agencies, Boards and Commissions Compensation Regulation (RABCCR) for an exemption for all ALAPP Corp. staff from the provisions of the compensation framework established under RABCCR applicable to ALAPP Corp. and any other provisions of RABCCR impacting ALAPP Corp. staff compensation, for the period from the date the compensation framework or such other provisions would otherwise become applicable to the date that the Plan achieves self-governance, and that the Chair of the Board and the Chair of the Human Resources and Compensation Committee be authorized to finalize the terms of the exemption application, after taking into account the input of the Board, and to execute and submit such application to the Minister on behalf of the Board.

**Carried 12-0**

## **5. INFORMATION ITEMS**

### **5.1 Board Correspondence**

The Board reviewed the most recent correspondence.

**MOTION AL17:12:16** That the Board receives this report for information.

**Carried 12-0**

## 5.2 Conferences/Calendar of Events

The Board reviewed the Conferences and Calendar of Events. The Board discussed the 2018 ACPM conference and requested that the attendee list be brought back to the next meeting for Board review.

**MOTION AL17:12:17** That the Board receives this report for information.

**Carried 12-0**

## 4.13 Government Update

The ALAPP Corp. CEO provided an overview of recent conversations with Treasury Board and Finance staff.

██████████, ATBF ADM, Financial Regulation and Policy and ██████████, ATBF Acting Executive Director, Pension Policy, joined the meeting at 1:00pm.

The ATBF ADM reviewed the status of the contribution rate setting authority issue and the Next Generation amendments with the Board. There was discussion about the review process suggested by the Deputy Minister, the need for clarification on the decision made by ATBF, the possible outcomes of a different decision, the outstanding Crown nominee on the Board, the direction for gender neutral language in legislation and the current decision making process in government.

██████████, ATBF ADM, Financial Regulation and Policy and ██████████, ATBF Acting Executive Director, Pension Policy, left the meeting at 1:30pm.

There was further discussion about the need to review the legal analysis that led to the decision on the contribution rate setting authority and the need for possible judicial review of the decision.

**MOTION AL17:12:18** That the Board receives this report for information.

**Carried 12-0**

## 5.3 Presentation Review

The Board reviewed the report provided by the ATBF ADM.

██████████, ██████████, ██████████ left the meeting at 1:45pm.

## 6. Board In-Camera

██████████ left the meeting at 1:50pm

As the agenda was completed, the Chair declared the meeting adjourned at 2:00pm.

Chair

December 15, 2017

Board Secretary