



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.
BOARD OF DIRECTORS
COMMITTEE OF THE WHOLE**

MINUTES of the meeting of the Alberta Local Authorities Pension Plan Corp. Board of Directors Committee of the Whole, held on February 24, 2017, in the Local Authorities Pension Plan Board Room, Suite 1202, 10250 – 101st Street, Edmonton.

Board members

Present:

- D. Sander - Chair
- T. Agoto, Vice-Chair
- K. Balkwill
- S. Bradshaw
- B. Burton
- K. Craig
- P. Marsden
- L. Thompson
- R. West

Absent:

- J. Whaley
- H. Rogers
- S. Pusch

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

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

NEXT REGULAR BOARD MEETING SCHEDULED FOR: March 17, 2017



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.
BOARD OF DIRECTORS
COMMITTEE OF THE WHOLE MEETING
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February 24, 2017**

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T. Agoto, Vice-Chair assumed the chair, and convened the Committee of the Whole at 8:05am on February 24, 2017 with 8 Board members present.

Absent at start of meeting: J. Whaley, H. Rogers, S. Pusch, and D. Sander.

1. IN CAMERA WITH THE CEO

████████████████████ and ██████████ joined the meeting 8:15am.

CONFLICT OF INTEREST DECLARATION

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

2. APPROVAL OF AGENDA

MOTION AL17:02:01 The Committee of the Whole recommends that the Board of Directors accept the agenda.

Carried 8-0

3. APPROVAL OF MINUTES – December 16, 2016

MOTION AL17:02:02 The Committee of the Whole recommends that the Board of Directors accept the minutes of the December 16, 2016 meeting.

Carried 8-0

4. BUSINESS

4.1 2017 Overview – The Year Ahead

The ALAPP Corp. CEO provided an overview of the report to the Board. There was discussion about the plan for the APS Scorecard, the Board work plan and the 2017 budget.

MOTION AL17:02:03 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 8-0

4.2 Management's Business Report

The ALAPP Corp. VP Investment Policy and Risk Management provided an overview of recent investment activity. The ALAPP Corp. VP Stakeholder Relations and Communications advised the Board of recent correspondence received regarding the 2017 COLA increase to pensioners. The Board provided direction for the response.

D. Sander joined the meeting at 8:40am.

There was discussion about recent correspondence received regarding an AIMCo real estate issue, responsible investing, and the recent purchase by AIMCo of the HSBC Place building in Edmonton. The Board also discussed government's recent changes to the AIMCo Regulation and directed management to prepare a letter voicing their concerns.



MOTION AL17:02:04 The Committee of the Whole recommends that the Board of Directors direct management to prepare a letter to the Minister advising of the Board's concerns with the recent changes to the AIMCo Regulation.

Carried 9-0

MOTION AL17:02:05 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 9-0

4.3 2017 Environmental Scan

ALAPP Corp. management presented the 2017 Environmental Scan to the Committee of the Whole. The presentation covered a wide range of topics including: monitoring of investments and evaluation of investment policy, actuarial valuation and setting of contribution rates, risk identification, evaluation and management, engagement of stakeholders in governance of the Plan, advancing the cause of governance changes, the long term funding strategy and the go-forward strategic direction setting for the Plan.

D. Sander left the meeting at 9:25am.

There was discussion about the upcoming changes to CPP, pension plan communications and political influence.

D. Sander joined the meeting at 10:20am.

MOTION AL17:02:06 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 9-0

4.4 Corporate Matters

This item was deferred to the March 17, 2017 Board meeting.

4.5 2016 Benchmarking Survey

The ALAPP Corp. VP Stakeholder Relations and Communications provided a high-level overview of the 2016 Member and Retiree Satisfaction Survey to the Committee.

K. Balkwill left the meeting at 11:05am.

There was discussion about the peer groups, the APS results, and the upcoming policy guidelines with APS.

MOTION AL17:02:07 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 8-0

K. Balkwill joined the meeting at 11:10am.



4.6 APS Pre-Brief

The ALAPP Corp. VP Pension Policy and Funding provided an overview of the report to the Committee of the Whole. There was discussion about the need for greater pension expertise at the senior level of APS and the staff training levels for 2017.

MOTION AL17:02:08 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 9-0

██████████, APS CEO, ██████████, APS CFO, ██████████, APS Executive Director, Strategic Stakeholder Relations and ██████████, APS Executive Director, Client Services joined the meeting at 11:20am.

4.7 APS Business Plan and Budget

The APS CEO provided the APS Business Plan presentation to the Committee.

D. Sander left the meeting at 11:25am.

There was discussion about peer review, staffing needs for the new technology, the training allotted for staff in 2017, and current service levels.

The APS CFO provided the LAPP specific budget presentation to the Committee of the Whole.

MOTION AL17:02:09 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 8-0

██████████ APS CEO, ██████████, APS CFO, ██████████, APS Executive Director, Strategic Stakeholder Relations and ██████████ APS Executive Director, Client Services left the meeting at 12:30pm.

D. Sander and ██████████ Partner, Shores Jardine LLP joined the meeting at 12:30pm.

D. Sander, Board Chair, assumed the Chair at 12:30pm.

4.8 Education Session: Appeals

The Shores Jardine LLP Partner provided an educational presentation regarding the conduct of appeals generally and specifically, under the newly revised LAPP Appeal Hearing Policy, to the Committee of the Whole.

MOTION AL17:02:10 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 9-0

K. Balkwill left the meeting at 2:45pm.



4.9 Asset Class Review: Public Equities

The ALAPP Corp. VP Investment Policy and Risk Management provided a brief overview of the AIMCo report to the Committee of the Whole.

██████████, AIMCo SVP Client Relations, ██████████, AIMCo EVP, Public Equities, ██████████, AIMCo Director, Client Relations and ██████████, AIMCo Analyst, Client Relations, joined the meeting at 3:10pm.

The AIMCo SVP Client Relations, provided an update to the Committee on the recent correspondence the Board had received regarding an AIMCo real estate issue. He also updated the Board on the recent changes to the AIMCo Regulation.

The AIMCo EVP, Public Equities provided a presentation on Public Equities to the Committee. There was discussion about the changes to GLAS and the ability to track past performance with the new portfolio construction. AIMCo advised they would update the Board on the tracking of performance.

██████████, AIMCo SVP Client Relations, ██████████, AIMCo EVP, Public Equities, ██████████, AIMCo Director, Client Relations and ██████████, AIMCo Analyst, Client Relations, left the meeting at 3:45pm

MOTION AL 17:02:11 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 8-0

5. INFORMATION ITEMS

5.1 Board Correspondence

The Board reviewed the most recent correspondence.

MOTION AL17:02:12 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 8-0

5.2 Conferences/Calendar of Events

The Board reviewed the Conferences and Calendar of Events

MOTION AL17:02:13 The Committee of the Whole recommends that the Board of Directors receives this report for information.

Carried 8-0

5.3 Presentation Review

The Board reviewed the presentations by APS, Shores Jardine LLP and AIMCo.

██████████ and ██████████ left the meeting at 3:50pm.

██████████ left the meeting at 4:05pm.

6. Board In-Camera

As the agenda was completed, the Chair declared the meeting adjourned at 4:15pm, with 8 Board members present.

[Redacted]

[Redacted]

February 24, 2017

Board Secretary