



**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 April 21 & 22, 2016 in the Local Authorities Pension Plan Board Room, Suite 1202, 10250 – 101st Street, Edmonton.

Board members

Present:

T. Agoto, Vice-Chair
S. Bradshaw
B. Burton
K. Craig
P. Marsden
D. Sander, Chair
D. Sieben
L. Thompson (by phone)
G. Walker
R. West
J. Whaley

Absent:

K. Balkwill

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

██████████, President and CEO
██████████, Vice-President, Investments
██████████, Vice-President, Stakeholder Relations
██████████, Vice-President, Pension Policy and Funding
██████████, Board Secretary

NEXT REGULAR BOARD MEETING SCHEDULED FOR: May 20, 2016



ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.
BOARD MEETING
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April 21 & 22, 2016

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APRIL 21, 2016

5.1 Environmental Scan

On April 21, 2016, the environmental scan was presented to the Board as an education session from 1:00pm – 5:00pm.

APRIL 22, 2016

The Chair, D. Sander, convened the meeting at 8:10am on April 22, 2016, with ten Board members present.

K. Balkwill and S. Bradshaw absent at the start of the April 22, 2016 meeting.

1. IN CAMERA WITH THE CEO

S. Bradshaw joined the meeting at 8:30am.

██████████; ██████████, ██████████ and ██████████ joined the meeting at 8:40am.

2. CONFLICT OF INTEREST DECLARATION

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

3. APPROVAL OF AGENDA

MOTION AL16:04:01 That the Board of Directors accept the agenda.

Carried 11-0

4. APPROVAL OF MINUTES

MOTION AL16:04:02 That the Board of Directors accept the minutes of the March 11, 2016 meeting.

Carried 11-0

5. BUSINESS

5.2 Management's Business Report

The Board reviewed the report. There was discussion about the possibility of AIMCo expanding the mandate of its timberland pools to include agriculture and the survey being completed by APS.

MOTION AL16:04:03 That the Board receives this report for information.

Carried 11-0

5.3 Board Operations Committee Report

The Board reviewed the recommendation made by the Board Operations Committee. There was discussion on whether the current provider had expertise in public sector governance as



well as subsequent discussion on the merit of using the same service provider for both the Board Evaluation and the LAPP Committee review.

The Board also reviewed the recommendation from the Board Operations Committee regarding the Board Committee Review. There was discussion about the outcomes of the 2015 Board evaluation, if this is the appropriate time for a committee review, and the costs involved.

MOTION AL16:04:04 That the Board of Directors refer the 2016 Board Evaluation process and the Committee Review decision back to the Board Operations Committee for further review.

Carried 11-0

MOTION AL16:04:05 That the Board of Directors approve the process as outlined by management for the Management / Out-of-Scope Board Member Nomination and that the Board Chair and the Board Operations Committee Chair interview the short list of candidates.

Carried 11-0

5.4 Audit Committee Report

The Audit Committee Chair reviewed the report with the Board. There was discussion about the go-live of the Next Generation project at APS, the proposed black-out period and the internal risk mitigation plans at APS. There was additional discussion about the Annual Report narrative and the Audit Committee's scope for approval of the narrative. The Board requested management bring the Audit Committee Terms of Reference to the next Audit Committee meeting for review.

MOTION AL16:04:06 That the Board receives this report for information.

Carried 11-0

5.5 2015 ALAPP Corp. Financial Statements

The ALAPP Corp. CEO reviewed the ALAPP Corp. 2015 Financial Statements with the Board.

MOTION AL16:04:07 That the Board approve the ALAPP Corp. 2015 Financial Statements as fairly presenting in all material respects the financial position of the Corporation and the results of its operations and changes in financial position for the year ending 2015, in accordance with Canadian public sector accounting standards.

Carried 11-0

5.6 Revised ALAPP Corp. Budget

The ALAPP Corp. CEO updated the Board on the current budget from ATBF.

MOTION AL 16:04:08 That the Board approve the revised 2016 ALAPP Corp. Budget at \$3,504,000.

Carried 11-0

5.7 ABC Review / Compensation Report

The Board discussed this matter during item **1. In Camera with the CEO.**

MOTION AL16:04:09 That consideration of the Board's further response to the government's salary freeze for ABCs be referred to the Human Resources and Compensation Committee for review and recommendation to the Board.

Carried 11-0

5.8 Enterprise Risk Update

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

MOTION AL16:04:10 That the Board approves the LAPP ERM Framework updated to March 31, 2016, for transmission to ATBF officials as additional input to the government's risk management framework for the public sector pension system currently under development.

Carried 11-0

5.9 LAPP Renewal (Pension Reform)

The ALAPP Corp. CEO provided an overview of the report. There was discussion about stakeholder engagement in the renewal process.

MOTION AL16:04:11 That the Board receives this report for information.

Carried 11-0

5.10 SCG Debrief

The ALAPP Corp. VP, Stakeholder Relations provided an overview of the report. There was discussion about the Board's current disclosure policy and the level of transparency of the Board.

MOTION AL16:04:12 That the Board receives this report for information.

Carried 11-0

5.11 Communications Update – Website Renewal

The ALAPP Corp. VP, Stakeholder Relations provided a presentation to the Board on the plan for the website renewal.

MOTION AL16:04:13 That the Board receives this report for information.

Carried 11-0



5.12 AIMCo Pre-Brief

The ALAPP Corp. VP, Investments provided an overview to the Board on the AIMCo presentations for this meeting. There was discussion about the scorecard, reporting timelines on legacy investments, turnover in executive staff at AIMCo, and the timberland pool.

MOTION AL16:04:14 That the Board receives this report for information.

Carried 11-0

██████████, AIMCo Director Client Relations, joined the meeting at 11:45am.

5.14 AIMCo Q4 Reporting

The AIMCo Director, Client Relations provided a presentation to the Board on 2015 Q4 reporting. There was discussion about life settlements reporting, oil returns, reporting changes to LAPP, performance vs SIP&G targets, portfolio risks and asset allocation.

L. Thompson left the meeting at 12:10pm.

MOTION AL16:04:15 That the Board receives this report for information.

Carried 10-0

██████████, AIMCo CEO, and ██████████, AIMCo Senior VP, Public Equities, joined the meeting at 1:00pm

5.13 AIMCo Business Plan

The AIMCo CEO provided a presentation to the Board on the AIMCo Business Plan. There was discussion about foreign exchange impact and pool customization.

L. Thompson joined the meeting at 1:40pm.

There was additional discussion about how the ABC review would affect AIMCo and the GOA directed investing impact on LAPP.

5.15 Public Equity Update

The AIMCo Senior VP, Public Equities, provided a presentation to the Board on public equities. There was discussion about customization and leverage.

K. Craig left the meeting at 2:05pm

██████████, AIMCo CEO, ██████████, AIMCo Senior VP, Public Equities, and ██████████, AIMCo Director Client Relations, left the meeting at 2:05pm.

MOTION AL16:04:17 That the Board receives 5.13-AIMCO Business Plan and 5.15-Public Equity Update for information.

Carried 10-0

5.16 AIMCo Debrief / Scorecard Approval

The ALAPP Corp. VP, Investments went through the scorecard with the Board. There was discussion about staff turnover and the upcoming Mercer Review of AIMCo.

D. Sieben left the meeting at 2:10pm

MOTION AL16:04:18 That the AIMCo Balanced Scorecard be approved as amended, and communicated to AIMCo and the Minister of Finance.

Carried 9-0

██████████, Mercer Partner, left the meeting at 2:20pm

██████████, ATBF Acting Assistant Deputy Minister, Financial Sector Regulation and Policy, and ██████████, ATBF Executive Director, Pension Policy joined the meeting at 2:20pm.

5.17 Government Update

The Acting Assistant Deputy Minister updated the Board on what GOA is currently involved in. The Executive Director updated the Board on LAPP specific items, such as the IMA, the upcoming PSA and the Risk Management Framework. There was discussion about the delay in Cabinet decision making and the lack of a GOA representative on the Board.

██████████, ATBF Acting Assistant Deputy Minister, Financial Sector Regulation and Policy, and ██████████, ATBF Executive Director, Pension Policy, ██████████, ALAPP Corp. CEO and ██████████, ALAPP Corp. VP, Pension Policy and Funding left the meeting at 2:55pm.

MOTION AL16:04:19 That the Board receives this report for information.

Carried 9-0

██████████, Mercer Partner, joined the meeting at 2:55pm.

5.18 ALM Study Information Session

The ALAPP Corp. VP, Investments and the Mercer Partner provided an overview of the presentation to the Board. There was discussion about the importance of an Asset-Liabilities Study, the opportunity to test the funding policy, the need for the Board to stay high-level and strategic and next steps.

██████████, ALAPP Corp. CEO and ██████████, ALAPP Corp. VP, Pension Policy and Funding, joined the meeting at 3:15pm.

MOTION AL16:04:20 That the Board receives this report for information.

Carried 9-0

██████████, Mercer Partner, left the meeting at 3:45pm.

6. INFORMATION ITEMS

6.1 Board Correspondence

The Board reviewed the most recent correspondence.

MOTION AL16:04:21 That the Board receives this report for information.

Carried 9-0

6.2 Conferences/Calendar of Events

The Board reviewed the Conferences and Calendar of Events.

MOTION AL16:04:22 That Trustee Walker and Trustee Marsden attend the Canadian Investment Institute Conference in Vancouver.

Carried 9-0

MOTION AL16:04:22 That the Board receives this report for information.

Carried 9-0

6.3 Presentation Review

The Board had no feedback for any of the presenters at the meeting today.

█ ████, ████, █ ████ and ████ left the meeting at 4:00pm.

7. Board In-Camera

█ ████ left the meeting at 4:05pm.

As the agenda was completed, the Chair declared the meeting adjourned at 4:10pm

█
Chair
April 22, 2016

█
Board Secretary