



**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 March 16, 2018, in the Local Authorities Pension Plan Board Room, Suite 1202, 10250 – 101st Street, Edmonton.

Board members

Present:

T. Agoto - Chair (by phone)
D. Sander – Vice-Chair
K. Balkwill
S. Bradshaw
B. Burton
K. Craig
T. Giesbrecht
P. Marsden
S. McGillivray
S. Odegard
S. Pusch
H. Rogers
L. Thompson
R. West

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

██████████, President and CEO
██████████, Vice-President, Investment Policy and Risk Management
██████████, Vice-President, Pension Policy and Funding
██████████, Board Secretary

NEXT REGULAR BOARD MEETING SCHEDULED FOR: May 25, 2018



**ALBERTA LOCAL AUTHORITIES PENSION PLAN CORP.
BOARD MEETING
INDEX OF MINUTES
March 16, 2018**

	Page #
CONFLICT OF INTEREST DECLARATION	3
1. IN CAMERA WITH THE CEO	3
2. APPROVAL OF AGENDA.....	3
3. APPROVAL OF MINUTES	3
4. BUSINESS	3
4.1 Management’s Business Report	3
4.2 2017 Actuarial Funding Valuation: Assumptions and Methods	3
4.3 Long Term Funding Strategy Update.....	4
4.4 AIMCo Pre-Brief.....	4
4.5 AIMCo Business Plan and Budget.....	4
4.6 AIMCo Q4 Investment Report.....	4
4.7 AON Q4 Investment Report.....	5
4.8 AIMCo Debrief	5
4.9 Board Retreat Follow-up	5
4.10 SCG Agenda.....	5
5. INFORMATION ITEMS	
5.1 Board Correspondence.....	5
5.2 Conference/Calendar of Events.....	5
5.3 Presentation Review	6
6. IN CAMERA WITH THE CEO	



D. Sander, Vice-Chair convened the Board of Directors Meeting at 8:00am on March 16, 2018 with 14 Board members present.

CONFLICT OF INTEREST DECLARATION

The Vice-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 8:05 am.

2. APPROVAL OF AGENDA

MOTION AL18:03:01 That the Board of Directors approve the agenda.

Carried 14-0

3. APPROVAL OF MINUTES – February 23, 2018

MOTION AL18:03:02 That the Board of Directors approve the minutes of the February 23, 2018 meeting.

Carried 14-0

4. BUSINESS

4.1 Management's Business Report

The ALAPP Corp. CEO provided an update to the Board concerning his most recent meeting with the ATBF Assistant Deputy Minister, including GST on Plan administration. The Board was also updated as to the status of the Ethics and Conduct Policy review and a recent meeting with the AIMCo CIO. There was discussion about the discount rate used by ATBF in the 2017 accounting financial statements for the Plan and the importance of clear communication on the difference between the accounting funded status and the actuarial funded status.

MOTION AL18:03:03 That the Board receives this report for information.

Carried 14-0

████████████████████, AON Partner and ██████████, AON Senior Retirement Consultant joined the meeting at 8:25am.

4.2 2017 Actuarial Funding Valuation: Assumptions and Methods

The ALAPP Corp. VP Pension Policy and Funding introduced the AON staff to the Board.

The AON Senior Retirement Consultant provided the 2017 Actuarial Assumptions presentation to the Board. The Board reviewed the assumptions and methods, sensitivities and stress tests to be included in preparing the actuarial valuation as at December 31, 2017. There was discussion about optimum margin, inflation rate, pensionable salaries, salary increases and next steps.

MOTION AL18:03:04 That the actuary be directed to prepare preliminary actuarial funding valuation results as at December 31, 2017 using methods and assumptions consistent with the December 31, 2016 actuarial valuation, as updated based on the actuary's



recommendations and the decisions of the Board related to the actuary's report and presentation, and that management be directed to work with the actuary to determine economic and demographic sensitivities and stress tests to be presented along with the actuarial valuation results.

Carried 14-0

4.3 Long Term Funding Strategy Update

The AON Partner provided the Funding Strategy presentation to the Board. The presentation provided an overview of the Plan's financial risks and the pension risk management cycle. The presentation also outlined different strategies and solutions for managing risk, as well as AON's approach to sustainability planning. AON also provided a funding strategy questionnaire at table for Board members to fill out and return.

MOTION AL18:03:05 That the Board receives this report for information.

Carried 14-0

██████████, AON Partner and ██████████, AON Senior Retirement Consultant left the meeting at 10:30am.

██████████ ALAPP Corp. Manager, Quantitative Research and Analysis, joined the meeting at 10:30am.

4.4 AIMCo Pre-Brief

The ALAPP Corp. VP Investment Policy and Risk Management provided an overview of the AIMCo reporting on today's agenda. There was a brief discussion about alignment.

MOTION AL18:03:06 That the Board receives this report for information.

Carried 14-0

██████████, AIMCo CEO, ██████████, AIMCo Senior VP, Client Relations, ██████████, AIMCo Director, Client Relations, ██████████, AIMCo, Associate Director, Client Relations, and ██████████, Senior Analyst, Client Relations, joined the meeting at 10:45am.

4.5 AIMCo Business Plan and Budget

The AIMCo CEO provided the AIMCo Business Plan presentation to the Board. There was discussion about 2017 unplanned issues, the 2018 AIMCo corporate objectives, internal measurements for the "Clients First" strategy and the ability of AIMCo to shift as needed to manage LAPP funds appropriately.

MOTION AL18:03:07 That the Board receives this report for information.

██████████, AON Associate Partner, joined the meeting at 11:25 am.

4.6 AIMCo Q4 Investment Report

The AIMCo Director, Client Relations, provided the LAPP Q4 Performance presentation to the Board. There was discussion about leverage, the Ortec proposal and the implementation of the IMA.

██████████, AIMCo CEO, ██████████, AIMCo Senior VP, Client Relations, ██████████, AIMCo Director, Client Relations, ██████████, AIMCo, Associate Director, Client Relations, and ██████████, Senior Analyst, Client Relations, left the meeting at 11:45am.

MOTION AL18:03:08 That the Board receives this report for information.

Carried 14-0



4.7 AON Q4 Investment Report

The AON Associate Partner provided AON's assessment of AIMCo's Q4 reporting. There was discussion about the AON reporting style and terminology.

S. McGillivray and T. Giesbrecht left the meeting at 12:15pm.

MOTION AL 18:03:09 That the Board receives this report for information.

Carried 12-0

██████████, AON Associate Partner, and ██████████, ALAPP Corp. Manager, Quantitative Research and Analysis, left the meeting at 12:25pm.

S. McGillivray and T. Giesbrecht joined the meeting at 1:00pm.

4.8 AIMCo Debrief

There was a brief discussion about the AIMCo reporting.

MOTION AL 18:03:10 That the Board receives this report for information.

Carried 14-0

4.9 Board Retreat Follow-up

The ALAPP Corp. CEO provided an overview of the Board Retreat outcomes. There was discussion about the need to have objectives in order to create a model that meets the objectives, the need to get stakeholder input, the need for stakeholder education, the jurisdiction of the Board and the concept of a holistic view of the provincial pension system.

T. Giesbrecht left the meeting at 2:00pm.

MOTION AL 18:03:11 That the Board direct management to refer the Considerations and Guidelines for LAPP Governance as an education session at the April 19, 2018 Stakeholder Consultation Group meeting.

Carried 13-0

T. Giesbrecht joined the meeting at 2:15pm.

4.10 SCG Agenda

The ALAPP Corp. CEO provided an overview of the draft SCG agenda to the Board.

MOTION AL 18:03:12 That the Board receives this report for information.

Carried 14-0

5. INFORMATION ITEMS

5.1 Board Correspondence

The Board reviewed the most recent correspondence.

MOTION AL18:03:13 That the Board receives this report for information.

Carried 14-0

5.2 Conferences/Calendar of Events



The Board reviewed the Conferences and Calendar of Events.

MOTION AL18:03:14 That the Board receives this report for information.

Carried 14-0

5.3 Presentation Review

The Board reviewed the presentations from AON. The AON investment slides need to be less detailed so they can be read on the projector screen.

_____ left the meeting at 2:30pm.

6. Board In-Camera

_____ left the meeting at 2:40pm.

As the agenda was completed, the Vice-Chair declared the meeting adjourned at 2:45pm. (14 members present)

{Original signed}

{Original signed}

Chair
March 16, 2018

Board Secretary