HALIFAX REGIONAL MUNICIPALITY
PENSION COMMITTEE
November 21, 2013
The Halifax Club, Morrow Room
9:00 a.m. – 3:25 p.m.

MEMBERS: Audra Abbott, NUMEA
Sheldon Harper, CUPE
Michael Lawlor, Retiree
R. Scott MacDonald (HRPA), Co-Chair
Raymond MacKenzie, ATU
Jennifer Purdy, NSUPE
Gordon Roussel, Management
Mike Sampson, Management
Britt Wilson, Management, Co-Chair
Dan White, IAFF

ALTERNATES: Jerry Blackwood, Management *(acting for Roxanne MacLaurin)*
Andrew Bone, NSUPE
Stephen Bussey, IAFF
Gerard Cottreau, Management *(acting for Bill Moore)*
Dwayne Hodgson, HRPA
Nigel Field, Retiree
Melanie Gerrior, NSUPE
Charlotte McInnis, Retiree
Ted Moore, IAFF
Peter Nixon, HRPA
Dwayne Tattrie, CUPE

REGRETS: Roxanne MacLaurin, Management
Bill Moore, Management

STAFF: Terri Troy, CEO
Donna Bayers, Executive Assistant
Angela Rushton, Manager, Pension Services
Matt Leonard, Manager, Finance & Operations

OTHERS: Margaret Barry, Halifax Regional Library
Diane Levandier, Sackville Sports Stadium
Cheryl Little, Halifax Water
Anne Patterson, Halifax Regional School Board

1. CALL TO ORDER

The meeting was called to order at 9:10 a.m. by the Co-Chair, Mr. R. Scott MacDonald. An In-Camera meeting will be held at the end of the Pension Committee meeting.

A revised document for Item 5.6, "Policy with Respect to Pensioner Overpayments" and a document related to Item 5.5, "Pre-Retirement Death Benefit Costings" was distributed.

2. APPROVAL OF THE AGENDA, ADDITIONS, AND DELETIONS

Mr. MacDonald added "Management Co-Chair Term." Agenda Item 6.1, "Appointment of New Auditor for the 2013 Pension Plan and Master Trust Audit" will be moved to the In Camera meeting agenda at the end of the regular Pension Committee meeting.

Moved by Dan White and Seconded by Raymond MacKenzie to approve the agenda as amended. Motion Put and Passed.

3. APPROVAL OF MINUTES – October 3, 2013

Mr. White referred to Page 3, last paragraph, change "holding return" to "total return."

Moved by Jennifer Purdy and Seconded by Dwayne Tattrie to approve the October 3, 2013 minutes as amended. Motion Put and Passed.

4. GOVERNANCE REVIEW

4.1 Committee Self-Monitoring STANDING ITEM (Committee)

- Process
- Performance

Ms. Abbott added that there were several action items discussed at the meeting after the Annual Education Session that the Co-Chairs were to report on at this meeting. Mr. MacDonald replied that these items would be discussed at the In Camera meeting.

Mr. Field stated that he thought In Camera meetings were to be kept at a minimum. Mr. MacDonald replied that there would be one each quarter to discuss any In-Camera matters such as CEO performance.

Ms. Abbott asked what were the other In Camera agenda items? Mr. MacDonald replied that these were items such as Performance Evaluations and draft In-Camera minutes. While not an In-Camera item, Ms. Abbott added that the Committee also discussed at the Annual Education Session having an additional meeting during the year.

Mr. Britt Wilson's term as Co-Chair expired at the end of September 2013. Mr. MacDonald asked the management representatives if they wished to re-elect Mr. Wilson as Co-Chair for a second term effective September 30, 2013?

Moved by Gordon Roussel and Seconded by Mike Sampson to appoint Mr. Britt Wilson for a second term as Co-Chair of the Pension Committee for a period of two years effective September 30, 2013. Motion Put and Passed.

4.2 Governance Policy Review – Governance Process – (Committee)

(a) Global Governance Commitment
The Committee reviewed and made no changes to this policy.

(b) Governing Style
The Committee reviewed and made no changes to this policy.

(c) Committee Job Description
The Committee reviewed and made no changes to this policy.

(d) Agenda Planning
The Committee reviewed and made no changes to this policy.

Moved by Gordon Roussel and Seconded by Jerry Blackwood to approve the review of the above policies as presented with no changes. Motion Put and Passed.

4.3 Governance Policy Review – Executive Limitations – Monitoring Reports (T. Troy)

(a) Asset Protection
The CEO is in compliance with the limitations associated with this policy. Other than for administrative updates, this report is unchanged from the June 2013 report except where bolded.

Mr. Sampson asked if the pensioner audit has been completed? Ms. Rushton replied that nine of the pensioners whose payments were suspended on July 1, 2013 still have not yet responded. The Pension Office is looking into various ways of contacting these pensioners. Ms. Rushton will update the Committee at the next meeting.

(b) Investment
The CEO is in compliance with this Executive Limitation. The investment strategy was in compliance with the Statement of Investment Policies & Procedures (SIPP) as at September 30, 2013. The Asset Mix was within min-max ranges, Equities 38.46%, Fixed Income 38.30% and Minimum Target Return 23.24%. These are within the allowable ranges in the SIPP.

Ms. Troy reviewed the top 10 holdings by Book Value and the top 3 Canadian Government holdings by Book Value.

Mr. Bussey asked if the minimum target return percentage was on committed or invested? Ms. Troy replied that it is on invested. Mr. Bussey asked how much is committed? Ms. Troy replied approximately 30%.

The average credit rating across the fixed income portfolio was A+ (above investment grade). All investment managers reported that they were in compliance with the Investment Management Agreements and SIPP. Each investment manager's compliance is tested at least quarterly via an automated reporting process.

(c) Communication and Support to the Committee
The CEO is in compliance with the limitations associated with this policy. Updates were provided to 1C, 1E, 1F and 2B.

Ms. Troy reported that the Nova Scotia Government is targeting January 1, 2014 as the effective date for the new pension regulations. The Nova Scotia Government is thinking about providing a transition period to allow plan administrators a reasonable time period in which it can change the Plan Text to reflect the new regulations. It has been communicated to the Government that the Committee needs to know in advance if any changes to the regulations impact calculations in order to change systems prior to the effective date of the new regulations. A Committee meeting will likely be called once we are provided with the new regulations to discuss their impact on the Plan Text and systems.

HRM has informed the Pension Office that employees are no longer eligible to participate in the Family Assistance Program. Britt Wilson had been contacted to find out why. Upon confirmation, the Pension Office Employment Policies and Practices will be updated since these are based on HRM's Human Resources Policies and Practices. Mr. B. Wilson reported that there needs to be a discussion with regards to costs related to the Family Assistance Program. Mr. Leonard, Manager of Finance and Operations for the Pension Office will follow up with Mr. B. Wilson to resolve this matter.

One management alternate has not signed the Code of Conduct after multiple requests. This person is not an active participant at Pension Committee meetings. Mr. B Wilson reported that he will provide a letter to the Pension Office which states that this person will no longer be on the Committee and a replacement will be selected.

At the request of the Committee, Ms. Bayers looked into the use of the HRM Training Room for future Pension Committee meetings since there is no charge for this room. The HRM Training Room can be used for Committee meetings as long as the room is not already booked for training. We would not be bumped once the booking is confirmed. We would need to book in advance for scheduled 2014 Committee meetings. If any meetings were rescheduled, there is a possibility that we would need to look for an alternate location. The room has all equipment needed for presentations such as a screen and an LCD projector.

Mr. Bone voiced concern about parking costs and that they would be higher than the current parking costs.

Ms. Bayers reported that the room is not available for the March 2014 Pension Committee meeting so an alternate location will be booked. The Pension Committee meetings will continue to be catered.

Moved by Raymond MacKenzie and Seconded by Dan White to approve the Monitoring Reports as presented. Motion Put and Passed.

4.4 Governance Policy Review – Committee Management Delegation (Committee)

(a) Delegation of the CEO
The Committee reviewed and made no changes to this policy.

Moved by Gordon Roussel and Seconded by Dwayne Tattrie to approve the review of the above policy as presented. Motion Put and Passed.

5. BUSINESS ARISING FROM THE MINUTES

5.1 Pension Reform

Ms. Troy covered this topic in 4.3 (c), Communication and Support to the Committee.

5.2 Committee Education and Training Budget

Ms. Abbott informed the Committee that 75% of the training budget has been spent year to date which includes courses covered by the general budget. The budget is set each calendar year. Ms. Abbott has updated all of the training records with regard to past training and the up to date records have been posted on the HRM Pension Plan website.

5.3 Training and Education Policy

Ms. Abbott reported on the addition of the International Foundation's "International Investing and Emerging Markets" course to the Training and Education Policy. This training will also be added to the Training and Education Checklist.

Moved by Audra Abbott and Seconded by Ray MacKenzie to accept the addition of the International Foundation's International Investing and Emerging Markets course to the Training and Education Policy. Motion Put and Passed.

5.4 Review of Administration Fees for Reciprocal Transfers

At the last Pension Committee meeting, two requests to enter into reciprocal agreements with the HRM Pension Plan were presented, including a request from the RCMP. The Committee had decided to go ahead with the request from the RCMP. Ms. Rushton provided the documents and information on the HRM Pension Plan that were requested by the RCMP.

The Committee asked the Pension Office staff to review the cost to the Plan of administering a reciprocal transfer to determine whether the fee is recovering the cost. Presently, Section 10.12 of the Plan Text provides that an administration fee will be charged to administer a reciprocal transfer. The current reciprocal transfer administration fee charged to plan members is $750, as outlined in the Appendix of the Plan Expense Policy and the Reciprocal Transfer Agreement Policy.

Reciprocal transfers are administratively complex and require at least two calculations performed by our actuarial consulting firm and significant written and verbal communication with plan members, other pension plan administrators and Canada Revenue Agency. External charges to the Plan for these services average $800-$1,000 per transaction. The approximate cost for staff time spent on an individual reciprocal transfer ranges from $200-$300. Therefore, the total cost to the Plan is approximately $1,000 - $1,300.

In 2013, 11 plan members and former members have paid the $750 administration fee to receive information on reciprocal transfers. This is a significant increase in volume over prior years (average of three members per year from 2011-2012). Fees are collected before reciprocal transfer calculations are done.

A decision is required from the Committee whether they wish to increase the reciprocal transfer fee to $1,000 to recoup more of the cost to the Plan of administering a reciprocal transfer. In order to avoid charging more than the Plan's costs to members who don't proceed with a reciprocal transfer, the Committee discussed charging the fee in two stages so that part is payable up front for the estimate and the remainder is payable upon election of the reciprocal transfer.

Mr. Roussel suggested charging $600 to do the calculation and an additional $400 to complete the transfer. Mr. Bone asked if a reciprocal transfer fee expense can be claimed for tax purposes? Ms. Rushton replied that it cannot. Mr. Roussel asked when would this change be effective for new reciprocal transfer requests? He added that reciprocal transfers in process should remain at the $750 administration fee. Ms. Rushton replied that a member completes a form to initiate a reciprocal transfer. The effective date of the new charge would be for any new forms received to initiate the process.

The Reciprocal Transfer Agreement Policy and Plan Expense Policy Appendix will be updated once the Committee approves the new fee. Mr. White asked if the fee has to be approved by the Superintendent of Pensions. Ms. Rushton replied that it does not.

Mr. Nixon asked what is the timeline related to the RCMP's request? Ms. Rushton replied that this could take some time as they had sent out a number of requests to various plans.

Mr. Bone asked since the fee can be quite variable, do we have the ability to charge a minimum fee at the beginning and the full cost of the reciprocal transfer or other variable fee in the end? Mr. Bone asked do we have a mechanism in place to track the cost? The Pension Office does not have any sort of time tracker. This could be set up but would be administratively complex. The full cost of the reciprocal transfer is not known until the reciprocal transfer is completed. A reciprocal transfer is a very lengthy process and ends with filing information with Canada Revenue Agency and waiting for approval. If we did not charge the fee until that stage, it could be more difficult to collect. Mr. Bone asked if the flat fee that is suggested is based on recouping the average cost? Ms. Rushton replied, yes, and would be based on the lower end of that so we do not over charge.

Ms. Little asked what other pension plans were charging for reciprocal transfer administration fees? Ms. Rushton replied that the plans that we have reciprocal agreements with do not charge a fee.

Mr. Sampson commented that the intent of the administration fee is to recover actuarial consulting costs and not staff costs since staff are paid anyway.

Moved by Mike Sampson and Seconded by Dan White that the HRM Pension Committee amend the reciprocal transfer fee to a two part non-refundable fee. Part 1 would be $500 to initiate and provide information including the actuarial calculation. Part 2 would be $500 to complete after the member has elected to proceed with the reciprocal transfer. The fee would apply for any new reciprocal transfers initiated on or after November 21, 2013. Motion Put and Passed.

Mr. Bone asked why was this not a 60/40 split as previously discussed. Ms. Rushton replied that it would be better to keep costs lower at the initial stage to ensure no members are overcharged if they elect not to proceed.

5.5 Pre-Retirement Death Benefits Amendment and Cost Impact

Ms. Rushton referred to the document, "Pre-Retirement Death Benefit Costings" distributed at the meeting. This item was discussed at the last meeting and the Committee asked Ms. Rushton for an update at today's meeting. The pre-retirement death benefit outlined in the Plan Text refers to the termination benefit. The termination benefit was amended effective December 31, 2010, which also impacted the pre-retirement death benefit. Ms. Rushton reviewed minutes from Committee meetings in 2009 and 2010 and there was no information in the minutes to show that the Committee had considered the impact of the change in termination benefits on the pre-retirement death benefits.

The pre-retirement death benefit for members who die before they are eligible to retire has the same value as the benefit the member would have received had they terminated employment - the value of a deferred pension payable at the member's Normal Retirement Date. However, a member whose employment terminates after their Early or Optional Retirement Date is eligible for an immediate pension. This pension would be payable unreduced at the member's Optional Retirement Date. A pension payable at unreduced at age 60 rather than age 65, for example, would have a much higher value. The difference in these values could be approximately 30% which is quite significant.

Currently, the pre-retirement death benefit for a member who is eligible to retire immediately is at least equal to the commuted value of a deferred pension commencing at the member's normal retirement date. The Plan's actuary provided the estimated cost of improving the pre-retirement death benefit for those eligible to retire immediately so that the value of the pre-retirement death benefit is at least equal to one of the following:

- Scenario 1: The value that the member would have received had he/she retired immediately prior to death; or
- Scenario 2: The value of an unreduced pension commencing at age 60.

Scenario 1 would increase the Plan's going-concern liabilities by $3.3 million dollars, compared to $2.5 million dollars under Scenario 2. Considering the impact on the actuarial liabilities and the normal cost, the combined employee/employer contribution rate would increase by 0.16% under Scenario 1 or 0.13% under Scenario 2. These costs have been calculated as at December 31, 2012 using the same data, assumptions and methodology adopted for the December 31, 2012 funding valuation for the Plan.

The two improvements would not impact the Plan's solvency position as the solvency valuation presumes members do not die prior to retirement.

Under the current regulations, any amendment to the Plan which increases its liabilities must be pre-funded at the time the amendment is made and may result in a contribution increase. Ms. Rushton has asked the Superintendent of Pensions if it is possible to consider this as an administrative oversight or correction since it appears to be the case. The other option would be to wait until the 2013 valuation is filed and fund the amendment by using any excess contribution room. An amendment would need to be approved by all of the unions and HRM Council. To date, there has not been a response from the Superintendent of Pensions.

Mr. Bone asked what would be the cost impact in dollars per employee? Based on Scenario 2 and a $50,000 salary this would equate to about $2.50 per pay or $1.25 per gross pay for employees since contributions are shared 50/50.

Mr. Bussey asked if anyone has been impacted by this? Ms. Rushton replied that since this has been brought up by our new actuary at AON Hewitt, she is not sure if anyone prior to this has been impacted. Mr. MacDonald referred to the evaluation completed by the previous actuarial firm, Mercer, which shows a 4.5% combined savings in contribution rates by changing the termination benefit from a deferred pension payable at age 60 to a deferred pension payable at the normal retirement date at 65.

Ms. Rushton will provide the Committee with the estimated impact on a sample member's commuted value under the two scenarios at the next meeting.

Ms. Barry asked what would happen if someone died now? Ms. Rushton replied that the Plan can only pay out the benefits that are outlined in the Plan Text. Ms. Barry asked what would be the risk of someone dying and then the beneficiary finding out later that this has changed? Ms. Troy replied that this might be a good reason for the Superintendent of Pensions to consider this as a correction rather than a benefit improvement.

Ms. Rushton will follow up with the Superintendent of Pensions.

5.6 Update – Pensioner Overpayment due to Incorrect Employer Data

As requested at the last meeting, Ms. Rushton presented a draft 'Policy with Respect to Pensioner Overpayments.' These are overpayments to pensioners from the Halifax Regional Municipality Pension Plan as a result of incorrect data provided by the employer. The failure to recover any overpayments discovered could expose the Committee to liability for breach of trust or breach of fiduciary duty. Also, as administrator of the Plan, the Committee has a statutory obligation to administer the Plan in accordance with the terms of the Plan Text.

Based on legal advice, Ms. Rushton suggested that if an overpayment to a pensioner is identified as a result of incorrect data provided by the employer, the Pension Office, on behalf of the Committee, will:

1. Provide written notice of the error to the retiree.
2. Immediately cease all overpayments and begin paying pension benefits at the appropriate level.
3. Where the error has resulted from information received from the employer, write to the employer to seek to recover the loss.
4. If the employer refuses to absorb the cost, provide three months written notice to the pensioner that the overpayment will be recovered through reductions in the retiree's monthly pension benefit. The amount of the monthly reduction shall be reasonable so as not to impose financial hardship on the pensioner and will be determined on a case-by-case basis.

Mr. Roussel asked why do we need to provide three months written notice? Ms. Rushton replied that it is important to give the pensioner a reasonable notice before they receive a reduction in their income. The arrangements to repay the overpayments through a reduction in the monthly pension will be imposed on the pensioner unless the pensioner prefers to make a lump sum payment to the Plan.

Mr. Roussel referred to Paragraph 3 of the draft policy and asked why it is suggested that the employer provide estimates of the employee's pension? Ms. Rushton replied that the employer provides employee earnings, service and pension contributions so that the Pension Office can prepare the member's retirement statement in advance. Only the employer has the source information that is provided to the Pension Office.

Mr. Sampson asked if the Plan has the legal right to collect the overpayment from the pensioner. Ms. Rushton replied, yes, according to the legal advice received. He added, is there a need to collect the overpayment from the employer? Ms. Rushton replied, based on legal advice, it is recommended that the employer be contacted.

Mr. Sampson asked that if a mistake was made by the Pension Office, the Pension Office would collect the overpayment and if the mistake was made by Aon Hewitt, the Pension Office would collect from Aon? Ms. Rushton replied that this is correct. However, the Pension Office does not currently perform any final calculations. AON Hewitt does this. The source of an overpayment is currently only from incorrect employer data or an incorrect calculation, incorrect methodology or incorrect interpretation of pension regulations by AON Hewitt. When AON Hewitt has made a mistake, they have reimbursed the Plan.

Mr. Sampson asked what is the role of the Pension Office and Aon in preventing overpayments from happening? Ms. Rushton replied that Aon receives year end data reports from the employers and Aon perform checks of reasonableness. However, there is always a possibility that the employer data is incorrect. Ms. Troy mentioned that actuarial consulting firms' contracts state that they are not responsible for incorrect employer data because they have no control over the data.

Mr. White suggested a change in the draft policy in the 3rd paragraph, 1st line. Remove "does" and add an "s" on "provide" and Mr. Roussel suggested adding "to the Pension Office or the third party administrator" after "provides."

Moved by Dan White and Seconded by Gordon Roussel to approve the policy as amended. Motion Put and Passed.

5.7 Indemnification Agreement with the Halifax Water Commission

As requested at the last meeting, the Committee asked the CEO to update the indemnification agreement with the Halifax Regional Water Commission (HRWC) to minimize any risk to the Pension Committee from the pooling of the Water Commission's pension plan assets with those of the HRM Pension Plan assets in the Master Trust. Ms. Troy reported that the dates on the first two pages of the agreement had to be updated since there are amended and restated agreements with Northern Trust.

Changes were also made on Page 3 with the addition of No. 8 stating, *"The Committee and the Trustee are the only parties to the Master Trust Agreement and the HRWC will not receive any information regarding the Master Trust directly from the Trustee."*

No. 10 was added on Page 3 stating, "*Notwithstanding Section 9 above, the HRWC shall not be entitled to have access to or be provided copies of any records relating to the Master Trust, including without limitation, agreements, applications, court materials or any other documents or information which are subject to confidentiality agreements or commitments to which the Committee is bound and the HRWC shall not be entitled to attend any meeting of the Committee, or any part thereof, relating to the Master Trust at which issues which are covered by such confidentiality agreements or commitments are to be discussed;"*

The draft agreement has been given to the Halifax Regional Water Commission for review by their board on November 28, 2013.

Ms. Little asked if the Water Commission would still receive their statements from Northern Trust. Ms. Troy replied, yes, the Water Commission would still receive their Participating Trust Statement.

6. NEW BUSINESS

6.1 Appointment of New Auditor for the 2013 Pension Plan and Master Trust Audits

Moved to In Camera meeting due to discussion on fee quotes.

6.2 Annual Approval of DC SIPP (no changes)

Ms. Rushton provided a brief background update on the Defined Contribution Pension Plan and group RRSP with Manulife. The DC plan is made up of former employees of the Town of Bedford, Ocean View Manor, the former Halifax County Rehabilitation Centre and Halifax

County part time employees. There are five former Town of Bedford employees that are still contributing to this plan. These employees are still contributing to the group RRSP as well. All other employees in the DC plan and group RRSP are inactive.

It is required that once per year the Committee review and approve the Defined Contribution Investment Policy. This is part of the annual certification that is sent to the Superintendent of Pensions. There are no changes required to the Statement of Investment Policy for the Defined Contribution Pension Plan and Group RRSP.

Ms. Abbott added that it is sometimes difficult to locate the members of this plan. Is it possible to wrap up this plan without these members claiming their money? Ms. Rushton replied that she is exploring options for locating these members. There is no way to wrap this plan up without locating the members and obtaining their sign-off.

Annual information returns for this plan are filed by the HRM Pension Office with the cost for this paid by HRM. There is no cost to the HRM Pension Plan.

Moved by Gordon Roussel and Seconded by Dan White to approve the Defined Contribution Pension Plan Statement of Investment Policy for the Halifax Regional Municipality as presented. Motion Put and Passed.

6.3 Plan Member Satisfaction and Service Standards

The Committee asked the HRM Pension Office to prepare methodology to track/measure plan member satisfaction with a goal of reporting this annually for retired, active and terminated members, and members who have purchased past service (buybacks).

Currently and over the last few years, plan members are surveyed immediately after retiring and rate the Pension Office on:

- Plan knowledge/ability to answer questions
- Courteousness
- Helpfulness
- Overall experience

Since the survey was implemented, results of the survey showed that plan members were receiving "Excellent Service." In order to survey other members of the Plan, there needs to be a method to track the members who contact the Pension Office.

In order to determine what other plans were doing, a survey was sent to 23 plans with a similar membership size. Responses were received from 10 plans and the results were summarized and shared with participating plans. A copy of this document was provided to the Committee. Only five of the respondents have surveyed plan members for satisfaction. Some plans indicated that the process was too time consuming and other projects were deemed to be higher priority.

The Pension Office is in the process of setting up a call log data base which would track the nature of members' phone calls and what was done as a result of that call. It is hoped that calls will begin to be tracked starting January 1, 2014 in order to monitor throughout 2014 and modify as necessary to capture necessary information. Based on the types of calls received and volumes, surveys will be developed in Q3 and tested in Q4 2014. Surveying of non-retiring members will commence January 1, 2015 with results reported to the Committee annually commencing in 2015. The types of transactions to be surveyed will be determined once data is available to determine volume and types of member calls.

Mr. Sampson asked if the Committee also wanted to track plan member satisfaction with respect to terminations and pre-retirement deaths? Ms. Rushton referred to Page 2, Service Standards which refers to the time it takes to complete a transaction, rather than the member's satisfaction with the Pension Office. Since January 1, 2013, all plan member transactions have been tracked in an Excel spreadsheet. This ensures no calculation or information request is missed and helps staff to prioritize work. Effective January 1, 2014, the time between the date the calculation/information was requested and the date it was provided to plan members will be measured and reported to the Committee on a quarterly basis. Ms. Rushton reviewed the service standards (turnaround times) for pension estimates, marriage breakdown statements, service purchase statements and post-retirement deaths. The standard turnaround time is 10 to 20 days depending on the type of transaction. In some cases, Aon Hewitt is responsible for the calculation and the Pension Office simply communicates the information to the plan member.

Mr. Bussey asked if Aon Hewitt agrees with these service standards. Ms. Rushton replied that service standards are part of Aon Hewitt's contract.

Mr. B. Wilson suggested that after the first report is received by the Committee, a metric for the service standard be established.

Mr. Sampson asked if the Committee would receive information on the amount of time taken for phone calls and emails to be returned? Ms. Rushton replied that this had not been requested but it is a matter of how this information can be collected. Staff would need to spend more time collecting this type of information.

Mr. Sampson would like service standards to be set for terminations and pre-retirement deaths. Mr. MacDonald replied that he did not recall what the Committee had discussed regarding this topic. Ms. Rushton added that Aon Hewitt processes terminations. Service levels for termination and pre-retirement deaths are being measured currently so this can be included.

7. OTHER BUSINESS

8. <u>DATE OF NEXT MEETING</u> – March 20, 2014

9. <u>ADJOURNMENT</u>

Moved by Raymond MacKenzie and Seconded by Britt Wilson to adjourn the meeting at 12:00 p.m. Motion Put and Passed.

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R. Scott MacDonald, Co-Chair