



Municipal Pension Plan Trustee Report to Convention – May 2019

This report outlines the 2018 activities of CUPE BC's two Trustees to the Municipal Pension Plan.

In 2018 Brother Trevor Davies and I sat on the following committees:

Communications and Advocacy

- Responsible for communication to members, public and stakeholders

Valuation

- Responsible for determining the value of the plan

Investment

- Responsible for recommending strategic investment policy and monitoring investment performance

These committees, along with Governance, Benefits and Appeals, form an integral part of the overall structure of the MPP and contribute to its ongoing successful operation.

In November I attended the very first two-day MTMS (Master of Trustee Management Standards) Course sponsored by the International Foundation of Employee Benefits and Pensions (IFEBP). I was also able to attend the IFEBP Canadian Annual Conference immediately following the course. These were both held in Las Vegas, Nevada. Brother Davies also attended the IFEBP Canadian Annual Conference in Las Vegas and he took a digital Directors Course sponsored by the Institute of Corporate Directors which covered topics on cyber security and social media.

2018 was another stable year for the MPP. The plan had assets of over \$51 billion by December 31. This is an increase of \$3 billion over 2018. The annualized return on investments for the five year period ending June 30, 2018 was 9.9% which was above the benchmark of 8.9%.

The plan was able to provide a cost of living allowance (COLA) of 2.1 % effective January 1, 2019 to all of the plan's retirees. While COLA is determined by calculating the Consumer Price Index from September 2017 – September 2018, the Plan has a sustainable cap which can be applied from the Inflation Adjustment Account. This year's COLA represents the total amount of the cap that was allowable. This increase becomes part of the retiree's permanent pension payment. The COLA cap will be reviewed with the next Valuation of the Plan which is taking place during 2019.

The post-retirement group benefits program review is well under way. This review is being administered by the Benefits Committee and is looking at both the extended health and dental programs provided to retirees through Pacific Blue Cross. Details on the progress of the review were reported out at the 2018 AGM.

The 2018 Annual General meeting was held on October 11th at the Anvil Centre in New Westminster. 230 people attended including active members, retirees, and employers. There were also 45 trustees and service providers present. The audio recording and presentation slides are available on the MPP website. The 2019 AGM will again be held at The Anvil Centre on October 17, 2019.

We would like to acknowledge Brother Gary Yee, MEPC Trustee, who served as the 2018 Board Vice-Chair. Brother Yee will assume the role of Chair again in 2019.

As we move through 2019, Brother Davies and I will continue to work diligently to ensure that the MPP remains a strong, healthy and sustainable plan for all CUPE members in BC.

We thank Brother Paul Faoro for his continued trust and support of our work with the plan.

Respectfully submitted:

Patti Price, MPP Trustee

May 2019

moveUP