



**Community
Agencies
Benefit Plans**

**Annual General Meeting
Wednesday, June 29, 2022**

Today's Agenda

Introductions.....	Barry Miller
Acceptance of 2020 Minutes.....	Barry Miller
Presentation of Financial Statement.....	Jennifer Glen
Appointment of Auditors.....	Jennifer Glen
Election of Trustees.....	Barry Miller
Pension Plan Consultant's Report.....	Ellement Consulting Group
Group Benefit Plan Report.....	Ellement Consulting Group
Chair's Comments.....	Barry Miller

Question Period

Introductions – Board Members

Name	Position	Company
Barry Miller – Chair	Employer Trustee	Rady Jewish Community Centre
Phil Chiappetta	Employer Trustee	Rossbrook House
Cynthia Drebot	Employer Trustee	North End Women's Centre
Millie Braun	Benefits Trustee	Family Dynamics
Vacant	Benefits Trustee	
Lauren McDougall	Standing Member	United Way of Winnipeg
Steven Bernstein	Active Member Trustee	Jewish Child and Family Services
Helen Quinn	Non-Active Member Trustee	Retired from Volunteer Manitoba Inc.
Gregory Ozechowsky	Trustee at Large	Retired CIBC Wood Gundy Inc.
Cliff Fox - Vice Chair	Trustee at Large	Retired Actuary
Jennifer Glen	Trustee at Large	Retired from United Way of Winnipeg

Introductions

Benefit Consultant

- Laura Lomow, Ellement Consulting Group

Pension Plan Consultant

- Tim McGorman , Ellement Consulting Group

Office/Benefits Administration

- Kim Larsen



Acceptance of 2021 Minutes

Barry Miller



2021 Financial Statements

Jennifer Glen

Statement of Changes in Net Assets Available for Pension Benefits

Increase in assets

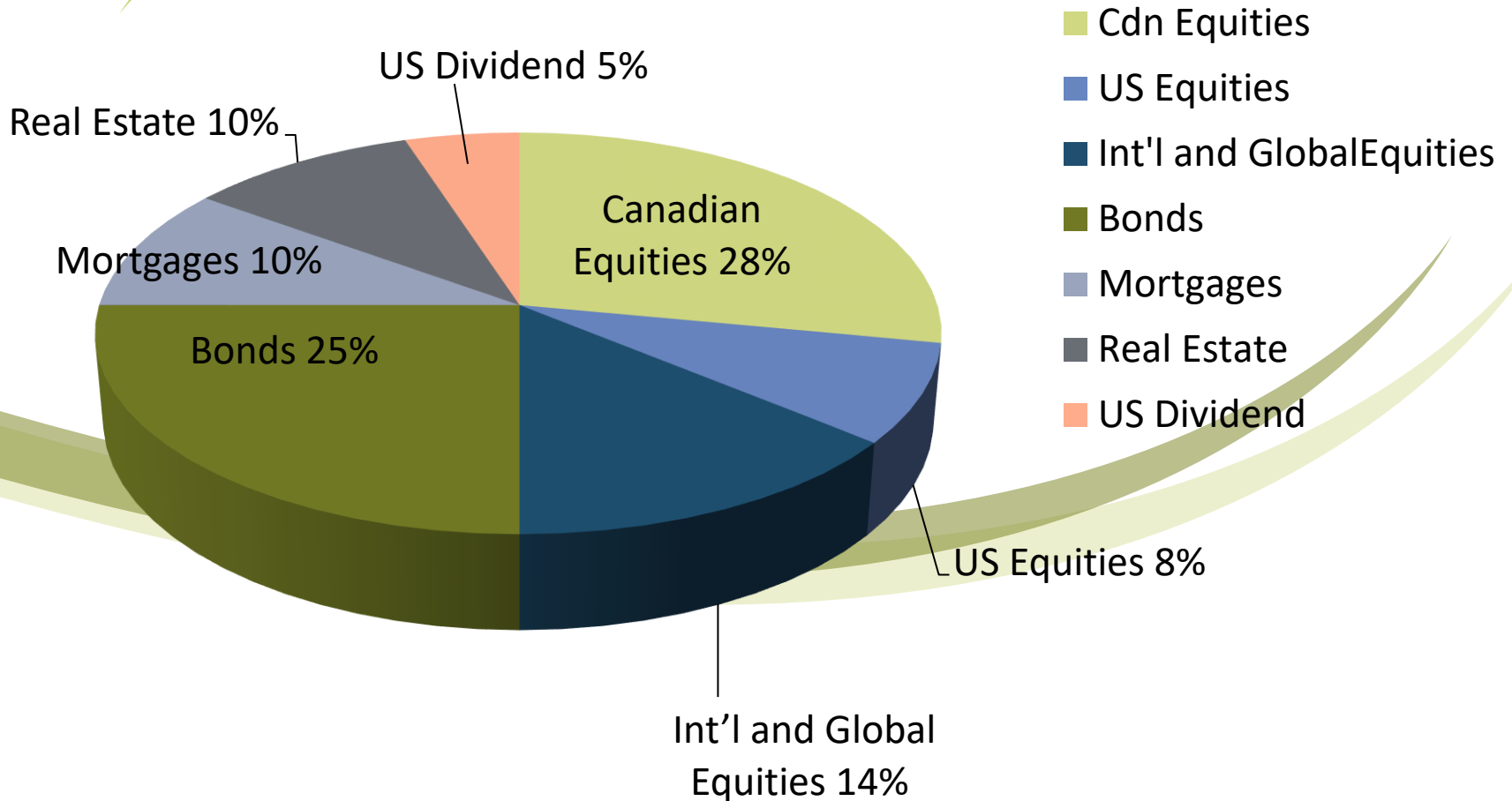
	<u>2021</u>	<u>2020</u>
Contributions & Government Subsidies	\$5,743,468	\$ 5,830,600
Investment income	<u>9,381,962</u>	<u>4,432,853</u>
	15,125,430	10,263,453
Decrease in assets		
Pensions, Annuities & Death Benefits	2,301,065	2,157,870
Terminations Benefits	2,427,565	2,535,506
Administrative Costs	<u>207,790</u>	<u>226,202</u>
	4,936,420	4,919,578
Net Increase in Assets	10,189,010	5,343,875

Statement of Financial Position Retirement Plan

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$2,840,616	\$2,014,719
Cash on deposit with Canada Life	409,590	450,853
Receivables		
Contributions	383,078	633,690
Due from Community Agencies Group Benefits Plan	13,958	15,168
Other	14,165	13,865
Investments	86,486,737	76,812,422
Prepaid expenses	1,079	2,385
	<hr/>	<hr/>
	90,149,223	79,943,102
LIABILITIES		
Accounts Payable and accrued liabilities	39,644	56,392
Professional fees contingency reserve	50,000	40,000
Prepaid contributions	3,118	220
Termination benefits payable	318,966	298,005
	<hr/>	<hr/>
	411,728	394,617
NET ASSETS AVAILABLE FOR BENEFITS	89,737,495	79,548,485
ACCRUED PENSION BENEFITS	(72,382,097)	(69,497,195)
	<hr/>	<hr/>
SURPLUS	\$17,355,398	\$10,051,290

Financial Statements

Portfolio Asset Mix – Retirement Plan



Rates of Return Community Agencies Retirement Plan December 31, 2021

CALENDAR YEAR			
ANNUALIZED TO DECEMBER 31, 2021		ANNUAL TO DECEMBER 31	
1 Year ...	12.54 %	2021	12.54 %
2 Years ...	9.47 %	2020	6.48 %
3 Years...	10.25 %	2019	11.84 %
4 Years ...	7.71 %	2018	0.43 %
5 Years ...	7.70 %	2017	7.64 %

Rates of Return Community Agencies Retirement Plan May 31, 2022

CURRENT YEAR	ANNUALIZED TO May 31, 2022	ANNUAL TO May 31
First Quarter.....2.14- %	1 Year 3.19 %	2022 3.19 %
APRIL.....2.64- %	2 Years... 7.85 %	2021 12.73 %
MAY.....0.16 %	3 Years... 6.33 %	2020 3.35 %
Year to Date..... 4.57- %	4 Years... 6.07 %	2019 5.30 %
	5 Years... 5.78 %	2018 4.64 %

Statement of Changes in Net Assets Available for Group Benefits

Increase in assets	<u>2021</u>	<u>2020</u>
Premiums	\$1,818,524	\$1,851,979
Investment income	<u>3,762</u>	<u>5,592</u>
	1,822,286	1,857,571
Decrease in assets		
Payments to insurance companies and other benefit providers	1,734,347	1,768,363
Early Referral Service	19	824
Administrative Costs	<u>77,066</u>	<u>87,662</u>
	1,811,432	1,856,849
Net Increase in Assets	10,854	722

Statement of Financial Position

Group Plan

ASSETS	<u>2021</u>	<u>2020</u>
Cash	\$390,163	\$413,517
Short-Term Investments	216,849	213,051
Accounts receivable		
Accrued interest	2,036	2,466
Agency Contributions	24,613	26,988
Other Receivables	1,800	
Prepaid expense	544	544
	<u>636,005</u>	<u>656,566</u>
LIABILITIES		
Accounts payable and accrued liabilities	3,730	8,981
Due to Community Agencies Retirement Plan	13,958	15,168
Prepaid contributions	235	25,189
Contingency reserve	618,082	<u>607,228</u>
	<u>636,005</u>	<u>656,566</u>
Net Assets Available for Benefits	<u>\$ -</u>	<u>\$ -</u>

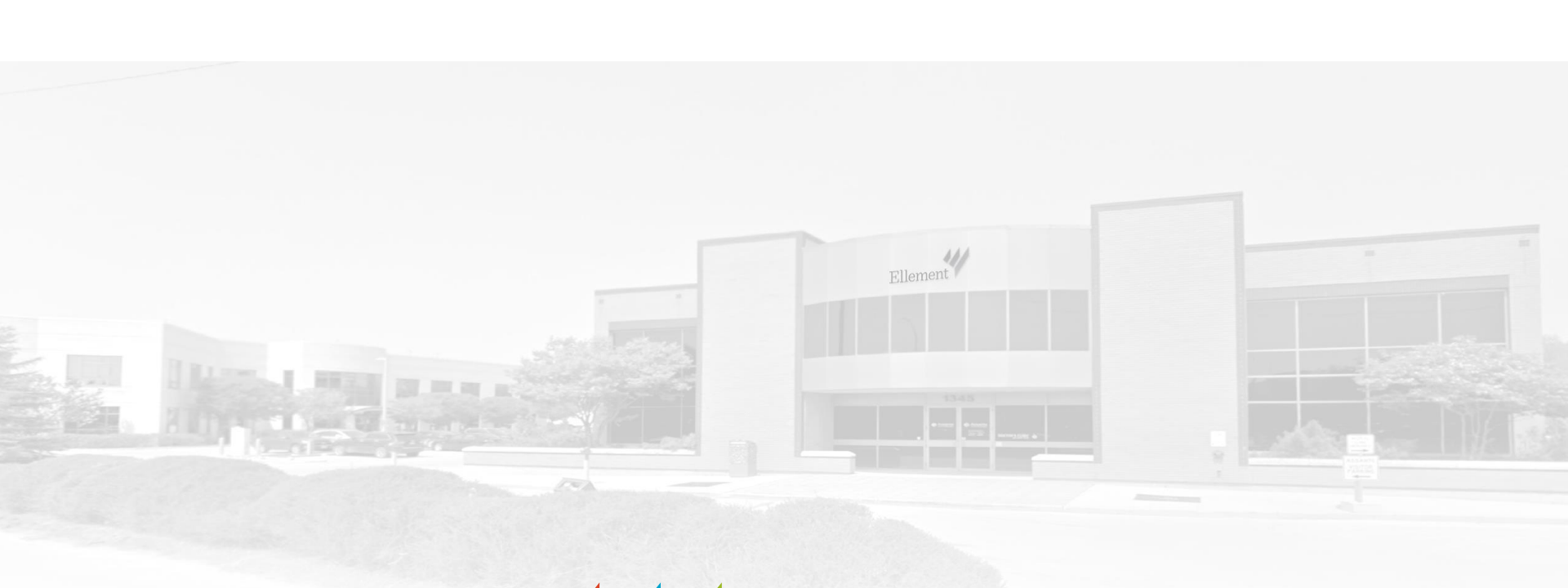


Appointment of Auditors

Craig & Ross, Chartered Accountants

Election of Trustees

- No nominations were received for the Benefits Trustee position.



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Section 2: Group Retirement Plan Report

Section 3: Group Benefits Plan Report

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SECTION 1: Introductions

- Office/Benefits Administration
 - Kim Larsen
- Pension Plan Consultant
 - Tim McGorman, Ellement Consulting Group
- Benefit Consultant
 - Laura Lomow, Ellement Consulting Group

Section 2: Group Retirement Report

Purpose of Presentation

- Provide an update to the financial position of the plan as at December 31, 2021 (actuarial valuation results)
- 2021 Wrap-up and Look Ahead
- Answer questions

Ellement Consulting Team

ACTUARIAL TEAM

Tim McGorman

Kyle Meilleur

Ross Dunlop

Kevin Patel

ADMINISTRATIVE TEAM

Wendy Bonner

Reeva Johnson

Plan Provisions

- **Employee Contributions**
 - 7.00% of gross basic earnings up to the Year's Maximum Pensionable Earnings (YMPE); plus
 - 8.75% of gross basic earnings above YMPE (The 2021 YMPE was \$61,600)
- **Employer Contributions**
 - Match employee contributions plus any special payments
- **Retirement Benefit**
 - For service after 2002, 1.40% of gross basic earnings up the YMPE in each year plus 2.00% of gross basic earnings over the YMPE in each year
 - Normal form of pension is payable for lifetime with a minimum period of not less than 60 months
- **Early Retirement Provisions**
 - Monthly pension is reduced by $\frac{1}{2}$ of 1% for each month retirement is before age 65

Solvency Exemption

- In October 2015, the Government of Manitoba made and registered the *Solvency Exemption for Specified Non-Profit Sector Pension Plans Regulation, 175/2015* (Exemption Regulation). The solvency exemption was approved by the Office of the Superintendent – Pension Commission on February 8, 2016.
- Exemption Regulation, section 10 Restrictions on Plan:
 - A surplus in a plan may only be used for benefit restorations or improvement, or contributions reductions, if the plan is fully funded on a going concern basis that includes a margin for adverse deviations equivalent to at least 15% of the going concern liabilities **and no solvency deficiency**;
 - Bill 8 received Royal Assent in May 2021 and on December 20, 2021 changes to the Manitoba funding regulations were announced. The Plan now only requires a 105% funded ratio on a going concern basis and no solvency deficiency after benefit improvements.
 - One other key change affecting the plan is that annual valuations are only required if the solvency funded ratio is below 85% (previously it had to be at least 90%).

Valuation Results

Going Concern Valuation	31-Dec-2021	31-Dec-2020
Going Concern Assets	\$ 89,737,000	\$ 79,548,000
Going Concern Liabilities	(71,879,000)	(69,035,000)
Surplus/(Unfunded Liability)	\$ 17,858,000	\$ 10,513,000
Going Concern Ratio	124.8%	115.2%
Key Assumptions		
Discount Rate	4.50%	4.50%
Termination Scale	Ontario Medium Table	Ontario Medium Table
Form of Benefit on Termination	100% Lump Sum	100% Lump Sum
Lump Sum Discount Rate	3.00%	2.50%
Mortality Table	CPM2014 Private Table Proj. Scale B	CPM2014 Private Table Proj. Scale B
Solvency / Hypothetical Wind-up Valuation	31-Dec-2021	31-Dec-2020
Solvency Assets	\$ 89,407,000	\$ 79,218,000
Solvency Liabilities	(92,357,000)	(94,706,000)
Solvency Excess/(Deficiency)	\$ (2,950,000)	\$ (15,488,000)
Solvency/Hypothetical Wind-Up Ratio	96.8%	83.7%
Key Assumptions		
Commutated Value Rates	2.30% for 10-years; 3.40% thereafter	1.40% for 10-years; 2.90% thereafter
Annuity Purchase Rate	2.86%	2.55%
Mortality Table	CPM2014 Table Proj. Scale B	CPM2014 Table Proj. Scale B

Reconciliation of Actuarial Surplus

Going Concern (GC) Actuarial Surplus as at December 31, 2020	\$10,513,000
Interest on GC Surplus for 1 year at 4.50%	\$473,000
Contributions	\$5,744,000
Current Service Cost	(\$4,970,000)
Expected GC Actuarial Surplus as at December 31, 2021	\$11,760,000
Investment income greater/(less) than expected	\$5,458,000
Operating Expenses	\$46,000
Investment Expenses	\$40,000
Gain on mortality and lump sum payments	\$119,000
Other Experience gain/(loss)	(\$27,000)
Change in Assumptions – (lump-sum discount Rate now 3.00%)	\$462,000
GC Actuarial Surplus as at December 31, 2021	\$17,858,000

Contribution Requirements

Annual Contribution Requirements	% of Salary	2022 Estimated	% of Salary	2021 Actual
Member Contributions*	6.94%	\$ 2,969,000	6.88%	\$ 2,872,000
Employer Contributions	6.94%	2,969,000	6.88%	2,872,000
Total Contributions [A]	13.88%	\$ 5,938,000	13.76%	\$ 5,744,000
Normal Actuarial Cost	11.50%	4,923,000	11.90%	4,970,000
Special Payments: Going Concern	-	-	-	-
Total Annual Contribution Requirements [B]	11.50%	\$ 4,923,000	11.90%	\$ 4,970,000
Contribution Margin/(Deficiency) ([A] - [B])	2.38%	\$ 1,015,000	1.86%	\$ 774,000
Expected/Actual Salary Next Year		\$ 42,808,000		\$ 41,764,000
Available Actuarial Surplus		\$ -		n/a

*Employee contributions are equal to 7.0% up to the YMPE and 8.75% in excess

Actuarial Assumptions Going Concern

Cost Method/Assumptions	31-Dec-2021	31-Dec-2020
Actuarial Cost Method	Accrued Benefit Cost Method	Same
Actuarial Value of Assets	Market Value	Same
Discount Rate	4.50%	Same
Termination Scale	Ontario Medium Table	Ontario Medium Table
Form of Benefit on Termination	100% Lump Sum	100% Lump Sum
Lump Sum Discount Rate	3.00%	2.50%
Retirement	Age 65	Same
Mortality Table	CPM2014 Private Table Proj. Scale B	CPM2014 Private Table Proj. Scale B
Provision for Adverse Deviation (PfAD)	n/a	Same

Going Concern Discount Rate Development

- The going concern discount rate has been developed as follows:

Inflation	2.00%
Real Rate of Return (portfolio policy mix)	2.90%
Rebalancing and Diversification	<u>0.30%</u>
Overall expected return	5.20%
Expenses	
Investing	(0.35%)
Operating	(0.25%)
Additional returns due to active management	0.15%
Margin for adverse deviations (MfAD)	<u>(0.25%)</u>
Discount Rate	4.50%

- The discount rate contains an estimated 25 basis points (or 0.25%) of Margin for Adverse Deviation (MfAD)

Actuarial Assumptions Solvency

Cost Method/Assumptions	31-Dec-2021	31-Dec-2020
Actuarial Cost Method	Accrued Benefit Cost Method	Same
Actuarial Value of Assets	Market Value	Same
Discount Rate		
(a) Not yet eligible to retire	2.30% for 10-years; 3.40% thereafter	1.40% for 10-years; 2.90% thereafter
(b) Eligible to retire	2.86%¹	2.55% ²
Mortality	CPM2014 Table Proj. Scale B	Same
(a) Not yet eligible to retire	Immediate	Same
(b) Eligible to retire	Age 65	Same
Termination	None assumed	Same
Wind-up Expenses	\$330,000	Same

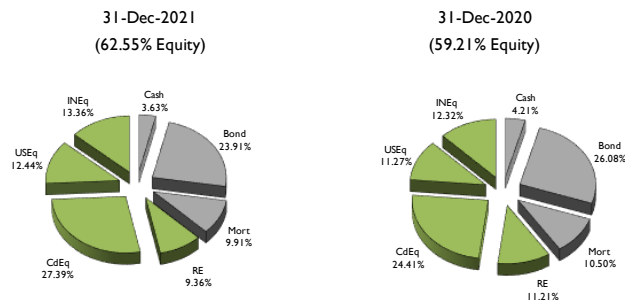
¹ In accordance with the Canadian Institute of Actuaries, Educational Note: Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates Between December 31, 2021 and December 30, 2022

² In accordance with the Canadian Institute of Actuaries, Educational Note: Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates Between December 31, 2020 and December 30, 2021

Portfolio Asset Mix

	31-Dec-2021		31-Dec-2020		Investment Policy	
	Market Value	%	Market Value	%	Range	Target
1 Cash & Equivalents (Cash) *	\$ 3,250,000	3.63%	\$ 3,342,000	4.21%	0-15%	1%
2 Fixed Income (Bond)	21,457,000	23.91%	20,744,000	26.08%	20-50%	29%
3 Mortgages (Mort)	8,897,000	9.91%	8,355,000	10.50%	5-15%	10%
Total Fixed Income	\$ 33,604,000	37.45%	\$ 32,441,000	40.79%		
4 Real Estate (RE)	8,400,000	9.36%	8,916,000	11.21%	0-15%	10%
5 Canadian Equity (CdEq)	24,578,000	27.39%	19,419,000	24.41%	15-35%	25%
6 U.S. Equity (USEq)	11,167,000	12.44%	8,969,000	11.27%	5-35%	12.5%
7 International Equity (INEq)	11,988,000	13.36%	9,803,000	12.32%	5-35%	12.5%
Total Equity	\$ 56,133,000	62.55%	\$ 47,107,000	59.21%		
Total Valuation Assets	\$ 89,737,000	100.00%	\$ 79,548,000	100.00%		

* Included in Cash & Cash Equivalents are the net amounts receivable plus payables



Reconciliation of Market Value of Assets

Year	Opening	Contributions		Investment	Benefits		Expenses		Closing	Gross	Net
	Market Value	Member	Employer	Income	Pensions	Lump Sums	Operating	Investment	Market Value	Return	Return **
2010	31,821,102	1,512,533	1,659,698	3,901,158	(1,316,412)	(840,542)	(275,779)	(136,276)	36,325,482	12.14%	10.79%
2011	36,325,482	1,740,818	1,740,818	389,957	(1,293,050)	(1,183,199)	(182,303)	(146,575)	37,391,948	1.06%	0.17%
2012	37,391,948	1,859,630	1,860,773	2,893,551	(1,334,407)	(667,549)	(137,720)	(164,847)	41,701,379	7.59%	6.77%
2013	41,701,379	2,019,770	2,019,770	6,059,684	(1,410,303)	(1,734,072)	(135,542)	(178,214)	48,342,472	14.43%	13.63%
2014	48,342,472	2,288,122	2,303,393	5,115,877	(1,769,102)	(1,680,783)	(149,176)	(194,147)	54,256,656	10.50%	9.76%
2015	54,256,656	2,474,028	2,474,599	2,613,080	(1,649,318)	(2,396,633)	(160,855)	(206,340)	57,405,217	4.79%	4.11%
2016	57,405,217	2,624,287	2,624,858	3,869,089	(1,773,238)	(2,589,504)	(156,354)	(199,458)	61,804,897	6.71%	6.07%
2017	61,804,897	2,721,358	2,721,929	4,542,547	(1,865,923)	(3,431,073)	(190,147)	(239,896)	66,063,692	7.37%	6.65%
2018	66,063,692	2,724,167	2,832,550	293,178	(1,898,010)	(3,592,498)	(195,055)	(255,500)	65,972,524	0.45%	(0.24%)
2019	65,972,524	2,901,935	2,901,935	7,675,556	(2,005,039)	(2,774,034)	(199,380)	(268,887)	74,204,610	11.59%	10.84%
2020	74,204,610	2,913,146	2,913,146	4,713,051	(2,047,694)	(2,645,682)	(226,202)	(275,890)	79,548,485	6.32%	5.63%
2021	79,548,485	2,871,734	2,871,734	9,681,348	(2,301,065)	(2,427,565)	(207,790)	(299,386)	89,737,495	12.13%	11.46%
									"21-Year Average"	6.37%	5.55%
									"6-Year Average"	7.36%	6.66%
									"3-Year Average"	9.98%	9.28%

** Net Return is Gross Return minus both operating and investment expenses.

Membership Reconciliation

	<i>Actives et al</i>		<i>Deferreds et al</i>		<i>Pensioners et al</i>		<i>Total</i>
	<i>Active</i>	<i>Disabled</i>	<i>Leave</i>	<i>Deferred</i>	<i>Pensioner</i>	<i>Survivor</i>	
Membership as at 31-Dec-2020	849	41	78	587	306	13	1,874
Adjustments	-	-	-	-	-	-	-
New Entrants	205	-	-	-	-	-	205
Return to active	32	(1)	(29)	(2)	-	-	-
Leave of absence	(24)	-	24	-	-	-	-
Long-term disability	(1)	1	-	-	-	-	-
Terminations - lump sum payment	(46)	-	(14)	(56)	-	-	(116)
- deferred	(119)	(5)	(13)	137	-	-	-
Retirements	(13)	(5)	(4)	(8)	30	-	-
Deaths - pension to survivor	(1)	-	-	-	(3)	4	-
- no benefit remaining	-	-	-	-	(5)	-	(5)
Membership as at 31-Dec-2021	882	31	42	658	328	17	1,958

- There are over 50 agencies participating in the Community Agencies Retirement Plan as at December 31, 2021.

Membership Data

	31-Dec-2021			31-Dec-2020		
	Number	Average Age	Average Monthly Pension	Number	Average Age	Average Monthly Pension
Actives et al						
- Active-R	201	60.4	\$ 603	208	59.5	\$ 587
- Active	681	40.7	256	641	40.4	257
- Disabled-R	19	61.6	738	28	60.8	708
- Disabled	12	45.6	457	13	44.1	391
	913	45.6	\$ 345	890	45.5	\$ 350
Deferreds et al						
- Leave-R	4	62.0	\$ 98	15	62.2	\$ 369
- Leave	38	37.5	168	63	40.4	180
- Deferred-R	154	61.8	271	142	61.3	253
- Deferred	504	40.1	99	445	39.9	93
	700	44.8	\$ 141	665	45.0	\$ 141
Pensioners et al						
- Pensioner-R	328	75.7	\$ 559	306	75.9	\$ 554
- Survivor-R	17	81.1	575	13	82.0	497
	345	75.9	\$ 560	319	76.1	\$ 551
Total	1,958	50.7	\$ 310	1,874	50.6	\$ 310

* Please note that the "-R" refers to those members that are within the retirement window.

2021 Wrap-up and Look Ahead

2021 Wrap-up

- 2021 was a positive year for investment returns with the Going Concern funded ratio improving from 115.2% to 124.8%.
- The Solvency funding position increased from 83.7% to 96.8% due to the combination of good investment returns and an increase in the interest rates prescribed for the solvency valuation.
- No benefit improvement or member contribution reduction is permitted as the Plan's funded ratio is less than 100% on a Solvency funding basis.

Looking Ahead for 2022

- 2022 has created headlines due to the poor investment returns this year.
- On a YTD basis the TSX is down 7.5%, S&P 500 22.0%, Universe Bonds 10.0%.
- However, bond yields (used to value pension benefits) are more than double at the end of 2021 and have significantly reduced liabilities in 2022 more than asset values have fallen.
- There is a chance solvency ratio is greater than 100% at the end of 2022.

SECTION 3: Group Benefit Plan Report

As of December 31, 2021:

- 635 members
- 42 agencies in total
- 1 agency ceased operations

Changes since December 31, 2021:

- 21 more members
- No additional agencies left or joined

Group Benefits Plan Report: Three Year Review

	2020	2021	2022
Basic Life Insurance	0.6% Increase	No Change	No Change
Dependent Life	0.8% Increase	No Change	No Change
AD&D	0.7% Increase	No Change	No Change
Long Term Disability	8.7% Decrease	No Change	4.54% Increase

Three Year Review:

continued

	2020	2021	2022
Weekly Indemnity	0.8% Increase	No Change	38.1% Increase
Health Care Benefit	1.4% Increase	2.4% Increase	9.6% Increase
Dental Care Benefit	0.4% Decrease	4.3% Increase	3.1% Increase
EAP	2.6% Increase	20.2% Increase	9.1% Increase

Impact on Monthly Cost

Coverage	2021	2022	\$ Difference	% Difference
\$30,000 Single	\$140.48	\$148.06	\$7.58	5.40%
\$30,000 Family	\$227.80	\$240.27	\$12.47	5.47%

Note: monthly cost is based on the average Single/Family Health and Dental rates for each year across all divisions.

Plan Experience

- 2 Life claims paid out for members versus 1 in 2020
- 2 Life claims paid out for dependents versus 0 in 2020
- 5 new LTD claims approved at Canada Life vs. 5 in 2020
- \$24,779 in STD claims paid versus \$7,525 in 2020
- \$397,510* Extended Health Care claims paid versus \$409,619 in 2020
- \$341,353* Dental Care claims paid out versus \$ 384,978 in 2020

* Claims are for the 12-month period ending February 28, 2022

Plan Enhancements

- No changes were made in 2021

Ellement Consulting Group

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Chair's Comments

Barry Miller



2022 Annual General Meeting

Any Questions?



2022 Annual General Meeting

New Business





2022 Annual General Meeting

**Thanks for attending, stay healthy
and keep safe.**

