

# **CCRetirees Organization 9th Annual General Meeting**

**November 8<sup>th</sup> 2017**

# Today's Full Agenda

- **Introduce Current Board of Directors**
- **Formal Annual General Meeting (AGM)**
  - **Approval of Agenda**
  - **Approval of Minutes of 2016 AGM**
  - **Chair's Report**
  - **Approval of Annual Financial Statements**
  - **Appointment of Auditors**
  - **Election of Directors**
  - **Continuance under the new CNFP Act**
  - **Other Business**
  - **Annual Meeting Adjournment**
- **Break**
- **Chairman's Remarks**
- **Pension Status Report**
- **Membership/Recruiting & Communications**
- **Guest Speaker** – Bruce Farnell Director - Estate Planning, Wills & Wealth Service
- **Summary**
- **Q&A**

**First**

**A Few Housekeeping Items**

# A MOMENT OF SILENCE FOR OUR DECEASED MEMBERS

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Allan	Winn	Jablonski	Wesley	Ray	Paul
Badone	Louis	Jacques	Margaret	Raymont	Betty (Bill)
Bechard	Robert	James	Eleanor	Rowe	Norman
Bennet	Gary	Kiborn	Bob	Rowntree	Ken
Bonnici	Philip C	Kingsbury	June	Russell	John
Brush	Ken	Larue	James C	Schooley	Carl
Buchan	Stewart	Lawrenson	John	Showers	Val
Buksa	Bill	Lowden	Mike	Shuttleworth	Jim
Burnett	Cliff	Marcotte	Claude	Simpson	Keith
Cardinal	Jean Guy	Martin	Fred	Simpson	William
Crone	Bob	McKee	Jeff	Simpson	Jim
Crozier	Dr.Grant	McMenemy	Bill	Smith	Rob
Cuthbert	John	Menchions	Bill	Stoddart	Leighton C
Deslippe	Jean	Michalski	Catherine	Strevett	Leonard (Len)
Dowdell	Leslie	Mousseau	Phil	Thomas	Harold
Ducharme	Gerard J	Muhleisen	Ronald J	Tracey	Michael
Finch	Al	Mullins	Trudy	Voss	Meta
Freeman	Ross	Newton	Al Thomas	Waldron	Thomas
Gaudette	Greg	O'Donnell	Edward	Wells	Gerry
Goslin	Dwain	Payne	Ron	Wheeler	Norm
Grieves	Bob	Peterson	Charlotte	Wilson	Brian
Groh	Lee (Leola)	Phillip	Liz	Winkup	Don
Gunnel	Gord	Pike	Tom	Woelfle	Katie
Hamilton	Irene	Pittl	Anthony	Worley	Earl
Harris	Lawrence	Pollitt	Richard		
Heath	Ken	Pytlowany	Walter		
Iric	Dusan	Quinn	James		

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# Current Directors

- **Cody Cooper** – Board Chair & President
- **Jim Dunn** – Vice Chair & Vice President
- **Kathy Hartig** – Assistant Treasurer
- **Lou Ienna** – Membership & Communications
- **Jim Kenney** – Membership Programs
- **Tim Hebert** – Finance/Pension status
- **Ron Sitarz** - Director
- **Joe Bevacqua** - Secretary
- **Don Kreibich** - Director
- **Anna Petrozzi** - Treasurer
- **Walt McCall** – Social Events
- **Dan Minello** - Director
- **Andy Moro** - Director
- **Gary Roe** - Director

# CCRetirees Committees

## Membership, Recruitment & Communications

- Lou Ienna – Chair
- Don Kreibich
- Ken Unwin
- Joe Bevacqua
- Andy Moro
- Ivo Spadotto
- Ron Sitarz
- Walt McCall

## Nominations Committee

- Cody Cooper

## Finance Committee

- Anna Petrozzi - Chair
- Kathy Hartig
- Gary Roe

## Member Programs

- Jim Kenney

## Social Events

- Walt McCall - Chair
- Don Kreibich
- Andy Moro
- Ron Sitarz

## Regulatory & Strategy

- Cody Cooper - Chair
- Jim Dunn
- Tim Hebert

# Field Representatives

Atlantic	Dan Pambrun
Quebec	Richard Leblanc
GTA	Dan Minello (BoD)

# Business Item #1

## Approval of AGM Agenda

- **Approval of Agenda**
- Approval of 2016 AGM Minutes
- Chair's Report
- Approval of Financial Statements
- Appointment of Auditors
- Election of Directors
- Other Business
- Annual Meeting Adjournment



Business Item #2

**Approval of 2016 AGM Minutes**

&

Business Item #3

**Chair's Report**

Cody Cooper

# Selected Accomplishments

- **Continued effective member communications**
  - E-Mail, Direct Mail, Facebook & revised Website
  - AGM and Toronto Meetings
  - FCA meeting on April 20<sup>th</sup> 2017 – handouts as of May 01, 2017
  - Leveraged membership in Canadian Federation of Pensioners
- **Continued political contacts per our strategic plan**
  - Meetings with party representatives and bureaucrats
  - CFP Day of Advocacy at Queen Park, October 16-17, 2017
- **Continued membership growth**
- **Obtained Ongoing Pension Funding Information as of 2017**
- **Ride & Drive Events**

## Business Item #4

# **Approval of Annual Financial Statements**

**Anna Petrozzi**

# Audit Opinion

**MCO Partners Chartered Professional Accountants has audited the financial statements as at and for the year ended April 30, 2017**

## **Opinion**

*“... these financial statements **present fairly**, in all material respects, the financial position of **CC Retirees Organization** as at **April 30, 2017** and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.”*

# Balance Sheet

## as at April 30, 2017

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
<b>Current Assets</b>		
Cash in bank	\$ 36,049	\$ 35,915
Accounts Receivable	3,875	1,250
Deposits	250	250
<b>Capital Assets</b>		
Intangible Asset	3,079	4,619
<b>Total Assets</b>	<u>\$ 43,253</u>	<u>\$ 42,034</u>
<b>Liabilities:</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 3,277	\$ 3,277
Deferred Revenue	1,575	1,425
<b>Total Liabilities</b>	<u>4,852</u>	<u>4,702</u>
<b>Net Assets: Unrestricted from operations</b>	<u>38,401</u>	<u>37,332</u>
	<u>\$ 43,253</u>	<u>\$ 42,034</u>

# Income Statement

## for the year ended April 30, 2017

	<u>2017</u>	<u>2016</u>
Revenue: membership dues	\$ 16,592	\$ 15,758
<b>Expenses:</b>		
AGM expenses	1,567	1,383
Insurance	1,781	1,664
Membership	552	1,031
Office expenses	811	1,305
Amortization	1,540	1,540
Professional fees	5,277	2,649
Mailing	733	533
Travel	2,601	1,105
Website	661	438
Total expenses	<u>15,523</u>	<u>11,648</u>
<b>Revenue in excess of expenses</b>	<b><u><u>\$1,069</u></u></b>	<b><u><u>\$4,110</u></u></b>

# Motion to Approve the Annual Financial Statements

## **Motion:**

that the audited financial statements as at and for the year ending April 30, 2017 be received and approved by the members.

Business Item #5

## **Appointment of Auditors**

**Anna Petrozzi**



# Appointment of Auditors

MCO Partners Chartered Professional Accountants is a Windsor Based Firm with U.S. & Canadian Tax and small business services expertise

## **Motion to Appoint:**

- That “**MCO Partners Chartered Professional Accountants**” be appointed as the Organization’s auditors for the fiscal year ending April 30, 2018.

Business Item #6

## **Election of Directors**

Cody Cooper

# Candidates for Directors (Three Year Terms)

- Ivo Spadotto – **New**

Business Item #7

**Other Business**

Business Item #8

**Adjournment**

**15 Minute Break**

**Part #2**

**Information Session**

# **Board Chair's Remarks**

Cody Cooper

# CCRetirees Major Objectives

Maintain over 50% of NBU Retirees  
**Achieved and Sustainable**

Legislative Change at Federal and Provincial Level  
**Unachieved and at Risk**

**Ontario Reforms and Federal Target Benefit Plans**



# **PENSION PLAN UPDATE**

**Tim Hebert**

# Pension Landscape

- Continued movement from Defined Pension to Defined Contribution (FCA Canada Salaried DB Plan was frozen Jan 1, 2015)
- July 2016 – Funding relief offered in 2009 & 2012 was extended for an additional three years
- May 2017 – Ontario Government announced proposed reforms to funding requirements. Proposed changes are under still under discussion and CCRetirees, through it's membership in CFP, are actively lobbying for modifications.
- **We continue to speak up to protect what was promised.**

# CCRetirees Objectives

**Full Solvency** – sustain funds for pensioners at a minimum of 90% on a solvency basis maintained over a three year period

**Full Transparency** – full information provided to plan members within six months of fund evaluation

**Top Tier Protection from Bankruptcy** – pension income should be protected as “super priority” (ie. ahead of creditors of a bankrupt business).

**Safe Haven Alternative** – a government managed safe haven for the continued administration of any pension plan in the event of bankruptcy.

**FCA Canada Inc.**

**Salaried Employees' Retirement Plan  
(SERP)**

# Latest Actuarial Valuation for SERP

The last actuarial valuation of the plan was as of Jan 1, 2017 (prior valuation Jan 1, 2014)

The valuation was prepared by Mercer under three different scenarios with different assumptions:

**Going Concern** - assumes the company continues to make normal contributions

**Solvency** - assumes no further funding from the company

**Hypothetical Wind-up** - assumes all available assets are paid out to members less administrative and legal costs

# SERP Actuarial Valuation - Jan 1, 2017

## Pension Benefits Act of Ontario – Section 14(1),14(3)

- If Solvency Ratio is greater than 85 percent, the actuarial valuation may be prepared every 3 years (*the prior valuation was Jan 1, 2014*)
- If Solvency Ratio is less than 85 percent, actuarial valuation must be prepared annually

## FCA Canada elected not to prepare a valuation for Jan 1, 2015 and Jan 1, 2016

- Met Solvency Ratio test of >85 percent
- Cost savings for the company
- FCA Canada provided internal financial reporting information on SERP for Jan 1, 2015 & Jan 1, 2016

# Funded status of SERP as of Jan 1, 2017

**Going Concern** (normal business and mkts.)      **108%** (108% prior yr est.)

**Solvency** (conservative funding rules)              **92%** (89% prior yr est.)

**Hypothetical Wind-Up** (pay-out via liquidation)      **88%** (85% prior yr est.)

# What happened to SERP last year?

## Going Concern

<i>\$ millions</i>	<u>Jan 1, 2017</u>	<u>Jan 1, 2016</u>
Assets ( <i>smoothed</i> )	\$795	\$780
Future pensions	<u>736</u>	<u>730</u>
Surplus (deficit) <i>Funded Position</i>	\$ 59 (108%)	50 (108%)

On a going concern basis the SERP has a surplus of **8%**.



# What happened to SERP last year?

## Solvency

\$ millions

	<u>Jan 1, 2017</u>	<u>Jan 1, 2016</u>
Assets (Jan. 1 <sup>st</sup> )	\$833	\$842
Future pensions & costs	<u>908</u>	<u>950</u>
Surplus / (deficit) <i>Funded Position</i>	<b>\$(75)</b> 92%	<b>\$(108)</b> 89%

The company is required to fund **\$75 million** (present value of solvency deficiency as at Jan 1, 2017) over the next 7 years with annual payments of \$5-16 million. These payments may be reduced by any special funding payments made by the company in this period.

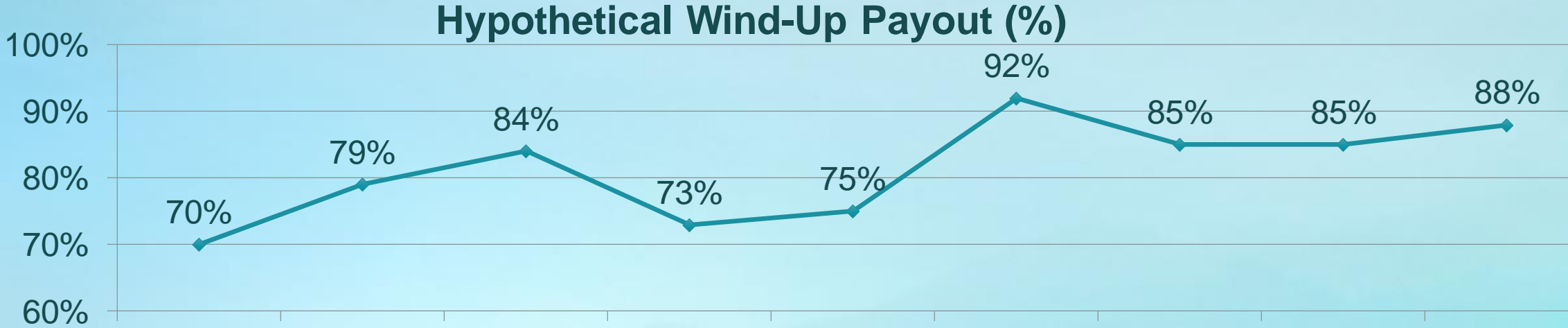
# What happened to SERP last year?

## Hypothetical Wind-up

<i>\$ millions</i>	<u>Jan 1, 2017</u>	<u>Jan 1, 2016</u>
Assets ( <i>Jan. 1<sup>st</sup></i> )	\$833	\$842
Future pensions & costs	<u>947</u>	<u>987</u>
Surplus / <b>(deficit)</b> <i>Funded Position</i>	<b>\$(113)</b> 88%	<b>\$(145)</b> 85%

If the plan was hypothetically wound-up, as of Jan 1, 2017, you would get **88%** of your current pension.

# Hypothetical Wind-Up Deficit Tracking



# What happened to SERP assets last year?

*\$ millions*

Assets – Jan 1, 2016	\$842
Employer contributions	2
Employee contributions	-
Market gains	45
Administration & investment fees	( 3)
Pension payments & lump sums	<u>(53)</u>
Assets – Jan 1, 2017	<u>\$833</u>

**The plan had a net return of 4.6% for the year ending Jan 1, 2017.**

# What is the asset mix of SERP?

<i>As of Jan 1</i>	<u>2017</u>	<u>2016</u>	<u>Target(min-max)</u>
Public Equity	<b>30%</b>	34%	30% (10-50)
Fixed income	<b>58%</b>	60%	65% (45-90)
Other*	<b>10%</b>	4%	5% (0-10)
Cash	<u>2%</u>	<u>2%</u>	<u>0%</u> (0-10)
Total	<b>100%</b>	100%	100%

\* Includes Currency Forward Contracts, Private Equity Limited Partnerships & Hedge Funds

**The plan maintains a conservative asset mix.**

# What are the SERP demographics?

<u>Group</u>	<u>Number of members</u>	<u>Average Age</u>
Retired	1,525	74
Surviving spouses	385	82
Active	880	48
Other (Disabled & Deferred)	440	55
Total	<u>3,230</u>	

**There are 1,910 retirees, including surviving spouses, which is 58% of total plan members**

# In Summary

- The funded position of the plan has improved:
  - **Asset returns 4.6% vs. 5.1% last year**
  - **Solvency deficit of \$75 million vs. \$108 million last year**
  - **Hypothetical Wind-Up deficit of \$113 million (88% funded) vs. \$145 million (85% funded) last year**
  - **Next valuation will be Jan 1, 2020**

# **Membership, Recruitment and Communications 2017**

Lou Ienna



# Membership/Recruitment & Communications/Social Committee

## Committee Members

- Lou Ienna – Chair
- Don Kreibich
- Ken Unwin
- Joe Bevacqua
- Andy Moro
- Ivo Spadotto
- Ron Sitarz
- Walt McCall

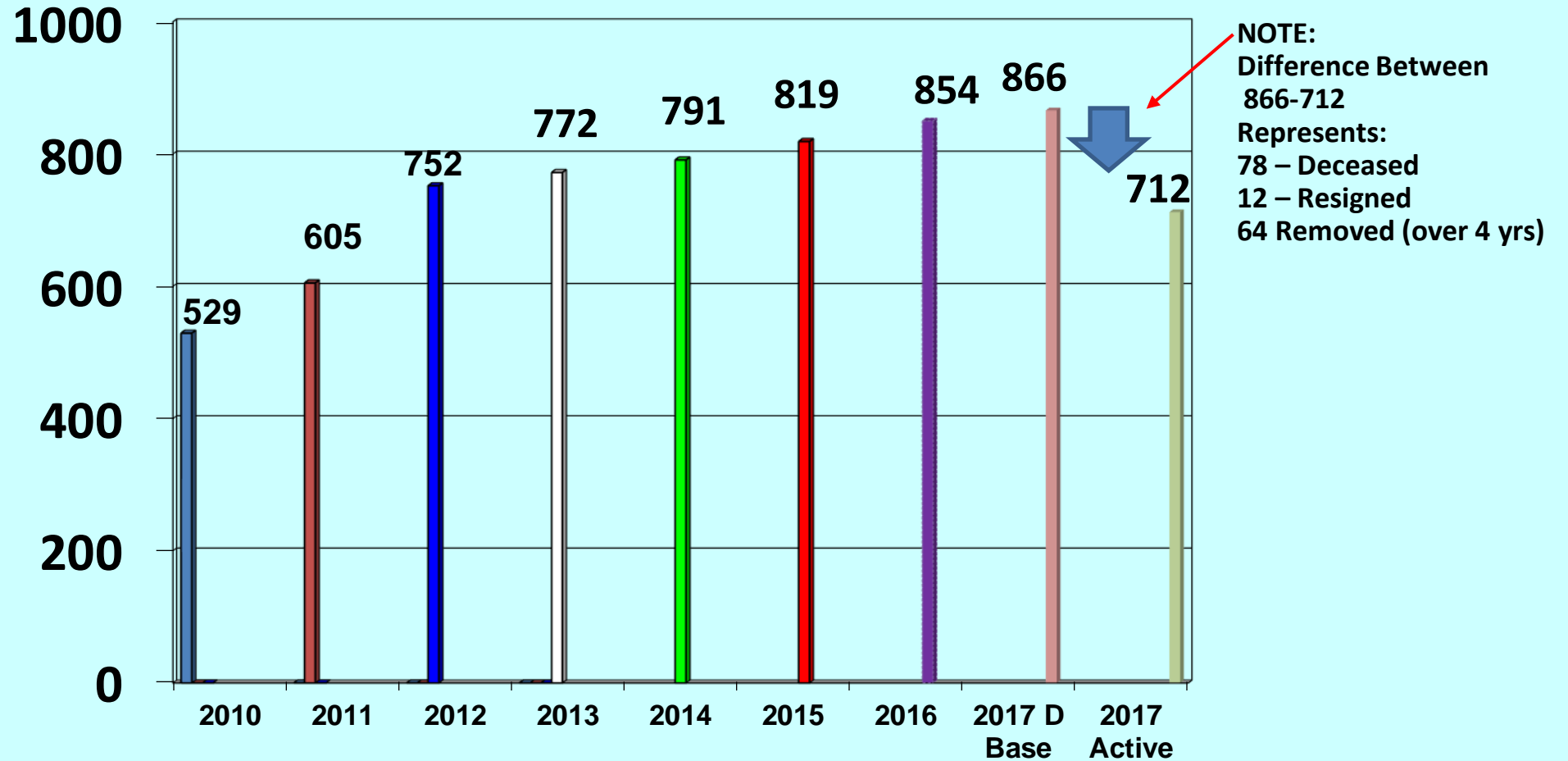
## GTA Support

Dan Minello

## Social Committee

- Walt McCall - Chair
- Don Kreibich
- Andy Moro
- Ron Sitarz

# Membership Status



2017 total of 866 represents **57%** of our retirees (1,525)  
 and **45%** of available retirees (1,910), including surviving spouses (385)  
 Active members 712 represent **47%** of retirees (1525)

# Membership & Communications Actions

- Continue displays in Service Garage and some local Chrysler Vehicle Dealerships with business cards
- Completed additional discount from local business by using new Membership Card
- Developed facebook page for CCRetirees members has 141 followers
- Held our 3rd membership golf outing (May 2017)
- Development of our new Web page completed.

## **Merged with Social committee for transparency interface**

- Conducted membership survey of social activities

## **Planned for 2018**

- Fourth annual golf outing – May 2018
- Continue to pursue non-members to join
- Expand Committee membership (need new volunteers).
- Review website upgrade (make even easier to use)
- Continue with quarterly social events

# How can you help as a member

- Promote the Organization to your workplace friends
- Tell them the advantages of being a member
  - We are a point of contact with the company
  - Frequent information distribution on Chrysler and Government Legislation that will effect your future pension status
  - Not all pensions are fully funded, this is a cause for concern
- Discount on insurance (HUB) and other businesses
- Get involved in our events (social & non social)
- Use the Web site to convey messages to politicians

**Guest Speaker**

**Bruce Farnell**

**Director**

**Estate Planning, Wills & Wealth Service  
BMO Harris Private banking – London**

# SUMMARY

- **Continued Movement From & Erosion of Defined Benefit Plans**
- **Introduction of “target benefit plans” at the “provincial level will only increase this trend with language impacting ancillary items such as surviving spouse benefits.**
- **Government complacency is particularly concerning Ontario regulations which control your pension in respect of funding, accountability and transparency wherever you live.**
- **Our legislative goals remain unchanged and unmet.**
- **Companies are only doing what is required by the government.**
- **Politicians, not the bureaucrats are holding us back.**
- **We have provided you with the tools and the message to communicate.**
- **We need your help to do this and stay at 50% or more of the retiree group.**

# Questions & Answers