

This is the 5th edition of this non-electronic medium. The main purpose to this edition is to inform members of reports and decisions which took place at the YURA Annual General Meeting on 17 October 2003.

New Members of the YURA Executive

New Directors are *David Wood* and *Michael Lanphier*, both recently-retired faculty members, who will serve for 2 years until October 2005.

Retiring Members of the YURA Executive

Heather McIndless who served as Treasurer from 1994 to 2001 but remained on the Executive until 2003 - for a total of 10 years service.

Diane Taylor joined as an Ex Officio resource on pensions and benefits, using her expertise from many years as head of that department in the University's Human Resources Department. She then became a full member of the Executive and served for two years as YURA's representative on the All-University Committee on Pensions [AUCP] before again reverting to Ex Officio status until this time.

Doug Moon, retired from his role as Executive Officer in the Science Faculty, to become a member in October 2002, taking over in July 2003 as our representative on the AUCP from Frances Bukovec (who had replaced Diane Taylor). Unfortunately Doug has had to resign recently from the Executive for personal and family reasons.

The Executive of YURA is grateful to all three for their contributions over many years.

A Vacant Appointment for YURA to Fill

The only vacancy now to be filled is that of our representative on the *All-University Committee on Pensions [AUCP]*. This can be filled by one of the existing Executive members, or an Ex Officio person [any member] may be appointed.

Pension Report

The following report was prepared by *John A. Heddle*, YURA Nominated *Trustee to the Pension Board* for presentation to the YURA Annual General Meeting on 17 October 2003:

My first meeting as a YURA trustee was in September. The meeting was devoted largely to issues of governance, which I will recount below, but the information everyone is most interested in is the performance of the plan. The latest result, which is, of course, not final, is that the plan

earned +7.5% this year to the end of October. At this time last year it was roughly the same amount in the opposite direction, which is to say a loss of more than 8% as best I can remember. Fortunately by the end of the year, this loss had been partially reversed to roughly -4%. The moral of the story is that Yogi Bera was right as usual, "It ain't over 'til it's over." Which is the end of the calendar year. At the moment, both stocks and bonds are moving up in most parts of the world, so undoubtedly the York Pension Plan is benefitting from this movement. Nevertheless, it seems unlikely that even if there is no reversal of the trend, that the final return will be large enough to trigger an increase in pension payments. This would require something like a final return of 8% if shadow pensions prove not to be consistent with the York Pension Plan and 17% if the Administration's interpretation of the plan is permitted.

The Plan is subscribing to the Ambachtsheer Letter which is basically the iconoclastic views of Keith Ambachtsheer about pension plans, investments, and related topics. If anyone is interested, I can circulate my copy. It makes interesting reading for anyone with an interest in finance and pensions. It would, or should, be pretty scary for a great many members, trustees, and administrators of other plans, but I think that so far the York Pension Plan would not be classified in any of the groups that he has shown to be doing dangerous or unjustified things.

The investment policy has been unchanged during this period. The objectives have been to

- Maximize return but at moderate risk, particularly of negative returns
- "return sufficient to ensure total pension costs fall within budgetary constraints" so that no additional, unexpected contributions are required
- obtain a return sufficient to provide a reasonable level of inflation adjustment for pensioners.

Some comment is required on each of these points. The first is nicely stated but difficult to quantify. The two stated aims require exactly opposite investment strategies, so the balance point between them is a matter of judgement. So far, I would say, a good balance has been achieved.

The second point came up for discussion at the last meeting of the Trustees, in which this objective was specifically listed. Unfortunately for the Administration, the Trustees had only moments earlier adopted and unanimously commented favourably on a consultant's (Corex) report on governance which stated specifically that

the *only* objectives of any pension plan could be for the benefits of the members of that plan. A motion was made to delete this objective from the stated objectives, and this passed though not unani-mously, and the results, as I remember them, were consistent with Trustees voting for their constituency not for logic nor for the benefit of the members, the latter being something Trustees have a fiduciary duty to do. In truth, the interests of the Administration and the members are very well aligned in this matter, as Paul Cantor, Chair of the Board of Trustees & member of the University Board of Governors, pointed out, so it is more cosmetic than anything else.

Finally, I should comment on the objectives of the plan with respect to the matter of greatest interest to retirees, that of providing an inflationary adjustment. In the past this has worked well, save for last year and, probably, the next few years. There is a temptation to think of this period as anomalous, but this may not be the case. The very long term (say 100 years or so) return on capital has been about 3.5%. The plan posits a return of 6%, but this includes inflation. In periods of high inflation, this may be achieved with an appropriate investment strategy but in an era of low inflation of, say, the 2% aimed for by the Bank of Canada, it may be about the maximum achievable. This would leave little for inflation adjustment. If the plan were to be funded for the inflation objective, it is likely that the contributions would have to be far greater, perhaps 50% greater or more, if no shadow pensions exist! But, perhaps, things have changed and the very long term results no longer represent reasonable forecasts of the future. We hope to hear about The Financial Services Commission of Ontario's decision as to whether or not shadow pensions can be a part of the York Pension Plan late this year or early next year.

New Parking Rules

In September Prof. Albert Tucker, President of YURA, circulated to all members detail on these changes. In summary, as of 31 October 2003 the old voucher system expires and only the new bar-coded vouchers will be honoured. YURA members who renew for 2003-2004 will receive 12 free bar-coded parking vouchers which may be used during the succeeding year. No more than 12 vouchers will be issued to a member in a single year.

YURA recognizes that this limit on the number of free parking vouchers leaves a number of special volunteers who have accepted responsibilities with their teaching departments or other important university-based voluntary activities seriously disadvantaged. A small working group,

made up of members from both *Association of Retired Faculty [ARF]* and YURA, has been named to collect information and to articulate a position on these changes. *The chair is Alex Murray* and the other four members are Susan Lanoue*, Barry Loughton, Ken Thomson*, and Bill Whitla.*

* YURA Representatives on this working group

YURA Bursary Awards

The *W. W. Small Award Fund* now contains over \$38,000. This year an award of \$1,750 was made to a York student.

The *Mature Student Bursary Fund* now contains more than \$16,000. This year an award of \$750 was made to a York mature student.

The Treasury and Membership

The Treasurer reported at the AGM that YURA had 479 members and the 30 September 2003 bank balance was \$7,946.00. Norman McMillan, York's internal auditor, will complete the year-end audit soon.

Achievements

Allan Carswell, physics & astronomy professor emeritus, awarded a \$150,000 study contract by the agency for the Canadian contribution to a US-led Phoenix Mars Scout mission.

Some Corrections/Additions

We carried a list of military men who served York in the last issue. Here are some corrections and additions.

Len Draper, The Library [misnamed earlier]
Tom Seager, Glendon College Physical Plant

The Executive 2003-2004

Contact any of the executive for more information about the YURA.

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Ex Officio:

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- John Heddle, representative to the Pension Board Trustees, 905-893-2677; jheddle@yorku.ca

In Memorium - Recent Deaths

John Armour, Physical Plant, 2003*
Victor Berg, Glendon administration, 2003
Daniel Cappon, Environmental Studies, 2002
Norm Endler, Psychology, 2003*
Evelyn Eppes, Physical Plant, Glendon, 2003
Archibald Faulds, Physical Plant workshops, 2003
James Fulton, 2003
Vernon Holt, Physical Plant workshops, 2003
Dennis Krause
Irma Kruminis, 2003
Tillo Kuhn, Administrative Studies faculty, 2003
Mary Martin, Caretaking, WOB
Catherine Montague, 2003
Don Nesbitt, Business Operations/Housing, 2002
Charles Patterson, 2003
Cyril Pilley, Glendon administration, 2003
Beryl Rowland, English, Arts, 2003
Harold Schiff, Physics & Dean, Science, 2003
Ken Simbhunauth, Parking & Security, 2003
Neal Wood, Political Science, Arts, 2003
* Appointed to staff in the first year [1959] when York was still housed at the U of T Falconer Hall.

Activities

FITNESS: This program takes place in sessions during the year and is extremely well attended at Tait McKenzie. A new feature added this year was aquatics which has been well received by everyone.

THEATRE TRIPS: two completely sold-out trips took place: Stratford in April 2003 and The Shaw in September. The weather for both trips was wonderful, the bus ride just great, and a great time was had by all.

YURA SHOWCASE 2002: This event took place on November 21. Our devoted crafters displayed their very creative work, wood working, art, knitting, etc.--- all items which make excellent Christmas gifts. The luncheon was held at the Graduate Students Lounge. The lunch was good and the atmosphere informal and friendly. A very good day for all.

JOHN WARKENTIN'S WALK: This walk took place in an around the area of the U of T, started at Spadina Avenue and up College. John went to great lengths describing and detailing the building and monuments. Everyone was very pleased and fascinated. An enjoyable day for all. **THANKS JOHN!!!**

SHOWCASE 2003 – Innovations

On 6 November 2003, three weeks after the AGM a bigger and better Showcase 2003 took place. Innovations like a Garage Sale and a Bake Sale were added.

In addition to the sit-down luncheon available in the Chancellor's Room of the Student Centre, there was a full luncheon available in the Graduate Students' Pub, Ross Building There was a full array of goods which the crafters, sellers and exhibitors displayed --- an excellent way to start off your Christmas shopping!

Three different Campus Tours were offered that day -- one to the Greenhouse, one to the Observatory and a third to the new Schulich School of Business and the new Technology Enhanced Learning Building (TEL). Free parking was available for every participant. Watch for announcements about the 2004 Showcase.

Publications of Interest

- The **ARF Newsletter** of the York University Association of Retired Faculty and Librarians issued their Vol. 10, No. 1 in October 2003. In addition to announcing their AGM for 29 October 2003 and fees of \$25 [regular] and \$15 [associate], it includes an invitation from the Treasurer of the Glendon College Senior Common Room to retired faculty and staff to join the SCR at half price: \$32.50 per year, and enjoy excellent hot lunches, home-cooked on the premises.
- The **RALUT Reporter** of the Retired Academics and Librarians of the University of Toronto issued their Vol. 3, No. 3 in October 2003. This is a relatively young organization and is closely related to the faculty association at U of T, UTFA, which represents the faculty in ongoing discussions on all terms of employment. All retired members retain the right of regular membership in UTFA and are also represented on the Salary, Benefits and

Pensions Committee of UTFA. Copies of these publications may be consulted in the YURA office, 101 Central Square.

Private Coverage Available - Extended Health

ALL York University retirees, since they have been "education employees in Ontario", are entitled to apply for coverage under the *Retired Teachers Insurance Plan (RTIP)*. This plan is administered by the *Ontario Teachers Insurance Plan (OTIP)* and underwritten by Liberty Mutual. RTIP brochures and premium rates are updated annually. RTIP can be contacted directly at 1-800-267-6847, www.otip.com, or P.O. Box 218, 125 Northfield Drive West, Waterloo, ON, N2J 3Z9. [From the YURA website.]

Post-Retirement Benefits Details

Of interest to all YURA members, current information on each of York's post-retirement packages is now available on the University's webpage (www.yorku.ca) by clicking York U Organisation and then searching under VP Finance and Admin and then Human Resour-ces. Links are also available to the same data through (www.yorku.ca/yura) and clicking on: Retired YUSA; Retired CPM; Retired YUFA and Retired Osgoode.

Post-Retirement Benefits Plan Bulletin

There is a new York University publication entitled *BENEFITS AT YORK* issued on 13 November 2003. If you did not receive it, you should call ext. 77567 at York Pensions & Benefits Office or email <benefits@yorku.ca>.

It was not addressed to a specific retired employee group so we assume that all retired faculty, CPM and support staff received the same document in the mail. This lack of specificity in addressing causes a difficulty however.

It carries a description of how the "lifetime maximum" on the Extended Health Care Plan works and how it may be restored annually under certain circumstance and how, on application, it may be restored to the maximum if depleted as the result of a "single illness or accident".

Unfortunately it quotes two different "lifetime maximum" amounts without specifying that one figure applies to one employee group of retirees and a different figure applies to another employee group of retirees. This is confusing and hopefully will be corrected in the near future. See reference to same issue in the CURAC item – next.

We suggest that you retain all of these Bulletins and file them with your pension & benefit papers.

Questions about these matters may be directed to The Great-West Life Assurance Company at 1-800-263-5742.

CURAC - the Founding Conference

by Albert Tucker

On May 26, 2003, Cathy Ng, Ken Thomson and I attended the founding conference of *CURAC (College and University Retiree Associations of Canada)*. The conference was the outcome of a full year (2002-03) of discussion within a steering committee, of which both Cathy Ng and I were members, so that YURA has been well represented in the founding of CURAC. This initial conference was held at Dalhousie University in Halifax. It demonstrated both the number of university retiree organizations in Canada, and the need for some form of central direction.

Now that the Executive Committee has been established and is functioning, issues will be taken up and communication by computer and phone will help to determine priorities. One of the most pressing current problems is that of benefits. Surveys are being developed that will enable CURAC to communicate relevant information and to articulate a position. Issues being studied have to do with the size of the cap on total lifetime benefits, and the rising cost of drugs. For some universities, there is also the question of representation on those university bodies that work toward final decisions on pensions and benefits.

YURA has little cause for concern on this subject of representation, but the question of the size of the lifetime cap on benefits needs ongoing discussion. ARF, for example, through its association with YUFA, has been able to press successfully for a doubling of the cap from \$25,000 to \$50,000. But that is only for retired members of faculty. What about former members of YUSA, of CPM, and of CUPE, who are still limited to a cap of \$25,000? This is a specific issue that YURA must pursue in the immediate future. Membership in CURAC helps to inform and stimulate such discussion. The next annual conference of CURAC will be held in May, 2004, at the University of Manitoba in Winnipeg.

Cynthia Dent, a member of YURA's Executive, has agreed to research and compare these details further with all Ontario universities. Ultimately this information will be available to YURA members.

*Comments to John Becker, newsletter editor,
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