

## RALUT Annual General Meeting 2013

The Annual General Meeting took place on **Thursday, April 25, 2013** at 2 pm in the Debates Room at Hart House.

### *Program*

10:30-12:00: Registration and coffee  
12:00-1:00: Buffet lunch  
1:00-2:00: Martin Friedland *The University of Toronto: the Last Ten years*  
2:00-3:00: RALUT Business Meeting

### *Agenda*

1. Approval of the agenda.
2. Approval of minutes of 2012 Annual General Meeting.
- 3a. President's Report.
- 3b. Treasurer's Report.
- 3c. Commemorative Initiatives Report.
- 3d. Membership and Events Committee Report.
- 3e. Benefits Report.
- 3f. Pensions Report.
- 3g. Nominations Committee Report.
4. Election of the Board of Directors for 2013-2014.
5. Adjournment.

## MINUTES OF 2012 AGM

Members of the RALUT Executive present: Tom Alloway, Chair; Don Bellamy, Doug Creelman, Elinor Fillion, Lino Grima, Hans de Groot, Beate Lowenberg, John Munro, David Olson, Ruth Pike, Scott Rogers, Peter Russell, Roselyn Stone, John Valleau. The President and Committee Chairs provided written reports, which were distributed together with the Agenda for 2012 and the Minutes of the 2012 AGM to all members attending this AGM.

1. **Approval of the Agenda.** It was moved by J. Stevenson, and seconded by D. Creelman, that the Agenda be approved as circulated. *Carried.*

2. **Approval of the Minutes.** It was moved by S. Rogers, and seconded by J. Munro, that the minutes of the Annual General Meeting held on April 26, 2011 be approved as circulated. *Carried.*

3. **Report of the President.** The President drew attention to the survey about RALUT's advocacy role mentioned in his report and attached to the agenda package. He asked RALUT members to complete the survey before leaving. Opinions are being sought regarding possible targets for advocacy.

4. **Report of the Treasurer.** E. Fillion's report shows the statement of income and expenditures for the year January 1 to December 31, 2011. She noted that RALUT continues to be in good financial order.

5. **Report of the Commemorative Initiatives Committee.** B. Lowenberg reported that the Endowed Fund book value as of March 15, 2012 was \$73,980. The Fund was set up five years ago to commemorate the deceased RALUT members and has been very successful. Interest from the Fund provides awards to two students to assist them in pursuing their goals.

6. **Report of the Membership and Events Committee.** J. Valleau spoke to the report of the Membership Committee. The Committee has concerned itself with addressing the question of the role that RALUT can play for its members. On behalf of the Committee he encouraged RALUT members to respond with their suggestions and ideas.

7. **Report of the Public and University Policy Committee.** D. Bellamy said that the Public and University Policy Committee, along with the Membership Committee, invited RALUT members to submit

policy issues for discussion by groups of like-minded members. Details of the organization of such groups are being considered.

**8. Report of the Benefits Committee.** H. de Groot reported on activities undertaken by the Benefits Committee including the provision of an advisory service to retirees who have questions about medical coverage; discussion of the question of providing new technology for the hearing impaired; a move toward the adoption of a policy of making a good faith effort to conform to the Accessibility for Ontarians with Disabilities Act; and the submission to UTFA of a list of benefits which RALUT would like to see covered.

**9. Report of the Pensions Committee.** The Pensions Committee has devoted considerable time to discussion of the U of T Pension Plan and to the matter of augmentation. Details are contained in its report.

**10. Report of the Nominations Committee.** The report of the Nominations Committee was circulated with the Board agenda. The following have agreed to stand for election to, or to continue on, the RALUT Board for 2012/2013.

*Continuing:* Peter Russell (Honorary President), Jack Stevenson (Past President), Tom Alloway, Doug Creelman, Elinor Fillion, Fred Wilson, Lino Grima, Scott Rogers, Don Bellamy, Hans de Groot, David Olson, John Valleau.

*Nominated for Election:* Roselyn Stone, John Munro, George Luste, Beate Lowenberg, Robin Healy.

**11. Election of the Board of Directors, 2012-2013.** J. Stevenson introduced the Nominations report, explaining the various categories of nominees. At the first meeting of the 2012-2013 Board the Nominations Committee will propose the following as Officers of RALUT: President, Tom Alloway; Vice-President (Operations) Roselyn Stone; Vice-President (Policy), Doug Creelman; Treasurer, Elinor Fillion; Corporate Secretary, Beate Lowenberg. It was moved by J. Stevenson and seconded by T. Alloway that the Nominations Committee slate be approved. *Carried.*

**12. Adjournment.** It was moved by J. Munro that the meeting be adjourned. The meeting was adjourned at 3:00 pm.

*Signed:* President, Tom Alloway; Corporate Secretary, Beate Lowenberg

## PRESIDENT'S REPORT

I believe that there are two major issues that affect the security of retired academics and librarians at the U. of T.; the financial status of the University's pension fund and the level of support which the provincial government is able and willing to provide to the province's health care systems.

As most of you know, the University's pension fund is in serious financial straits. Depending on how the deficit is figured, the fund is somewhere between \$1 Billion and \$2 Billion short of the money that would be required to meet all its financial obligations if the fund had to be wound up and closed out, *i.e.* if the University went out of business. Fortunately, the University isn't going out of business in the foreseeable future; it appears that there are sufficient funds available to continue paying our pensions. However, it is unlikely that we will see any improvement to the pension plan or any increase in our benefits. In order to reduce the shortfall, the University administration will have to increase its contributions to the plan substantially, perhaps to a degree that will interfere with its ability to support some of its academic programmes; faculty members and librarians who have not retired will also likely have to increase contributions to the plan. In addition, the provincial government is considering the possibility of creating a combined pension plan for all Ontario universities; we do not know how this might affect the viability of the U. of T.'s plan, whose funding shortfall is very much greater than that of any of the other Ontario universities' pension plans.

The Ontario government and the financial institutions that lend it money are becoming increasingly concerned about the size of the provincial government's deficit. Reducing the deficit is going to require either substantial reductions in expenditures or tax increases. A reasonable argument could certainly be made for increasing taxes, but all our political parties apparently think that tax increases are political suicide. So

that approach seems to be out of the question.

The viability of the health care system is vitally important to us as seniors because we can expect to need increasing amounts of care as we get older. This would not really be a problem if the proportion of seniors in the population were stable. When we were younger, our taxes paid for the care of people who were older than we were; we could reasonably expect that people younger than we are would pay for our health care now that we are seniors. However, the proportion of seniors is increasing, and that increase accounts in part for the fact that the cost of health care is increasing faster than any other category of government spending.

This past February, RALUT sponsored a Forum of the Viability and Sustainability of Ontario's health Care System. The two principal speakers at the Forum were *Globe and Mail* columnist Jeffrey Simpson and the well-known health care consultant and lecturer in the U. of T. Faculty of Medicine Michael Rachlis. Mr. Simpson is the author of a recent book entitled *Chronic Condition* in which he argues that our health care system is not viable in its present form; and Dr. Rachlis argued that the present system is basically viable if certain reforms are made. The Forum was a great success in the sense that an overflow crowd of over 125 people attended, and members of the audience asked many good questions and made interesting comments. However, of course, our forum didn't solve any of the problems, and I believe that the future viability of our publicly funded health care system is in fact quite uncertain.

*Tom Alloway, President*

### TREASURER'S REPORT

<b>Balance, January 1, 2012:</b> 49,854		
Income	Membership	\$21041
	Donations	\$3145
	Interest	\$477
TOTAL		24663
Expenditures	Administration	\$8711
	Reporter	\$728
	AGM	\$1103*
	Affiliations	\$406
	Conferences	\$2591
	Board	\$1869
	Endowed memorial	\$1070
	New retiree reception	\$235
	Bank charges	\$160
	ARC coffee	\$142
	Petty cash	\$16
	Refund of deceased member's fee	\$50
TOTAL		\$17081
Appropriations for special funds		
	Legal expenditures	\$10000
	Special projects	\$14500
	General contingency	\$ 11000
TOTAL		\$35500

The balance on hand on January 1, 2012 was \$49854. The net income for 2011 was \$24663, less \$17081 for operating expenses. Thus the balance on hand on December 31, 2012 is \$57436.

\*In previous years we were required to prepay half the estimated cost of the next year's AGM. Hart House no longer requires the prepayment, so this figure represents the balance paid in 2012, not the full cost of the 2012 AGM.

*Elinor Fillion, Treasurer*

## REPORT OF THE PENSIONS COMMITTEE

In the fall of 2013, I succeeded Prof. Lino Grima as chairman of RALUT's Pensions Committee, when he resigned from the board for family reasons. Previously, I had been cochair of that committee.

This year, the Pensions Committee did not meet, simply because negotiations between the University of Toronto and UTFA had not yet commenced, and will not do so until much later in the year, possibly not until December 2013. UTFA's Salaries, Benefits, Pensions, and Workloads Committee has met only twice this year, and will not meet again until the fall of 2013.

I have, however, kept the RALUT Pensions Committee fully abreast of all recent developments by circulating memos through e-mail, often with file attachments. The most interesting developments concerning pensions this year are:

(1) **The Morneau Report:** The publication, in October 2012, of the so-called Morneau Report: *Facilitating Pooled Asset Management for Ontario's Public-Sector Institutions*. On 28 February 2013, Prof. George Brandie (Queen's University) issued a critical appraisal of the Morneau Report on behalf of CURAC-ARUUC (College and University Retiree Associations of Canada), and it was sent to The Honourable Charles Sousa, the new Minister of Finance of the Ontario Government.

At the meeting of UTFA's Salaries, Benefits, Pensions, and Workloads Committee held very shortly after, on Friday, 8 March, I provided a commentary on these two reports; my report, along with the PDF file attachments for these two documents, were sent to all members of the RALUT Board and the Pension Committee.

a) The essential contention of the Morneau Report is that a properly constituted and well administered new public corporation for managing Ontario public-sector pensions could achieve significant economies of scale and other efficiencies, with superior financial bargaining power, to produce cost-savings of perhaps \$100 million per year – an amount offset, however, by start-up costs of about \$50 million a year, for several years. To be excluded from this new Corporation – to operate at 'arm's length' from the Ontario government – would be the Big Three, which already enjoy such economies of scale: the Ontario Teacher's Pension Plan ('Teachers'), the Ontario Municipal Employees Retirement System (OMERS), and the Healthcare of Ontario Pension Plan (HOOPP). All others, including the university sector (about \$12 billion in assets) would be compelled to join, *i.e.* to surrender their pension assets, to provide a hoped-for total of \$100 billion in pension assets (with a minimum \$50 billion). But each public scheme – and thus our U of T scheme – would be left free to determine contributions and benefits (pensions pay outs). One obvious problem would be the fate of UTAM (University of Toronto Asset Management), and the management of endowment funds, if pensions were hived off into this new public corporation.

b) The Brandie-CURAC report criticizes most, if not all, features of the Morneau report, but most especially the contention that a minimum of \$50 billion in combined pension assets is required, and that public-sector pension membership in the new Corporation be compulsory. Brandie cites the current success of Yale's endowment fund with 'just' 20 billion in assets. But whether a Canadian public-sector pension fund can be compared to a private American university's endowment fund is not clear. Brandie also questions whether the Morneau recommendations on establishing a 11-member board of directors would be truly efficient, truly in the interests of all the 'stakeholders', and truly at arm's length from government interference, in managing assets.

c) My view is that, in view of the critical CURAC report, the Ontario legislature may spend several years debating the establishment of a new Corporation to pool and manage assets of public-sector pension funds. Members of RALUT are encouraged to read both my report and these two documents, which should be available soon from the RALUT website.

(2) **News about the SRA (Supplementary Retirement Allowance)** is the other important development. My Economics colleague, Prof. Ettore Damiano, who also serves on the UTFA Salaries, Benefits, Pensions, and Workloads Committee, is a faculty member on the Governing Council's Pension Committee.\* He stated that we retirees who are now receiving the SRA need have no fear that it will ever be discontinued (even if the payments are not as securely guaranteed by law as our regular pensions), for two related reasons.

a) Very few if any newly retiring faculty will receive it, because the federal cap (once rigidly fixed at about \$95,000) has now about reached the upper limit of the SRA, \$150,000, and thus there will be virtually no future *additional* SRA payment to be a burden on our U of T pension scheme;

b) As current retirees die, the total SRA payments will diminish – and they are now a very small, really insignificant percentage of the total U of T pension payments.

\*This is a joint committee of members of the Governing Council and faculty, chaired by Professor George Luste, past-president of UTFA. The other faculty members (along with Ettore Damiano and George Luste) are Helen Rosenthal (retiree representative), Lawrence Booth (Rotman) and Jennifer Jenkin (History).

*John H. Munro, Professor Emeritus of Economics, Chair*

## REPORT OF BENEFITS COMMITTEE

The Benefits Committee has met eight times since our last AGM. Our concerns have focused on the ability of RALUT members to contact the U of T Department of Human Resources to get information regarding our benefits; members have reported difficulty in reaching them for answers to questions.

The Benefits Chair has participated in the CURAC and AROHE meetings, sharing information regarding benefits coverage and University involvement in supporting retired librarians and academics. The heartening news is that at U of T our health benefits and institutional support for the organization compare well across the continent.

A disappointment was our unsuccessful request to meet with the University Affairs Board of Governing Council to push for official and more systematic recognition of retirees as members of the university community. Other retiree organizations in Canada and the United States have achieved establishment of a Memorandum of Understanding with their administrations, recognizing status at least comparable to that of alumni and students. Our efforts will continue.

The Friday morning health insurance information service has been able to help about 20 members in the short time since it was instituted. This has involved advice, information and active advocacy. It will continue.

Plans for next year include expanding membership in the Committee, and developing ways to reach our membership and retirees who are not RALUT members to learn of their concerns. We continue a rewarding connection with UTFA, who bargain on our behalf with the University.

*Hans B. de Groot, Chair; Members: Doug Creelman (temporary chair), Edith Spivak, Jack Stevenson, Peter Russell, Scott Rogers, Tom Alloway*

## REPORT OF THE COMMEMORATIVE INITIATIVES COMMITTEE

The *RALUT Endowed Memorial Fund* was established in 2007 to provide financial aid to financially needy and academically excellent students, while also commemorating deceased members of RALUT.

Due to the generosity of our donors and the then available government Trust for Student Support (OTSS) donation-matching program, this fund grew rapidly; the April 30th 2012 fiscal year-end book value was \$77,935.

Consequently, RALUT has been able to make *three* awards (each of \$1000) for the 2012-2013 academic year, a gratifying 50 per cent increase from the two \$1000 awards reported for 2011-2012 at the 2012 AGM. This Endowed Memorial Fund can now be considered self-sustaining.

However, the OTSS donation-matching grant was terminated last year so in November 2012 the decision was made to inaugurate the new **RALUT Boundless Memorial (BPP) Fund**, due to its eligibility for the matching of awards by the University of Toronto once the \$25,000 threshold has been reached – which must be achieved within five years. This new fund likewise commemorates RALUT's deceased members and financial need is also a primary consideration in the selection of awardees.

Financial assistance at a potentially critical period in a student's life could have very significant effects; the accompanying accounts supplied by RALUT's three 2012-2013 awardees illustrates benefits obtained by this year's RALUT awards.

These three reports demonstrate that such awards can be the key to accessing dignificantly enhanced life choices, leading to even more important long-term gains.

There is urgent need to reach out to other deserving students struggling to cope in daunting circumstances by facilitating the growth of the new *RALUT BPP* fund. Awards will be made (providing the required threshold value of \$25,000 is reached within five years) using fund-derived income matched 1:1 by the University of Toronto.

Donations of any size to this fund are gratefully received.

1. Online using the University of Toronto link on the University or RALUT websites <https://donate.utoronto.ca>. Enter RALUT in the search box.

2. For those who prefer the more traditional alternative, donation pledge forms accompany the *RALUT Reporter* or can be obtained from the RALUT office as well as the RALUT website.

A university-issued tax-deductible receipt will be sent for each donation. Timely help making a significant difference.

With grateful thanks to committee member Diane Henderson for all her support. *Beate Lowenberg*, Chair.

#### 2012-2013 RALUT MEMORIAL AWARD RECIPIENTS

*Amir Torabi:* Amir is an active student leader currently completing his fifth year in Political Science and History. He is hoping to begin law school in the fall of 2013. He describes his time at the University of Toronto as "a period of personal growth which has allowed me to grow as a person and as a community builder". For four years, he was a student representative on the St. Michael's College Student Union, and for the past year and a half, he has been involved with the University of Toronto Sports & Business Association, a student group dedicated to providing students interested in a career in the sports industry with the networking opportunities and workshops that will facilitate their success.

The RALUT Memorial Award has been very helpful to Amir during a difficult time in his life. His parents have both been unable to find work which has resulted in significant financial uncertainty within his family. The generous support that he has received as a result of the RALUT Memorial Award will go directly to funding his law school applications. Amir would not have been able to apply if not for this support. He is grateful for your support and thanks the members of RALUT for helping him pursue his career aspirations.

*Laura Clough-Martin:* Laura is a native Torontonionian. Like so many others, her life has been marked by adversity, specifically with depression. As a direct result of this challenge, she did not finish her high school education. Instead, she took an office job and by chance got into the field of mortgage financing. After attaining her Mortgage Broker licence and opening her own brokerage, she still felt that something was lacking. Despite her relative success she was not feeling challenged or fulfilled. After being encouraged to pursue a university education, she enrolled in the Academic Bridging Program at U. of T.

Through the bridging program, Laura discovered that she belonged in university. She fell in love with the atmosphere, the lectures and the act of learning. A first-year introductory psychology course made a great impact on her and she is now pursuing a double major in Cognitive Science and Psychology, with a minor in Buddhist Psychology. Her goal is to go to graduate school or medical school to become a Psychologist or Psychiatrist and to specialize in cognitive behavioural theory.

The RALUT Memorial Award has helped Laura substantially as she has had to scale back her career, thereby reducing her income. The money paid down the balance of her tuition, helping her to support herself while she pursues her education.

*Daniel Guy Tremblay:* Daniel is an Arts student at Victoria College, specializing in English Literature. He is currently finishing his final year in the program after taking time off after his first year to write and

perform music across North America.

After completing his BA, Daniel plans on enrolling in a graduate studies program at U of T, hoping to specialize in Modern Irish Literature.

Daniel has self-financed most of his studies with the help of OSAP, and this award has allowed him to cut back on the hours he works so that he can focus on his studies. His grades are higher than they have ever been, making it possible for him to plan for a graduate education. He would like to thank RALUT for its enthusiastic support. He has benefitted enormously from the organization's generosity and hopes that others will have such luck and fortune in the future.

### **REPORT OF THE MEMBERSHIP AND EVENTS COMMITTEE**

No doubt the central focus of RALUT must remain that of advocacy on the part of retirees with respect to their pensions and their medical benefits. If we are to remain effective in this activity we must continue to represent a large portion of those retirees. At the same time, the advocacy takes place for the most part quietly and behind the scenes. It would therefore be good to offer members also various more immediate services or activities (along with those already in place, such as distribution of the informative RALUT *Reporter*, the monthly "first-Wednesday" luncheons at the Faculty Club, the rather festive AGM and so on). Already, last year we proposed two possibilities. One of these was that RALUT should provide, for its members, personal assistance in understanding and helping them to address problems about their medical benefits or their pensions. This proposal has come to fruition, thanks to the generosity of Doug Creelman in volunteering to make himself available to provide service on Friday mornings. It appears to be proving an unqualified success.

The other tentative suggestion was that some of our members would likely be interested in taking part in small study groups on subjects they considered important, and that RALUT could help in organising such groups and providing facilities. Such groups might be able to make important contributions to public dialogue, since our members are practised in critical thought and may often have relevant expertise as well as a little leisure time; of course, there would also be the possibility of advocacy by such groups where that seemed warranted. Not everyone is convinced that enthusiasm for such activity is to be expected, however. One subject that we supposed might have special interest for members was the adequacy and stability of Ontario's public health care system, perhaps especially as it affects the elderly. Accordingly, we proposed a members-only small meeting, meant to test the interest in a study group on the subject.

In the event, however, this morphed into the larger and more public RALUT Forum on the viability of public healthcare, with prominent speakers (February 7). This was a highly successful event in itself, but the original purpose was not fulfilled. Meanwhile, Senior College has just announced its own series of member discussion groups, admittedly directed in more scholarly and less practical directions. The decision is to forego our proposal for the moment while we see how the Senior College proposal takes flight. We would very much appreciate hearing from any member who expresses interest in this type of activity, however, on the above or any other topic, and we stand ready to promote it if there is such interest: please let us know!

In fact, we remain anxious to extend whatever services or distractions our members would appreciate, and urge you to **offer any suggestions you may have**.

*John Valleau, Chair.*

Members: Tom Alloway, Claudia Colas, Elinor Fillion, Diane Henderson, David Olson, Roselyn Stone, Fred Wilson

### **REPORT OF THE NOMINATIONS COMMITTEE**

In preparing a slate of 15 to be elected to the Board by the RALUT members present at the 2013 AGM we have been guided by the RALUT Constitution, RALUT custom and certain other considerations, namely that we should

- a) find replacements for the four persons retiring from the Board;



Scane, Ralph  
Sillers, Ronald  
Simon, Roger  
Smythe, Hugh  
Sobel, Jordan Howard  
Tough, Alan