

**MINUTES – BOARD MEETING**  
**8:30am – June 28, 2018**

Present: Haley Flaro, Douglas Jones, Julie Marr, Lucien Sonier, Hector Losier, Tina Soucy, Gaëtan Guérette, Jim Stanley

Staff present: Michael McGovern, Amanda Aubé

Staff present for portion of meeting: Frank Forestell, Stephanie Manzer, Candace Davis, Heather Ruttan, Monica Mallaley, Laragh Dooley, Tim Petersen, Michael MacFarlane

Also present for a portion of the meeting: Nancy Massey (Diligent, via conference call), Conrad Ferguson (Morneau Sheppell)

**1 Refresher Training with Diligent**

A representative from Diligent provided the Board with an overview of diligent boards software, which the Board will be using for its meetings going forward. The Board confirmed with staff that it will be migrated off WorkSafeNB's network during the second phase of the implementation of this software.

**2 Chairperson's Remarks**

The acting Chairperson welcomed the Directors to the meeting. She noted several Board members attended the AWCBC annual governance conference in Winnipeg and had a positive experience.

She also noted that two Orders in Council for incoming Board members have been signed, and that we are awaiting letters from the Minister of the Department of Post-Secondary Education, Training and Labour (PETL) confirming the appointments.

She also made note of WorkSafeNB's upcoming stakeholder meeting on July 17.

She reminded Board members to encourage qualified applicants to apply for WorkSafeNB's Board Chairperson position as the July 29 deadline is approaching. The Board confirmed that it will strike a committee to review and interview applicants followed by a recommendation to the Minister.

She also reported that she met with WorkSafeNB's Controller regarding the Board's budget. Going forward, details of the Board budget and actual expenses will be posted on Diligent.

She also noted that she will be meeting with each Board member individually over the coming weeks. The purpose of these meetings will be to develop individual professional development

plans and to prepare a Board work plan to address any identified process improvement opportunities.

### **3 Safety Moment**

WorkSafeNB's President and CEO noted the importance of backing into parking spots or driving through when possible to reduce risks associated with backing into traffic.

### **4 Declaration of any Conflicts of Interest**

The acting Chairperson asked any Board members who have any conflicts of interest arising from the meeting agenda to declare that conflict. No conflicts were declared.

### **5 Adoption of the Agenda**

The Board added agenda item 14 – New Business to address any items which arose after the preparation of the meeting agenda. This will be a standard agenda item going forward.

**Moved, seconded, and on consensus**, the agenda was adopted as amended.

### **6 Approval of Minutes of May 31, 2018 Meeting**

**Moved, seconded, and on consensus**, the minutes of May 31, 2018 were approved as written.

### **7 In-Camera Session**

Following the in-camera session, the Board made the following motion:

**Moved, seconded, and on consensus**, the Board of Directors adopted the proposed reorganization of the corporate structure WorkSafeNB to reflect a stronger focus on Prevention and Rehabilitation/Return to Work as well as the key leadership resources required to upgrade WorkSafeNB IT systems.

### **8 President and CEO Report**

WorkSafeNB's President and CEO provided a verbal report to the Board. He reported:

- He has reached out to WorkSafeNB's external actuary regarding duration of claims and hearing loss claims. He explained that WorkSafeNB's hearing loss policy will be revisited and updated;

- An RFP is being done to engage a third party to assist WorkSafeNB in developing leadership competencies, which will feed into succession planning and professional development;
- Once the organizational changes are complete later this fall, WorkSafeNB will commence the 5-year review of the compensation model review which will address recommendations from the Auditor General in her Volume 1 report in June 2018;
- A comparison of WorkSafeNB staff health benefits will be done in order to compare benefits across crown corporations and provincial government. A complete review with costing will be brought to the Board in due course;
- Mileage rates and Board per diems will also be reviewed;
- Management is pleased with the initial progress made flowing from the strategy sessions and the Board will receive a further update on July 18;
- A recent WCAT decision maintained WorkSafeNB standing at all appeal hearings;
- WorkSafeNB will soon be issuing an RFP on an evaluation of WorkSafeNB's Rehabilitation Centre (WRC), which will focus on whether services are being delivered in a cost-effective manner and how WorkSafeNB can best deliver services to injured workers across the entire province. The Board requested the evaluation be broad, creative and client-centred;
- Flowing from the Auditor General's report, an RFP will be issued to review WorkSafeNB's financial structure and processes;
- A stakeholder meeting with firefighters and municipalities regarding the process to consider additional presumptive cancers to regulation was complete. Subsequent meetings with the stakeholders are required;
- The Integrity Commissioner has provided a positive decision on WorkSafeNB's client satisfaction survey and an RFP has been issued, which will be evaluated shortly; and
- An investment education session is scheduled in August, which will include presentations from an outsourced Chief Investment officer, a more detailed presentation from Eckler on the findings of its study, a presentation from Vestcor Investment Management Corporation, and some input from Nova Scotia's Chief Financial Officer.

## **9 Consent Agenda**

### **(a) Task List of June 28, 2018**

The Board reviewed the Task List Report, which forms part of the Board's record for this meeting.

The Board requested that staff follow up on the task list item related to an internal scan on strengths and weaknesses of the linguistic balance within WorkSafeNB.

### **(b) Toolkit Notes**

The Board noted the value of the inclusion of the toolkit notes.

## **10 Q1 Results**

## **(a) Accountability Report – First Quarter**

This report forms part of the Board's record for this meeting. No questions were raised.

WorkSafeNB's Vice President of Corporate Services reported the Accident Fund was approximately 100.5% funded, noting the contributing factors of flat investment returns for Q1 and the continued upward trend in claim costs. He also reported that as of June 27 investment returns are up but the Accident Fund remains impacted by increasing claim costs.

## **11 Rate Setting Update**

WorkSafeNB's external actuary presented an update on rate setting under both the *Workers' Compensation Act* and the *Firefighters' Compensation Act*. His presentation forms part of the Board's record for this meeting. Additional questions and comments are captured below.

### *Workers' Compensation Act*

The Board confirmed with the external actuary that while New Brunswick's aging workforce is a factor in increased cost, the major drivers are duration of claims and hearing loss claims. He explained that the driver of cost in hearing loss claims is related to frequency rather than the cost of each individual claim.

He and the Board discussed the challenge in predicting the impact of incoming regulations under the *Occupational Health and Safety Act* related to violence and harassment, but that a costing estimate will be done to assist the Board when making its decision on rate setting for 2019.

### *Firefighters' Compensation Act*

WorkSafeNB's President and CEO noted that at the recent stakeholder meeting with firefighters, the stakeholder group outlined the benefits of a stable rate notwithstanding the positive trend in the funded position in the short term. The Board directed staff to consider potential changes to the amortization schedule related to this request.

The Board requested another rate-setting update in August which will include information on the impact of a reduction in claim duration, which could incentivize stakeholders to continue in return to work efforts.

The Board briefly discussed rate surcharges and the experience rating system, including the possibility of alternate models for surcharges and how WorkSafeNB could address employers who consistently receive the maximum surcharge on their rate.

The Board also discussed the ambiguity in legislation related to whether employers have an obligation to return individuals to their pre-accident job another accommodated job, and noted

the WCAT has set a high bar on this issue. The Board noted this issue will be further impacted by the new regulations related to violence and harassment.

The Board and staff discussed whether WorkSafeNB should commit Accident Fund monies to a new global real estate manager on a long-term basis. The Board agreed that it would postpone a decision on this issue until it receives its investment education in August.

## **12 Task Force Update**

Two Board members who served as members on the government appointed Task Force advised the Board its report is nearly complete. The Board members reported that the Task Force conducted comprehensive stakeholder consultation and all recommendations contained in the report are intended to be balanced across workers, employers and government.

## **13 Board Committee Terms of Reference**

WorkSafeNB's acting Corporate Secretary and General Counsel explained that all requested changes flowing from the May 31, 2018 Board meeting have been incorporated into the Terms of Reference for each Board committee.

The Board directed that some items which were removed from the Human Resources and Compensation Committee related to recruitment, terms of employment, performance evaluation, and succession plan of the President and CEO, as well as a review of appointments and terminations of the Executive Leadership Team, be added to Policy 41-002 Governance Statement – WorkSafeNB Board of Directors.

The Board decided appointments to the new committees will be made effective September using an updated skills matrix once incoming Board members are confirmed.

**Moved, seconded, and on consensus,** the Board of Directors approved the Terms of Reference for the following committees:

- a. Governance Committee;
- b. Human Resources and Compensation Committee;
- c. Audit Committee; and
- d. Finance and Investment Committee.

## **14 New Business**

### Stakeholder Letter

A Board member reviewed a letter received from an employer regarding the cost of setting up a first aid room in the workplace. The Board noted that the requirements for a first aid room are found in regulation under the *Occupational Health and Safety Act* which were adopted in 2004 after thorough stakeholder consultation. The Board suggested the Board member provide the

stakeholder with a copy of the regulation with an explanation that this is a standard across Canada and is a safety measure for workplaces.

#### Amendment to January 2018 Board Meeting Minutes

It was brought to the Board's attention that some names were contained in the January 2018 meeting minutes. This is not in keeping with the Board's decision to keep the minutes anonymous in nature.

**Moved, seconded and on consensus**, the Board of Directors directed staff to redact names in the body of the January 2018 Board meeting minutes.

#### WorkSafeNB President and CEO Objectives

**Moved, seconded, and on consensus**, the Board of Directors approved WorkSafeNB's President and CEO objectives for 2018 with a focus on return to work and prevention.

#### Health and Safety Conference

The Board discussed whether WorkSafeNB's Health and Safety Conference could include additional topics including roles of Joint Health and Safety Committees, return to work, and toolbox meetings. The President and CEO noted that a meeting related to the Health and Safety Conference is scheduled in the coming days and this request will be communicated.

## **15 Adjourn**

Motion to adjourn was carried at approximately 2:35pm.