

## **Minutes for Board of Directors Meeting (WebEx)**

30/04/2020 | 8:30 AM – 3:30 PM – Atlantic Standard Time (US and Canada)

**Attendees:** Mel Norton, Douglas Jones, Haley Flaro, Donna McNeill, Gaëtan Guérette, Jim Stanley, Julie Marr, Mike MacMullin, Tina Soucy, Lucien Sonier, Hector Losier,

**Staff present:** Perry Cheeks, Susan Layton, Crispina Caballero, Caroline LeBlanc, Carol Veysey, Jill Breen, Amanda Aubé

**Others present:** Daryl Wilson, Thane MacKay (Morneau Shepell)

### **1 Adoption of Agenda**

The Board agreed to discuss duration of WebEx meetings under Agenda Item 17 – New Business.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*The agenda of the Board of Directors meeting for April 30, 2020 is adopted, as presented.*

### **2 Safety Moment**

A Board member noted the importance of being aware while shopping in stores and to be cautious of social distancing recommendations, following arrows in aisles, and to be respectful of store staff.

### **3 Declaration of Conflict of Interest**

The Chairperson asked Board members if they have any conflicts of interest arising from the meeting agenda and, if so, to declare that conflict. No conflicts were declared.

### **4 Approval of Minutes**

#### **a. Meeting dated February 6, 2020**

**On motion duly made, seconded and carried it was unanimously resolved:**

*That the minutes of the Board of Directors meeting dated February 6, 2020 be approved as written.*

#### **b. Conference Call, dated March 16, 2020**

**On motion duly made, seconded and carried it was unanimously resolved:**

*That the minutes of the Board of Directors meeting dated March 16, 2020 be approved, as written.*

**c. COVID-19 Update calls**

- i. Meeting dated March 19, 2020
- ii. Meeting dated March 24, 2020
- iii. Meeting dated March 31, 2020
- iv. Meeting dated April 14, 2020

The Board noted the motion and accompanying conditions flowing from Agenda Item 5 of the meeting minutes of March 31, 2020 be changed to an in-camera item.

**On motion duly made, seconded and carried it was unanimously resolved:**

*That the minutes of the Board of Directors meetings, dated March 19, March 24, and April 14, 2020 be approved as written, and the minutes of the Board of Directors meeting dated March 31, 2020 be adopted, as amended.*

**5 In-Camera Session**

**6 Consent Agenda**

- a. Status of Actions Arising from Previous Board Meetings

Staff noted that outstanding items would be reviewed in order to decide how to best address them.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That the Status of Actions Arising from Previous Board Meetings be received and filed.*

**7 Chairperson Report**

- a. Review of 2020 Board Work Plan

The Chairperson noted his focus has been working to ensure open lines of communication between the Board, executive team, and government.

The Board agreed that, given the current circumstances, it should take some time to assess and re-evaluate timelines of certain objectives.

## 8 Meeting with Daryl Wilson

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That Agenda Item 8 be moved in-camera.*

## 9 Finance Committee Update

### a. Committee Chairperson's Report

The Chairperson of the Finance and Investment Committee reviewed her report with the Board including a review of the agenda items from the last committee meeting.

### b. 2019 Restricted Capital

### c. Financial Update

i. Administrative Budget to Actuals as of Q4, 2019

ii. Claim Financial Update

iii. 2019 WRC Budget to Actuals

### d. Jurisdictional Scan re Market Rates of Return

She also noted that following further discussion by the Finance and Investment Committee, a report will be brought to the full Board containing information from across jurisdictions to ensure decisions on investment strategy are being made with adequate information and proper comparative analysis.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That the Chair of the Finance and Investment Committee's report be received and filed for information.*

## 10 Allocation of Assessment Revenue

The Chief Financial Officer noted this agenda item is being brought to the full Board as it relates to WorkSafeNB's rate setting model.

### a. Assessment Rate video

The Board had an opportunity to view this video prior to meeting.

### b. Presentation

#### Experience Rating

A consulting actuary from Morneau Shepell reviewed two recommended changes to WorkSafeNB's rate setting model. First, to expand the Experience Rating program to include small employers and second, to set minimum and maximum rate rebates or surcharges for all employers.

The Board discussed the instability of the current financial climate for New Brunswick employers, and that introducing this change at this time may

present additional challenges.

The Board also discussed that, timing aside, this model promotes enhanced safety within all New Brunswick workplaces and aligns with the organization's strategic goals.

The Board noted that consultation with stakeholders should be done.

#### Allocation of Administrative Expenses in Rate Model

The consulting actuary reviewed WorkSafeNB's current practice of allocating administrative expenses among rate groups based on historical claim costs, commonly referred to as a variable approach.

He presented the recommendation to move to a fixed and variable approach, where a portion of WorkSafeNB's administrative costs would be collected through a fixed charge on the basic rate, applicable to all rate groups. This fixed component recognizes that, regardless of an individual employer's claim costs, there are WorkSafeNB services that all employers use, such as assessment services, educational material available on the external website, etc.

The Board confirmed with staff that conversations are ongoing with self-insured employers with respect to the expectation that they will start to share in the cost of providing occupational health and safety services.

The Board agreed that next steps on this recommended change will be to consult with stakeholders.

**On motion duly made, seconded and carried it was unanimously resolved:**

*That staff will consult with stakeholders on recommended changes to WorkSafeNB's Experience Rating Program and establishing a fixed and variable approach of collecting administrative expenses in the assessment rate.*

c. Policy Updates

No policy updates were made at this time.

## **11 Policy Review**

a. 21-420 – Return to Work – Principles

The manager of Policy & WCAT Representation reviewed proposed changes to Policy 21-420 – Return to Work Principles.

The Board requested some further changes to the proposed policy, including ensuring the policy contemplates employer accommodation to the point of undue hardship as outlined in governing legislation, and to include WorkSafeNB's role to facilitate communication during rehabilitation.

## 12 Governance Committee Update

### a. Committee Chairperson's Report

The Chairperson of the Governance Committee reviewed her report with the Board including a review of agenda items from the last committee meeting.

She noted that a recommendation to the Board may be forthcoming if a consensus cannot be reached at committee level on what the governance role in fatality review should be.

### b. Guidelines for Board Mentorship

The Chairperson of the Governance Committee reminded Board members that this is a working document intended to assist with Board new member onboarding.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That the Guidelines for Board Mentorship be approved.*

### c. Update on Chapman Group Project

The Chairperson noted this will be brought forward at the next Governance Committee meeting.

Board members agreed to send letters expressing interest to be involved in or Chair certain committees to the Board Chairperson by May 14, 2020 so that the Governance Committee can review this at its next meeting.

## 13 Audit Committee Update

The Chairperson of the Audit Committee reviewed his report with the Board. The Board discussed the delay in the Board approval of the internal audit plan, and that staff and the Audit Committee could work together to have some models of what a robust internal audit plan model could look like.

The Board received the Risk Management Update and Training document and the recommendation that the full Board receive training on Enterprise Risk Management, noting that in-person training is preferred. The target date for this is July 2020.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That the Enterprise Risk Management Update and Training document be received and approved.*

## 14 CEO Report

The CEO provided a report to the Board on various items, including the Provincial Recovery Framework, the external audit of WorkSafeNB's financial statements, implementation of policy changes, possible incoming policy changes on hearing loss, corporate KPIs, lost time injury frequency and how this is reported by

AWCBC, claim duration and funded position.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That the CEO's report be received and filed for information.*

## 15 Update on Claims Management and Rehabilitation

The interim Vice President of Claims Management and Rehabilitation provided the Board with an update. She noted some changes have been made to the organizational structure in order to position WorkSafeNB to effectively support its employees and move toward organizational transformation.

She reported that a quality assurance program will be key moving forward which will include effective onboarding, job training, and on-the-spot coaching to enable staff to make the right decisions in light of ongoing changes to legislation and policy.

She also reported that the need to temporarily close WorkSafeNB's Rehabilitation Centre due to Covid-19 spurred transformative thinking, that that the team is now leveraging technology to do virtual client assessments.

**On motion duly made, seconded and carried it was unanimously resolved:**  
*That the update on Claims Management and Rehabilitation be received and filed for information.*

## 16 Board Member Expenses

### a. Meals: Reimbursement by receipt or per diem

After some discussion, that Board agreed that discretion for reimbursement to Board members for meals by receipt or per diem will be exercised on a case-by-case basis, allowing for sensitivity to those who require accommodation due to extended travel distances and health issues.

### b. New Forms for Expenses

- i. Pay Per Diem Form
- ii. Expenses Form

Staff reviewed a new electronic expense form with the Board, which will be a new process on a set schedule to allow for ease for administration and finance.

**On motion duly made, seconded and carried it was unanimously resolved:**

*That the new forms for expenses be received and filed for information.*

## 17 New Business

The Chief Financial Officer explained that, due to various challenges related to Covid-19, additional time for the external auditors to complete the audit of WorkSafeNB's financial statements is requested to ensure quality and accuracy. Staff noted that the deadline to provide WorkSafeNB's Annual Report to

government has been waived as part of the emergency services order.

- a. Reschedule May 5 Audit Committee Meeting (due to delay in audited financial statements)

The Board agreed to reschedule the May 5, 2020 Audit Committee meeting to May 21, 2020.

- b. Reschedule May 14 Approval of Annual Report (Governance Committee)

The Board agreed to reschedule the Governance Committee meeting to June 4, 2020.

- c. Briefing Note to Minister

The CEO reviewed his draft briefing note to the Minister and discussed possible scenarios should a further deferral of assessment premiums be done in an effort to provide employer relief. The CEO explained that because most small and medium employers pay premiums on an annual basis, this deferral would largely benefit large employers and may negatively impact WorkSafeNB's cash flow. He reviewed a few possible recommendations. After some discussion, the Board agreed recommendation #2 in his report (targeted deferral for employers experiencing the greatest negative impact) is preferred.

The CEO also noted that an increase in the limit of WorkSafeNB's line of credit is being requested should cash flow issues arise due to the impacts of Covid-19.

**On motion duly made, seconded and carried it was unanimously resolved:**

*That recommendation #2 contained in the draft briefing note to the Minister related to further deferral of assessment premiums be put forward.*

**On motion duly made, seconded and carried it was unanimously resolved:**

*That management be given authority to increase WorkSafeNB's line of credit limit to up to \$50,000,000.00.*

The Board noted that updates on the line of credit will be a running agenda item in future Finance and Investment Committee meetings.

Finally, the Board noted that the matter of the duration of Board WebEx meetings will be added as an agenda item at the next Board meeting.

## 18. Adjourn

*Motion to adjourn.*

The meeting adjourned at approximately 3:50pm.