

Board of Directors Meeting Minutes

February 24, 2021 – 1:00 p.m. to 4:00 p.m.

Webex

Attendees: Mel Norton (Chairperson), Haley Flaro (Vice-Chairperson) Donna McNeill, Gaëtan Guérette, Mike MacMullin, Lucien Sonier, Julie Marr, Tina Soucy, James Stanley, Douglas Jones

Staff Present for the Meeting: Susan Layton, Cathy Bent, Judy Mercer, Monica Mallaley

1. Adoption of Agenda

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

That the agenda for the Board of Directors meeting dated February 24, 2021 was adopted as presented.

2. Safety Moment

The Committee members discussed the importance of getting the COVID-19 vaccine in the proper location on your arm, which is in the deltoid muscle and not in the tissue.

3. Declarations of Conflicts 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.

The Vice-Chair declared a conflict with any updates regarding the Vice-Chair vacancy.

4. In-Camera

An in-camera session was held.

5. Approval of Minutes

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

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

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

That the minutes of the Board of Directors meeting dated January 12, 2021, be approved as written.

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

That the minutes of the Board of Directors meeting dated February 1, 2021, be approved as written.

6. Consent Agenda

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

That Item 6a – Board Member Compensation and Expenses, be approved as presented.

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

That Item 6b – Update on Task Force and Phase II AG Recommendations and Item 6c – 2021 Draft Policy Agenda be received and filed for information.

7. Chairperson's Report

a. 2021 Workplan

The Chairperson said that he has been meeting regularly with the Minister and that there have been no concerns.

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

That the 2021 Workplan be received and filed for information.

8. CEO Report

a. Legislative Update

The President and CEO said that approximately 30 employers have requested cost relief as a result of the explosion at Irving Oil in 2018.

Upon review of the WCA and the General Regulation, WorkSafeNB has concluded that it does not have authority to grant cost relief on the basis of employer negligence for the following reasons:

- Section 11(1) requires that cost relief for employer negligence can only be provided where there are two employers that are from two different classes;
- Pursuant to section 50 of the WCA Act, only the Lieutenant Governor-in-Council can divide industries into classes through regulation;
- Section 3 of the General Regulation provides that all industries are part of the same class: the New Brunswick Industry Class.

Since all employers are in one class and reallocation of costs is predicated on there being more than one class, WorkSafeNB does not have the legislative authority to award cost relief based on employer negligence.

It was requested that the Board of Directors approve a recommendation, to the Department of Post-secondary Education, Training and Labour, for an amendment to the *Workers' Compensation Act* ("WCA") and/or Regulations, to allow for cost relief in the context of employer negligence, as provided in section 11(1) of the WCA.

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

That the Board of Directors approve the recommendation, to the Department of Post-secondary Education, Training and Labour, for an amendment to the Workers' Compensation Act ("WCA") and/or Regulations, to allow for cost relief in the context of employer negligence, as provided in section 11(1) of the WCA.

b. Operational Update

The President and CEO provided a summary of the operational update.

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

That the operational update be received and filed for information.

c. Update on Scorecard

The President and CEO provided an overview of the scorecard.

On motion duly made, seconded and carried, it was unanimously resolved:
That the Scorecard update be received and filed for information.

9. Human Resources and Compensation Committee Update

The Committee Chair provided an overview of her report to the Board.

On motion duly made, seconded and carried, it was unanimously resolved:
That Item 9a – Terms of Reference for the Human Resources and Compensation Committee, be approved as presented.

On motion duly made, seconded and carried, it was unanimously resolved:
That Item 9b – Update on Human Resources Strategy Map; Item 9c – Update on Executive Succession Plan and Talent Mapping for Organization; Item 9d – Performance Management Update; and Item 9e – Update on Labour Matters be received and filed for information.

10. Audit Committee Update

The Committee Chair provided an overview of his report to the Board.

On motion duly made, seconded and carried, it was unanimously resolved:
That Item 10e – Indemnity Agreement be approved for execution, as presented.

On motion duly made, seconded and carried, it was unanimously resolved:
That Item 10a – Enterprise Risk Management Update; Item 10b – Update on External Audit; Item 10c – Internal Audit Workplan Report; Item 10d – Management’s Update to Internal Audit’s Recommendations; and Item 10f – Updated Litigation Report be received and filed for information.

11. Governance Committee Update

The Committee Chair provided an overview of her report to the Board.

On motion duly made, seconded and carried, it was unanimously resolved:
That Item 11a – Fatality Review Committee Terms of Reference; Item 11b – Review of AG Governance Recommendations; Item 11c – Governance Committee Self Assessment Results; and Item 11d – Professional Development be received and filed for information.

12. Financial Update as of January 31, 2021

The Chief Financial Officer provided an overview of the preliminary and unaudited financial results as of January 31, 2021.

He said that assets are up to approximately \$1.7 billion and that external actuaries are reviewing to ensure that this number is accurate. Improvements in process and legislative changes are starting to have a substantial impact on assets and that WorkSafeNB is more in line with its peers.

The funding level is expected to be well over 120% which will have a positive impact on assessment rates.

The Chief Financial Officer said that the downward trend for claim payments is continuing into January and are comparable to 2016 numbers.

Some Board members agreed that it is good to see the numbers going in the right direction, but that this does not mean a rate reduction and that improved benefits for workers be looked at.

The Chief Financial Officer informed the Board of Directors that the Acting Treasurer gave his resignation. Members of the Board cautioned that even though WorkSafeNB is looking at outsourced chief investment officer (OCIO) options, there should be someone internal to manage that process.

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

That the Financial Update as of January 31, 2021 be received and filed for information.

13. Update on Board Vacancies

The Corporate Secretary and General Counsel provided an update on current Board vacancies.

She said that the recommendation for the employer representative is still with the Government of New Brunswick and that she is working through the screening process for the Vice-Chair and worker representative vacancies.

14. 2021 Annual Plan

The President and CEO said that the 2021 Annual Plan will be translated and then presented to the Minister and asked the Board for approval of the draft provided.

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

That the 2021 draft Annual Plan be approved as presented.

15. Translation of Board Materials

At the last Governance Committee meeting, members requested that information be brought forward to the Board outlining our accountabilities under the *Official Languages Act* and if Board meeting material should be translated.

The Corporate Secretary and General Counsel said WorkSafeNB is legally obliged to translate any material that is made in public, that we currently do that and that we comply in this regard.

Language of work however, is different and is being reviewed by the Language Commissioner as part of her review of the *Official Languages Act*, but as of right now, WorkSafeNB is not legally obligated to translate Board meeting material.

The President and CEO said that materials can certainly be translated if that is the Board's desire and spoke of two impacts that translating material will have. The first is timeliness of materials, as translation can take up to three weeks which makes meeting deadlines challenging. The second is cost and it is estimated that translation of Board meeting materials (not including Committee meeting materials) would cost between \$4,000 and \$5,000 per meeting.

After discussion, the Board of Directors agreed that for now, meeting minutes, policies and any recommendations for legislative change will be translated and that this matter will be discussed again at the next meeting, where a motion can be passed or the plan may be adjusted.

16. Claims Management 2021 Operational Plan

The Vice-President of Claims Management and Rehabilitation provided an overview of her division's 2021 operational plan with a major focus on putting our people first, stay at work and return to work. The Plan's theme is "Turning the Ship Around" and she provided examples of how engaged and excited employees are about this plan.

The President and CEO said that none of this would be possible without Ms. Bent's leadership.

The Chair thanked Ms. Bent on behalf of the Board of Directors and said it is outstanding and wonderful to see a new culture in place.

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

That the 2021 Claims Management Operational Plan be received and filed for information.

17. Introduction to Judy Mercer, Executive Directors, Business Transformation

The Executive Director of Business Transformation and Client Experience, who was appointed in January 2021, provided an overview of her background and introduced members of her staff who are driving business transformation throughout the organization.

She identified larger initiatives that her division is working on as well as plans for 2021. The Business Transformation and Client Experience team is currently working on defining their purpose and team goals.

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

That the presentation provided by the Executive Director of Business Transformation and Client Experience be received and filed for information.

18. New Business

The President and CEO said that in March of 2020 the Government of New Brunswick dropped the interest on assessment rates from 4% to zero because of the pandemic with the notion that it would return to 4% after the pandemic was over.

Regulatory change was supposed to go to Cabinet in January and many questions are being asked like what the impact would be if the rate is left at zero. The President and CEO said that he is drafting a letter to outline and explain the consequences (no incentive to pay, employers will not be in good standing which means no clearance letter, etc.).

He said that he does not support any decision to keep the interest rate at zero and asked if the Board agrees. The Board agreed that this sets a bad precedent and that it goes against the Meredith Principles.

Some members requested that the next Board of Directors meeting be held face-to-face in Saint John.

One Board member requested a memo be brought to the next meeting outlining initiatives that the President and CEO took to address allegations that there were no supporting documents (with detailed financial information) provided to the Standing Committee on Public Accounts.

19. Adjourn

Motion to adjourn.

The meeting adjourned at 4:00 p.m.
Minutes submitted by Monica Mallaley.