

Present:

Michael Werier, Chairperson

Winston Maharaj, President & CEO (Non-voting)

Peter Dyck

Sonya Penner

Jean-Guy Bourgeois

Sylvia Farley

Marc Lafond

Jane MacKay

Yvette Milner

Chris Lorenc

Being a quorum of the Board of Directors under *The Workers Compensation Act*.

Also Attending:

Lori Ferguson Sain, General Counsel & Vice President, Compliance & Corporate Services

Heather Baete, Recording Secretary

In Attendance for Specific Items:

Lorena Trann, Chief Financial Officer, Finance and Administrative Services (CFO)

Renzo Borgesa, Vice President, Assessments, Innovation & Technology

Andria McCaughan, Director, Finance

Regrets:

Liz Roberts, Director

Call to Order

The Chairperson called the meeting to order at 12:19 p.m. He welcomed Sonya Penner and Marc Lafond to their first meeting of the Board of Directors. He noted regrets were received from Liz Roberts.

Minutes of Previous Meeting

The Chairperson presented the minutes from the April 19, 2018 Annual Meeting of the Board of Directors.

On motion duly made and carried,

BE IT RESOLVED THAT the minutes of the April 19, 2018 Board of Directors Annual meeting are confirmed as a reasonable record.

Business Arising

The Board of Directors received the information provided with the agenda.

For Decision

Surplus Distribution Framework

(Board Order No. 20/18)

The CFO, Finance and Administrative Services; the Vice President, Assessments, Innovation & Technology and the Director, Finance joined the meeting.

The Chair reported that this is the last Board meeting for the CFO as she is retiring. He thanked her for her service to the WCB as well as for her efforts in organizing and hosting the annual AWCBC Governance Summit that was recently held in Winnipeg.

The CFO introduced discussion noting over the last several years, as a way of lowering the surplus reserves, the WCB has reduced the average assessment rate to the current level of \$.95/\$100 of payroll, which is considered a long-term sustainable rate. With the reduction in the average assessment rate, there still remains a surplus.

The Board previously approved the concept to dispose of excess reserves via a surplus distribution. The Surplus Distribution Framework outlines the process, model, communications strategy and amounts for distribution and includes the development of two policies and a communications strategy. Information was provided on how the process to determine and allocate surplus to employers. It was suggested to provide clarity, the Funding Policy be revised to remove the duplication from the various Funding Ratio bands.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the Surplus Distribution Framework.

The CFO, Finance and Administrative Services; the Vice President, Assessments, Innovation & Technology and the Director, Finance left the meeting.

Global Small & Mid Cap Equity (SMID) Manager Search

(Board Order No. 21/18)

Yvette Milner introduced this item on behalf of the Investment Committee. She reported the Committee interviewed the two finalists for the management of the Global Small & Mid Cap Equity mandate which has an allocation of 4% of the Accident Fund.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve that Fisher Investments be selected as the SMID category investment manager.

The Chairperson noted the Investment Committee has directed the Administration to undertake recruitment for a third External Professional Investment Committee Member for this Committee. The recruitment will follow the process previously approved by the Board.

Process to Deal with Conflicts of Interest - By-Law No. 2

(Board Order No. 22/18)

Peter Dyck introduced this item on behalf of the Audit Committee. He reviewed the process that will be followed to deal with conflicts of interest.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the revised By-Law No. 2 to set out a process to deal with Conflicts of Interest.

Policy 21.30.40 *Non-substantive Policy Changes*

(Board Order No. 23/18)

Jean-Guy Bourgeois introduced this item on behalf of the Policy, Planning, Governance and Service Committee outlining the proposed process for the handling of non-substantive and consequential policy changes. There was discussion regarding the proposed amendments. The Administration agreed to review the proposed amendments taking into consideration the Board's feedback. This matter will be returned to the Board at the next meeting.

On motion duly made and tabled,

BE IT RESOLVED THAT the Board of Directors approve the amendments to Policy 21.30.40 *Non-substantive Policy Changes*, to be renamed *Non-substantive and Consequential Policy Changes*, effective July 1, 2018.

Board of Directors' Qualifications

(Board Order No. 24/18)

Jean-Guy Bourgeois introduced this item on behalf of the Policy, Planning, Governance and Service Committee. The proposed amendment modernizes and broadens the language used around diversity within the matrix to be inclusive of all groups.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the revised Matrix of Competencies with the noted minor housekeeping revisions.

Committee Name Change

(Board Order No. 25/18)

Jean-Guy Bourgeois introduced this item on behalf of the Policy, Planning, Governance and Service Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the Policy, Planning, Governance and Service Committee's recommendation that it be renamed the 'Governance Committee'.

Industry-Based Safety Programs (IBSP) Funding Model

(Board Order No. 26/18)

Chris Lorenc left the meeting and did not participate in this matter.

The President & CEO provided background on the history of IBSPs and their role in building the infrastructure necessary to advance prevention efforts through SAFE Work Manitoba. He reviewed the funding challenges facing IBSPs noting stakeholder opinions on a funding model for IBSPs are varied and are in transition. There were discussions regarding the various streams of funding available and how they would be accessed. Concern was expressed regarding the potential for subsidization and duplication of services.

The President & CEO discussed potential structures and funding options for the delivery of preventions services.

On motion duly made and carried,

BE IT RESOLVED THAT the Board direct Administration to develop a detailed analysis and recommendation, if appropriate, for implementation of a hybrid funding model for IBSPs. Including: an analysis of the impact of such a model on programming and WCB's strategic objectives, the perspective of existing IBSPs and key stakeholders, financial implications and governance/oversight requirements.

Chris Lorenc re-joined the meeting.

Committee and Chairperson Appointments

The Chairperson asked members of the Board to provide him with their preferences regarding Committee appointments.

For Information

Committee Reports

The Board of Directors received the following Committee reports as information:

Audit Committee Meeting - May 29, 2018

PPGS Committee Meeting - June 5, 2018

Prevention Committee Meeting - June 7, 2018

Administration Reports

WCB Annual Report: The President reviewed the 2017 Annual Report noting the improvements made to the organization and presentation of materials. There was agreement not to proceed with a comprehensive review of the report as this time.

The Board of Directors received the information provided with the agenda.

Report of the Fair Practices Advocate Q1 2018

The Board of Directors received the information provided with the agenda.

Management Response to the Fair Practices Advocate Report Q1 2018

The Board of Directors received the information provided with the agenda.

Board of Directors Work Plan

A tentative date for the Board of Directors Strategic Planning Session was shared. It was noted the Prevention Strategic Planning Session is planned for after the Board session.

The Board of Directors received the information provided with the agenda.

In Camera Discussion

The Board of Directors adjourned to an *in camera* session.

Conclusion

As all matters coming before the Board had been dealt with, the Chairperson declared the meeting to be concluded at 2:20 p.m.

The next regular meeting will be held in the 6th floor Boardroom, 333 Broadway on Thursday September 27, 2018 at 12:00 noon.



Chairperson



Corporate Secretary