

Present:

Michael Werier, Chairperson
Winston Maharaj, President and CEO (Non-voting)
Paul Challoner Ron Hambley
Ken Sutherland Colleen Seymour Rob Labossiere (via
Wendy Sol Ron Stecy teleconference)

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

In Attendance for Specific Items:

Alice Sayant, Vice President, Strategy & Assessment Services
Peter Wiebe, Supervisor, Assessment Program Services
Cathy Skinner, Senior Counsel
Deana Martz, Fair Practices Advocate

Regrets:

Jane MacKay, Director
Jan Schubert, Director

CALL TO ORDER

The Chairperson called the meeting to order and confirmed the agenda.

MINUTES OF PREVIOUS MEETING

The minutes of the May 26, 2015 meeting were confirmed as a reasonable record.

BUSINESS ARISING

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

FOR CONSIDERATION/DECISION

NEW ASSESSMENT RATE MODEL
(Board Order No. 24/15)

The Vice President, Strategy & Assessment Services and the Supervisor, Assessment Program Services joined the meeting.

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

The Board moved out of camera.

The Vice President reviewed the process that began at the planning session in 2011 and was then overtaken by the recommendations of the Petrie report. In January 2015, six recommendations for changes to the rate model were presented. The changes included:

1. Experience factor
2. Reduced risk category ranges
3. Annual rate change limit
4. Experience period
5. Number of risk categories
6. Enhanced category monitoring.

In addition, the new rate model will use average annual payroll to define small, medium and large employers. In January 2015, the Board directed the Administration to consult with the Stakeholder Advisory Group (SAG) about the recommended changes. In February, 2015, the SAG supported the changes and this was communicated to the Board in March 2015.

The Vice President, Strategy & Assessment Services and the Supervisor, Assessment Program Services left the meeting.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors:

1. Approve the following:
 - a) A new assessment rate model featuring six core changes.
 - b) A transition plan involving:
 - reductions in the average assessment rate for the 2016 and 2018 rates,
 - changes to the current rate model for the 2016 and 2017 rates,
 - implementation of most of the core features of the new model for the 2018 rates, and
 - implementation of the remaining core features of the new model for the 2019 and 2020 rates.
2. Receive for information the following:
 - A description of the new assessment rate setting system at maturity.
 - An analysis of the impact of the transition on small, medium and large employers.
 - A strategy for communicating the changes to employers and stakeholders.

A draft policy illustrating the required policy changes for 2016 and 2017.

ANNUAL REVIEW: RATES AND FINANCIALS

(Board Order No. 25/15)

The Board considered this matter *in camera*.

The Board moved out of camera.

ANNUAL WCB RETIREMENT PLAN FINANCIAL STATEMENTS AND NEWSLETTER

(Board Order No. 26/15)

Wendy Sol introduced this item on behalf of the Audit Committee.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the 2014 WCB Retirement Plan Financial Statements and Annual Newsletter.

LEGISLATED PROGRAM AUDIT

(Board Order No. 27/15)

Wendy Sol introduced this item on behalf of the Audit Committee. The Board of Directors must, at least once every five years, appoint an independent auditor to review the cost, efficiency and effectiveness of at least one program provided under the Act. The Minister may determine which program is to be reviewed.

On motion duly made and carried,

BE IT RESOLVED that the Board of Directors approve the recommendation that Review Office be put forward to the Minister as the subject of the legislated program audit.

REAL ESTATE MANAGER RECOMMENDATION

(Board Order No. 28/15)

Wendy Sol introduced this item on behalf of the Investment Committee. The WCB directed Eckler to undertake a limited real estate market survey to determine if there was market interest for an established real estate portfolio manager to take over the management of the real estate investment portfolio. Following due diligence conducted by Eckler, three candidate investment management firms were interviewed.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors approve the appointment of Fiera Properties as the real estate manager responsible for the WCB's real estate portfolio and direct the Administration to implement the transition of the portfolio to the new manager.

REQUEST FOR CONSIDERATION UNDER SECTION 60.9

(Board Order No. 29/15)

Senior Counsel joined the meeting.

The Board adjourned to an *in camera* session.

The Board moved out of camera.

On motion duly made and carried,

BE IT RESOLVED THAT the Board of Directors exercise its authority under Section 60.9 to set aside Appeal Decision No. 138/2014.

The Board agreed that although the Board considers Section 60.9 requests *in camera*, information about the Board's reasons for setting aside the Appeal Commission Decision was warranted. These reasons include:

- This case is about the Board's jurisdiction to make policies and the Appeal Commission's obligation to follow such policies.
- There is no inconsistency between the Policy and the Act. The Appeal Commission does have jurisdiction to consider the validity of a Board policy, however, it was not necessary to do so on the facts of the particular claim.
- The Appeal Commission interpretation of "traumatic event" was unduly narrow.

Senior Counsel left the meeting.

Rob Labossiere left the meeting.

OTHER BUSINESS**BOARD OF DIRECTORS MEETING SCHEDULE**

The Board of Directors received for information the proposed meeting schedule for the Board of Directors for 2016.

REPORTS

COMMITTEE REPORTS

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

Investment Committee Meeting - May 20, 2015

Finance Committee Meeting - May 20, 2015

Audit Committee Meeting - June 3, 2015

Prevention Committee Meeting - June 8, 2015

ADMINISTRATION REPORTS

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

PTSD Legislation: The President & CEO provided an update on the status of the PTSD legislation noting Bill 35 has passed second reading. The legislation provides for a broad presumption based on diagnosis not occupation.

REPORT OF THE FAIR PRACTICES ADVOCATE

The Fair Practices Advocate (FPA) joined the meeting.

The FPA reviewed her first quarter 2015 report. She noted that while the call volumes tend to be higher in the first quarter they are similar to previous years.

The Board of Directors received the report for information.

The FPA left the meeting.

MANAGEMENT RESPONSE TO THE FAIR PRACTICES ADVOCATE REPORT Q1 - 2015

The Board of Directors received the report for information.

BOARD OF DIRECTORS WORK PLAN

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 4:28 p.m.



Chairperson



Corporate Secretary