

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: February 14, 2023

TIME: 8:30 a.m. to 12:00 p.m.

PLACE: 12th Floor WCB Board Room, 9925 - 107 Street, Edmonton, Alberta

BOARD MEMBERS

Erna Ference, Chair

Ray Block, Member

Brian Frank, Member

Brian McConkey, Member

Shawna Miller, Member

Mary Phillips-Rickey, Member

Excused: Mike Boyle, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **

Tarick Ahmad, Chief Technology Officer ♦*

Ron Helmhold, Chief Financial Officer ♦*

Wendy King, Senior Vice President, Operations & Innovation ♦*

Marcela Matthew, Vice President, Millard Health & Special Care Services ♦*

William P. Ostapek, Secretary and General Counsel ♦*

Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Donna Emsley, Senior Manager, Treasury & Investments (item 10)

Don Olsen, Associate Partner, Wealth Solutions, Aon (attended virtually for item 10.2)

Leslie Henkel, Board of Directors' Secretariat ♦*

♦ excused for items 11.3 and 11.4

* excused for item 15

** excused for item 15 (part 2)

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of November 29, 2022**

MOTION

2023/01/01 It was moved that,
The Board of Directors approve the minutes of the meeting of November 29, 2022.

CARRIED

4. **Business Arising from the Minutes of November 29, 2022**

There was no business arising from the minutes of the November 29, 2022 meeting.

5. **2023 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- 2022 operational results for the organization,
- the upcoming AWCBC Governance Summit,
- the 2022 Q4 Industry Task Force meeting,
- the 2022 Q4 Labour Coalition meeting, and
- the Chair recruitment process.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- Secretary and General Counsel update, and
- risk profile issues.

Board of Directors

7.2 WCB Technology Review

The Chief Technology Officer provided an update on WCB technology.

7.3 Cybersecurity Incident Response Plan

The Chief Technology Officer made a presentation on WCB cybersecurity.

COMMITTEE REPORTS

8. Policy Committee

The committee chair provided a report on the committee's recent meeting.

8.1 Non-substantive Policy Amendments

The Board of Directors was advised Strategic Management Council has approved the following non-substantive policy amendments:

- **Policy 03-01, Part II, Addendum A, Effective Date for Use of New Editions of the DSM:** A correction to the exception in Addendum A. Section 24.2(1) applies to first responders, correctional officers, and emergency dispatchers with post-traumatic stress disorder and psychological injury resulting from exposure to a traumatic event or events during the course of employment.
- **Policy 06-03, Part II, Application 6, Audits:** A wording update in Question 4 due to the renaming of the Court of Queen's Bench to the Court of King's Bench.
- **Policy 04-01, Part II, Application 3, and Policy 06-01, Part II, Application 3:** An update in Policy 04-01, Part II, Application 3, Question 2 due to replacement of the *Apprenticeship and Industry Training Act* with the *Skilled Trades and Apprenticeship Education Act*; and an update in Policy 06-01, Part II, Application 3, Question 5 due to replacement of the Apprenticeship and Industry Training Board with the Alberta Board of Skilled Trades.

8.2 2021-2023 Policy Project Plan Update

The 2021-2023 Policy Project Plan update was received for information.

8.3 Consultation on Remote Workplace Policy

The committee approved an extension of the consultation on the Remote Workplace policy to March 20, 2023 at the request of the ITF.

9. Audit Committee

The committee had nothing to report.

10. Finance Committee

The committee chair provided a report on the committee's recent meeting.

Board of Directors

10.1 Monthly Financial Reports

The monthly financial reports were received for information.

10.2 Investment Policy Review

The WCB Investment Policy is the Board of Directors' primary governing document through which the Board of Directors articulates WCB's investment beliefs, objectives, and risk tolerances. The Investment Policy sets the parameters and constraints which guide the investment decisions of the managing and operating fiduciaries. WCB's current Investment Policy, Policy 01-04, Part I and Part II, was first established in 1998 and has undergone regular reviews and updates as both the investment portfolio and the corporation have evolved.

In late 2019, legislative changes required that WCB engage Alberta Investment Management Corporation (AIMCo) as the exclusive provider of investment management services for the Accident Fund of The Workers' Compensation Board. These changes are reflected in sections 92, 92.1 and 92.2 of the *Workers' Compensation Act*.

Due to these legislative changes, a fulsome review of the Investment Policy was required to reflect the single manager structure under AIMCo and enable WCB to participate in AIMCo pooled funds. This review also included amendments to bring the policy in-line with industry best practice while maintaining proper governance oversight of the investment portfolio. The policy review included four key elements within the comprehensive review and update of WCB's Investment Policy:

- redesign of the policy to meet current industry best practice,
- review of investment beliefs and objectives,
- review of asset mix parameters, and
- review of investment guidelines and constraints.

Upon approval by the Board of Directors, the new Investment Policy Statement will become effective March 1, 2023. The prior Investment Policy will be removed as a component of WCB's Policy Manual, with the Investment Policy Statement instead residing as a stand-alone document within the 'Accountability at WCB' tab on WCB's website, with a full copy of the policy available for viewing or download by stakeholders.

MOTION

2023/01/02

It was moved that,
The Board of Directors:

1. rescind WCB Investment Policy 01-04, Part I, and Part II, Applications 1-7, and Addendum A, effective March 1, 2023; and
2. approve, in place of the rescinded policy, the new WCB Investment Policy Statement, effective March 1, 2023.

CARRIED

Board of Directors

11. Human Resource and Governance Committee

The committee chair provided a report on the committee's recent meeting.

11.1 2022 Strategy Map and Objectives – Results

WCB experienced remarkable challenges *and* achieved enormous success in 2022. In a period of record high claim volume, growing claim complexity, and multiple COVID waves, great return-to-work results were realized, innovative projects designed to advance WCB's business were implemented, and WCB's status as an employer of choice in Alberta was maintained.

Nearly every measure on the 2022 Strategy Map was met or exceeded and many initiatives and enhancements that were not captured in the corporate objectives were also completed, all while achieving strong customer and employee satisfaction. Satisfaction from employers and workers on transparency, timeliness and respect jumped to 87.2%, as compared to the public sector benchmark of 83.0%. And 93% of employees reported they find WCB a good place to work.

As the economy began to surge, an increase in assessable earnings was experienced and a record number of covered workers was hit. In managing the resulting demands, WCB addressed both fundamental needs (the journey to return to work) and projects that set the corporation up for future success.

MOTION

2023/01/03 It was moved that,
The Board of Directors approve the 2022 Strategy Map results as confirmation of the organization's achievement of annual corporate objectives.

CARRIED

11.2 2023 Strategy Map and Objectives – Targets

In November 2022, the Board of Directors received a comprehensive presentation on the objectives for 2023 and approved WCB's 2023 Strategy Map and Objectives in principle. After finalizing year-end results and project evaluations, individual targets have been updated and approval of the final objectives for the year is sought.

The risks identified in November remain current, but WCB is confident in the goals it has set. Management is prepared to revisit the scope of projects if core business service delivery is put at risk, or if there is a significant unexpected development that requires a response.

Because the CEO is ultimately responsible for corporate objectives, the CEO and strategy map objectives are synonymous. Therefore, approval of the 2023 Strategy Map and Objectives (with targets) also serves as approval of the CEO's 2023 objectives, as required in the Human Resource and Governance Committee Terms of Reference.

MOTION

2023/01/04 It was moved that,
The Board of Directors approve the targets in the 2023 Strategy Map and Objectives.

CARRIED

Board of Directors

The Chair excused senior management, with the exception of the President & CEO and Vice President, Employee & Corporate Services, from the meeting for items 11.3 and 11.4.

11.3 **2022 Annual Board Evaluation Results**

The 2022 annual board evaluation results were received for information.

11.4 **2022 CEO Evaluation and Summary Report**

The 2022 President and CEO evaluation and summary report was received as information.

12. **New Business**

There was no new business.

13. **Board of Directors' Roundtable**

There was no roundtable discussion for this meeting.

14. **Meeting Evaluation**

The members are to complete the meeting effectiveness self-assessment form.

15. **In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. During the second part, the President was also excused.

There being no further business, the meeting ended at 12:00 p.m.

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: April 25, 2023

TIME: 8:30 a.m. to 11:45 a.m.

PLACE: 12th Floor WCB Board Room, 9925 - 107 Street, Edmonton, Alberta

BOARD MEMBERS

Ray Block, Chair

Mike Boyle, Member

Brian Frank, Member (joined virtually)

Brian McConkey, Member

Shawna Miller, Member (joined virtually)

Mary Phillips-Rickey, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer ♦♦♦

Tarick Ahmad, Chief Technology Officer ♦*

Ron Helmhold, Chief Financial Officer ♦*

Wendy King, Senior Vice President, Operations & Innovation ♦*

Marcela Matthew, Vice President, Millard Health & Special Care Services ♦*

William P. Ostapek, Secretary and General Counsel ♦*

Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat ♦*

Laurent Charron, Corporate Controller, Financial Management (item 9.1)

Nadia Mursky, Senior Manager, Financial Management (item 9.1)

♦ excused for item 11.1

* excused for item 15

** excused for item 15 (part 2)

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of February 14, 2023**

MOTION
2023/02/05

It was moved that,

The Board of Directors approve the minutes of the meeting of February 14, 2023.

CARRIED

4. **Business Arising from the Minutes of February 14, 2023**

There was no business arising from the minutes of the February 14, 2023 meeting.

5. **2023 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- the recent Industry Task Force meeting,
- recruitment for Board of Directors' vacancy,
- WCB's annual general meeting is scheduled for June 15, 2023,
- WCB's annual report will be delivered to the Minister of Jobs, Economy and Northern Development by the end of May, and
- the National Day of Mourning is April 28, 2023.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- Secretary and General Counsel update, and
- risk profile.

7.2 **Strategy Map and Objectives Update**

The strategy map and objectives update was received for information.

Board of Directors

COMMITTEE REPORTS

8. **Policy Committee**

The committee chair provided a report on the committee's recent meeting.

8.1 **2023-2025 Policy Project Plan Update**

The 2023-2025 Policy Project Plan was received for information.

9. **Audit Committee**

The committee chair provided a report on the committee's recent meeting.

9.1 **Financial Statements - 2022**

A key responsibility of the Board of Directors as outlined in the WCB's Corporate Governance Policy is the review and approval of the annual audited financial statements. Through delegation to the Audit Committee, the Board of Directors fulfills its responsibility by both receiving representation that the Audit Committee has fulfilled its mandate and by reviewing the information provided. The Audit Committee fulfills its mandate by reviewing the appropriateness of accounting policies and practices, significant accruals and estimates, and variances between years, in addition to qualifications contained in letters of representation. Additionally, the committee oversees the claim benefit liability valuation and the organization's internal control and risk management processes. The ultimate goal is to be able to assess the reliability of the financial information disclosed in the annual report.

The financial statements and accompanying notes, as recommended by the Audit Committee, reflect fairly and accurately the financial position of the corporation as at December 31, 2022 and, of necessity, include estimates and judgements based on careful consideration of information available at the time of preparation.

MOTION
2023/02/06

It was moved that,

The Board of Directors approve the Corporation's financial statements and accompanying notes for the year ended December 31, 2022, and the Chair of the Board of Directors and the President and Chief Executive Officer be authorized to sign the Statement of Financial Position on its behalf for delivery to the Minister of Jobs, Economy and Northern Development before May 31, 2023.

CARRIED

10. **Finance Committee**

The committee chair provided a report on the committee's recent meeting.

10.1 **Monthly Financial Reports**

The monthly financial reports were received for information.

Board of Directors

11. Human Resource and Governance Committee

The committee chair provided a report on the committee's recent meeting.

The Chair excused senior management, with the exception of the Vice President, Employee and Corporate Services, from the meeting for item 11.1.

11.1 2023 President and CEO Compensation Review

The enactment of the *Reform of Agencies, Boards and Commissions Compensation Act (RABCCA)* and subsequent regulations, which came into effect March 16, 2017, took responsibility of the establishment of a peer group and salary band for the CEO out of the hands of the Board of Directors and it is instead legislated by the Government of Alberta. The Board of Directors remains responsible for salary range movement of the CEO within any further constraints they have imposed.

The Government of Alberta has communicated an updated interim approach for public agency compensation that will provide short-term relief to March 31, 2024. The following changes apply to all non-union employees, including the CEO:

- the ability to provide a 1.25% base salary increase retroactive to January 1, 2023;
- the ability to provide a one-time merit increase of up to 4% retroactive to January 1, 2023;
- the ability to provide a one-time market equity increase of up to 4% as of April 1, 2023, to address internal equities pressures; and,
- the ability to provide a 1.5% base salary increase effective September 1, 2023.

These adjustments are the maximum allowable given the current constraint. Adjustments may not exceed the adjusted maximum salary range, which are outlined in the updated Ministerial Order No. 23/2023 and are specific to salary range level 6.

MOTION
2023/02/07

It was moved that,

The Board of Directors approves the following increases for the President and CEO:

- to maintain compa-ratio of salary range level 6 (Ministerial Order No. 23/2023), an increase of * to the base salary retroactive to January 1, 2023;
- a merit increase of * retroactive to January 1, 2023;
- to maintain compa-ratio of salary range level 6 (Ministerial Order No. 23/2023), an increase of * to the base salary on September 1, 2023.

* *personal information withheld*

CARRIED

12. New Business

There was no new business.

Board of Directors

13. **Board of Directors' Roundtable**

The Board of Directors and senior management held a roundtable discussion.

14. **Meeting Evaluation**

The members were asked to complete the meeting effectiveness self-assessment in Diligent.

15. **In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. During the second part, the President was also excused.

There being no further business, the meeting ended at 11:45 a.m.

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: June 20, 2023

TIME: 8:30 a.m. to 10:40 a.m., reconvened at 12:30 p.m. to 12:50 p.m.

PLACE: 12th Floor WCB Board Room, 9925 - 107 Street, Edmonton, Alberta

BOARD MEMBERS

Ray Block, Chair
Mike Boyle, Member
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member

EXECUTIVE

Tarick Ahmad, Chief Technology Officer *
Ron Helmhold, Chief Financial Officer *
Wendy King, Senior Vice President, Operations & Innovation *
Marcela Matthew, Vice President, Millard Health & Special Care Services *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Acting President & Chief Executive Officer **

Excused: Trevor Alexander, President & Chief Executive Officer

ALSO PRESENT

Laurent Charron, Associate Vice President, Finance *
Leslie Henkel, Board of Directors' Secretariat *
Adrienne Lozinski, Associate Vice President, Operations *

GUESTS

Greg Hendricks, Manager, Corporate Learning & Development (item 11.1)
Marj Langkamp, Director, Operations & Innovation (item 11.1)
Dayna Therien, Director, Engagement & Development (item 11.1)

* excused for items 14.2 and 14.3

** excused for item 14.3

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of April 25, 2023**

MOTION

2023/03/08

It was moved that,

The Board of Directors approve the minutes of the meeting of April 25, 2023. **CARRIED**

4. **Business Arising from the Minutes of April 25, 2023**

There was no business arising from the minutes of the April 25, 2023 meeting.

5. **2023 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- new Minister of Jobs, Economy and Trade,
- meeting of the Industry Task Force,
- Labour Coalition meeting,
- WCB's annual general meeting,
- AWCBC's annual governance summit, and
- WCB's Stirling lecture.

7.1 **Report of the President**

The Acting President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- Secretary and General Counsel update, and
- risk profile.

Board of Directors

7.2 Strategy Map and Objectives Update

The Strategy map and Objectives update was received for information.

7.3 2024 Board of Directors' Meeting Schedule

The 2024 Board of Directors' Meeting Schedule was reviewed. Advance approval of the Board of Directors' 2024 Meeting Schedule and recording that approval in the minutes constitutes formal notice of the meetings. Section 7(1) of the *Workers' Compensation Act* mandates that no more than three months elapse between meetings, which has been taken into account in the 2024 Meeting Schedule.

MOTION

2023/03/09

It was moved that,

The Board of Directors approve the 2024 Meeting Schedule.

CARRIED

7.4 WCB Technology Review

The Chief Technology Officer provided a technology update.

COMMITTEE REPORTS

8. Policy Committee

The committee chair provided a report on the committee's recent meeting.

8.1 Working Remotely – Policy 02-01, Parts I and II, Applications 1, 2, and 3 (Arises out of and occurs in the course of employment)

For many organizations, the COVID-19 pandemic changed the way we work. More people are working from home and employers are re-examining physical location as a requirement for employment. During the 2021 consultation on the WCB policy agenda, stakeholders noted the increase in remote work and suggested WCB review its policies to ensure coverage was clearly outlined when work takes place outside the employer's premises. Work began on the policies early in 2022, and in November 2022, management came to Policy Committee to discuss recommended changes to the existing policy and the proposed consultation with stakeholders.

As management reviewed the policies, it became clear that all the policy applications related to time, place, and hazard of a workplace injury needed to be amalgamated. This streamlines the policy and avoids considerable duplication. Whether working from a "designated workspace" or not, all accidents are adjudicated the same way: time, place, and hazard must be established and must be related to employment to be compensable.

Specific sections were added in to provide clarity on the designated workspace, including where coverage begins and ends, the impact of personal hazards, and travel between the designated workspace and the employer's workplace.

Board of Directors

A draft policy (Policy 02-01, Part II, Application 1 and Application 3) was posted for online consultation from December 6, 2022, to March 20, 2023. In addition to feedback on the amalgamation of the policies, there was very constructive feedback on the changes to policy specific to designated workspaces. All suggested changes were reviewed with Policy Committee.

MOTION

2023/03/10

It was moved that,

That the Board of Directors approve the proposed revisions to Policy 02-01, Part I and Part II, Applications 1, 2, and 3, with an effective date of September 1, 2023.

CARRIED**8.2 Policy 03-01, Part II, Application 9 (new):
Firefighters' Primary Site Cancer Presumptions**

Section 24.1(2) of the *Workers' Compensation Act (WCA)* sets out that, unless the contrary is proven, if a full- or part-time firefighter suffers from a primary site cancer listed in the *Firefighters' Primary Site Cancer Regulation (Regulation)*, it is presumed to be an occupational disease resulting from the worker's employment. These presumptions came into effect in 2003. Since then, various cancers have been added to the Regulation. In addition, some of the exposure periods have been amended.

In March 2023, additional changes were made to the *WCA* that added a special provision for firefighters who fought the Horse River wildfire in 2016. Whether or not the s.24.1(2) presumption applies depends on many factors, including:

- date of accident,
- type of cancer,
- exposure period,
- whether the worker was a full- or part-time firefighter, and
- whether the worker was exposed to the Horse River wildfire.

Given all these factors, determining whether the firefighters' primary site cancer presumption applies is complex. As such, a new policy application has been created (Policy 03-01, Part II, Application 9) to clearly outline when the presumption applies.

Consultation is not required as the draft policy simply reiterates and clearly outlines the statutory presumption for firefighters' primary site cancer, as contained in s. 24.1(2) of the *WCA* and the *Regulation*.

MOTION

2023/03/11

It was moved that,

That the Board of Directors approve draft Policy 03-01, Part II, Application 9, with an effective date of March 28, 2023.

CARRIED

Board of Directors

8.3 Non-substantive Policy Amendments

Strategic Management Council has approved non-substantive amendments to the following policies:

- 04-04, Part II, *Permanent Disability*, Addendum B
- 04-08, Part II, *Fatalities*, Application 2
- 04-09, Part II, *Benefit Payments*, Application 1
- 04-01, Part II, *Establishing Net Earnings*, Application 2

In addition, Strategic Management Council also provisionally approved non-substantive amendments, contingent on the Board of Directors approving the substantive changes to Policy 02-01. The non-substantive amendments are to policies:

- 03-01, Part II, Application 1, *Relationship to compensable accident*
- 06-01, Part II, Application 5, *Coverage outside of Alberta*

8.4 Policy Project Planning – Stakeholder Consultation

At the June 19, 2023 meeting, Policy Committee approved posting the proposed policy project plan consultation for a period of 90 to 150 days.

8.5 2023-2025 Policy Project Plan Update

The Board of Directors received the 2023-2025 Policy Project Plan update for information.

9. Audit Committee

The committee had nothing to report.

10. Finance Committee

The committee chair provided a report on the committee's recent meeting.

10.1 Monthly Financial Reports

The monthly financial reports were received for information.

11. Human Resource and Governance Committee**11.1 2024-2028 Strategic Plan Development Process Update**

The 2024-2028 Strategic Plan Development Process update was received for information.

12. New Business

There was no new business.

13. Meeting Evaluation

The members were asked to complete the meeting effectiveness self-assessment in Diligent.

Board of Directors

14.1 In Camera with the Executive

The Board of Directors held an *in camera* session with the executive, associate vice presidents and Board Secretariat present.

14.2 In Camera with the Acting President and CEO

The Board of Directors held an *in camera* session with the Acting President and CEO.

The meeting adjourned at 10:40 a.m. and reconvened at 12:30 p.m.

14.1 In Camera without the Acting President and CEO

The Board of Directors held an *in camera* session without the Acting President and CEO.

There being no further business, the meeting ended at 12:50 p.m.

Board of Directors

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: September 19, 2023

TIME: 1:00 p.m. to 4:00 p.m.

PLACE: 12th Floor WCB Board Room, 9925 - 107 Street, Edmonton, Alberta

BOARD MEMBERS

Ray Block, Chair

Mike Boyle, Member

Brian McConkey, Member

Shawna Miller, Member

Mary Phillips-Rickey, Member

Excused

Brian Frank, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **

Tarick Ahmad, Chief Technology Officer *

Ron Helmhold, Chief Financial Officer *

Wendy King, Senior Vice President, Operations & Innovation *

Marcela Matthew, Vice President, Millard Health & Special Care Services *

William P. Ostapek, Secretary and General Counsel *

Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Laurent Charron, Associate Vice President, Finance *

Kara Fuhr, Board Liaison *

Adrianne Lozinski, Associate Vice President, Operations *

GUESTS

Bill Xu, Chief Actuary, Actuarial Services (item 7.3)

* excused for items 14.2 and 14.3

** excused for item 14.3

Board of Directors

The Chair called the meeting to order at 1:00 p.m. and thanked management for the strategic planning session held immediately prior to the meeting.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of June 20, 2023**

MOTION

2023/04/12 It was moved that,

The Board of Directors approve the minutes of the meeting of June 20, 2023. **CARRIED**

4. **Business Arising from the Minutes of June 20, 2023**

There was no business arising from the minutes of the June 20, 2023 meeting.

5.1 **2023 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

5.2 **2024 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- meeting with the Minister of Jobs, Economy and Trade,
- meeting with the Administrator and President & CEO of Alberta Health Services,
- Industry Task Force Association meeting, and
- upcoming Meredith Lecture.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- engagement and legislative relations,
- Secretary and General Counsel update, and
- risk profile.

Board of Directors

7.2 **Strategy Map and Objectives Update**

The Board of Directors received the Strategy Map and Objectives update.

7.3 **International Financial Reporting Standards – IFRS 17 Insurance Contracts**

The Board of Directors received an update on the implementation of the new IFRS 17 Insurance Contracts accounting standard, which was effective January 1, 2023 and will meaningfully impact WCB's audited IFRS financial statements for the 2023 fiscal year. Management provided an overview of the key changes and decisions that management intends to make for the purposes of preparing and reconciling:

- IFRS 17 audited financial statements for inclusion in the annual report and distribution to stakeholders; and
- funding basis financial statements prepared on a funding basis with a claim benefit liability certified by the external actuary for purposes of rate setting and funding activities.

7.4 **Monthly Financial Reports**

The Board of Directors received the monthly financial reports for information.

COMMITTEE REPORTS

8. **Policy Committee**

The committee had nothing to report.

9. **Audit Committee**

The committee chair provided a report on the committee's recent meeting.

10. **Finance Committee**

The committee chair provided a report on the committee's recent meeting.

11. **Human Resource and Governance Committee**

The committee chair provided a report on the committee's recent meeting.

12. **New Business**

There was no new business.

13. **Meeting Evaluation**

The members were asked to complete the meeting effectiveness self-assessment in Diligent.

Board of Directors

14.1 In Camera with the Executive

The Board of Directors held an *in camera* session with the executive, associate vice presidents and board liaison.

14.2 In Camera with the President and CEO

The Board of Directors held an *in camera* session with the President and CEO.

14.3 In Camera without the President and CEO

The Board of Directors held an *in camera* session without the President and CEO.

There being no further business, the meeting ended at 4:00 p.m.

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: November 28, 2023

TIME: 8:30 a.m. to 12:30 p.m.

PLACE: 12th Floor WCB Board Room, 9925 - 107 Street, Edmonton, Alberta

BOARD MEMBERS

Ray Block, Chair
Mike Boyle, Member
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **
Tarick Ahmad, Chief Technology Officer *
Ron Helmhold, Chief Financial Officer *
Wendy King, Senior Vice President, Operations & Innovation *
Marcela Matthew, Vice President, Millard Health & Special Care Services *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Laurent Charron, Associate Vice President, Finance *
Kara Fuhr, Board Liaison *
Adrienne Lozinski, Associate Vice President, Operations *
Dayna Therien, Director, Engagement & Development *

GUESTS

Donna Emsley, Senior Manager, Treasury & Investments (item 11)
Nadia Mursky, Director, Finance (item 11)

* excused for items 14.2 and 14.3

** excused for item 14.3

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of September 19, 2023**

MOTION

2023/05/13 It was moved that,

The Board of Directors approve the minutes of the meeting of September 19, 2023 as amended.

CARRIED

4. **Business Arising from the Minutes of September 19, 2023**

There was no business arising from the minutes of the September 19, 2023 meeting.

5. **2024 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- increased complement of the Board of Directors,
- investment symposium and reception,
- government briefing on Bill 5, which is intended to replace the current *Reform of Agencies, Boards and Commissions Compensation Act*,
- Fall 2023 Board of Directors' meeting of the Association of Workers' Compensation Boards of Canada, and
- Institute of Corporate Directors' courses on cybersecurity and cultivating a respectful workplace.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- engagement and legislative relations,
- Secretary and General Counsel update, and
- risk profile.

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7.2 Strategy Map and Objectives Update

The Board of Directors received the Strategy Map and Objectives update.

COMMITTEE REPORTS**8. Policy Committee**

The committee chair provided a report on the committee's recent meeting.

8.1 Policy 07-02, Part II, Application 7, Industry Custom Pricing

Feedback from the 2021 online policy project plan consultation suggested reviewing Policy 07-02, Part II, Application 7, to add a provision for automatic re-polling of an industry's participation in the Industry Custom Pricing (ICP) program. Some employers have asked WCB confirm an industry's participation in ICP on a regular schedule. Periodic program reviews ensure the majority of the industry agrees with their ICP participation and program options on an ongoing basis, and that new employers joining the industry have an opportunity to provide input on the industry's participation.

Policy Committee approved posting of the proposed amendments for online consultation for a period of 90 days.

8.2 Policy 04-02, Part II, Addendum A, Allowance Rates

In accordance with Board Resolution 94/02/09 (inconsequential amendments) and Board Resolution 2003/03/10 (travel, subsistence, and wage allowances), Strategic Management Council approved changes to the travel (mileage) allowance rate in Policy 04-02, Part II, Addendum A, *Allowance Rates*, with an effective date of January 1, 2024:

Travel: A 7.4% increase of four cents was approved for the travel allowance, increasing it to \$0.58 per kilometer.

Meal Allowances: No change was recommended to the meal allowances.

Accommodation: No change was recommended. As well, no changes were recommended to the private accommodation rate.

8.3 Policy 01-08: Reconsiderations, reviews and appeals

The Policy Project Plan includes a review of Policy 01-08 "to ensure the intent is clear - to allow reconsiderations of previous decisions when there is valid new evidence that may change the outcome of the original decision." Policy 01-08 is titled New Evidence, but it also contains information on changing previous decisions, reconsiderations, reviews, and appeals (information not found elsewhere in the Policy Manual). Some of this information is not solely related to new evidence, and it may not be intuitive to look for this information in the "new evidence" policy.

Without changing the underlying concept of what new evidence is, Policy 01-08 is reorganized into a more transparent and user-friendly layout. A clear framework is included that outlines

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the process for reconsiderations (including new evidence), reviews, and appeals. The language is updated to provide additional clarity and policy direction where appropriate.

Policy Committee approved posting of the proposed amendments for online consultation for a period of 90 days.

8.4 **Policy 04-05, Part II, Application 4**

Strategic Management Council approved a non-substantive amendment (Board Resolution 94/02/09) to Policy 04-05, Part II, Application 4, to expand the state of emergency provisions referenced in Question 14. The provisions now include a state of emergency declared under the *Public Health Act* or other enabling legislation, which makes the language consistent with non-substantive updates that were made to Policy 07-02, Part II, Application 2, Question 14, in the fall of 2020.

8.5 **2023-2025 Policy Project Plan – 2023 Q3 Update**

The 2023 third quarter update to the 2023-2025 Policy Project Plan was received for information.

8.6 **2024-2026 Policy Project Plan**

The policy project plan includes internal and external feedback and includes the projects already in the works (current projects) and the ones to work through next (on the horizon). Project ideas were gathered through online consultation (posted online from July 5 to October 3, 2023). The 2024-26 Policy Project Plan is focused on meeting the needs of the organization, as well as addressing concerns raised through engagement and consultation in accordance with current legislation and research. The plan will be updated quarterly and new projects can be added as they arise.

MOTION

2023/05/14

It was moved that,

The Board of Directors approve the 2024-2026 Policy Project Plan for publishing on WCB' website.

CARRIED

8.7 **Policy Committee Terms of Reference**

The Terms of Reference for Policy Committee are reviewed annually to ensure that they continue to meet governance standards. The Terms of Reference have been reviewed to reassess adequacy, consider industry best practices, contemplate the committee's self-assessment results, and address any new regulatory and legal requirements. Wording has been updated and an inconsequential change has been made to clarify the language and to ensure consistency with the Corporate Governance Policy Section 12(e).

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MOTION

2023/05/15

It was moved that,

The Board of Directors approve the Policy Committee Terms of Reference as amended.

CARRIED**9. Human Resource and Governance Committee**

The committee chair provided a report on the committee's recent meeting.

9.1 2024-2028 Strategic Plan and 2024 Strategy Map and Objectives

The new strategic plan provides a clear roadmap to guide WCB as it navigates the next five years. It contains the right strategies to focus efforts and still allow for adjustment as new risks and opportunities arise. The keys to success will be facing the challenges ahead with a comprehensive picture of the risks faced, and the ability to be flexible in the face of a shifting business landscape. Through thoughtful and strategic planning, the plan will enable WCB to continue to deliver on our commitments to clients, employees and partners.

MOTION

2023/05/16

It was moved that,

The Board of Directors approve the 2024-2028 Strategic Plan and the 2024 Strategy Map and Objectives.

CARRIED**9.2 Human Resource and Governance Committee Terms of Reference**

The Terms of Reference for the Human Resource and Governance Committee are reviewed annually in order to ensure that they continue to meet governance standards. The Terms of Reference have been reviewed to reassess adequacy, consider industry best practices, contemplate the committee's self-assessment results and address any new regulatory and legal requirements. As such, a wording change has been made to clarify the language and to ensure consistency with the Corporate Governance Policy Section 12(e). All Terms of Reference for each committee have additionally been reviewed to ensure consistency of approach as appropriate.

MOTION

2023/05/17

It was moved that,

The Board of Directors approve a change to the Human Resource and Governance Committee Terms of Reference.

CARRIED**10. Audit Committee**

The committee chair provided a report on the committee's recent meeting.

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10.1 Audit Committee Terms of Reference

The Terms of Reference for the Audit Committee are reviewed annually to ensure that they continue to fulfill its mandate and meet best practice standards. The Terms of Reference have been reviewed to assess adequacy, consider industry best practices, consider the Committee's self-assessment results, and address any new regulatory and legal requirements. Additional wording was added to highlight the responsibility of the Committee to review and monitor internal controls and risk management systems regarding IT systems and projects. Inconsequential amendments were also made to clarify the language and to ensure consistency with the Corporate Governance Policy Section 12(e). The Terms of Reference continues to embody best practice standards related to the fiduciary obligations of the Audit Committee.

MOTION

2023/05/18

It was moved that,

The Board of Directors approve the Audit Committee Terms of Reference as amended.

CARRIED**11. Finance Committee**

The committee chair provided a report on the committee's recent meeting.

11.1 Monthly Financial Reports

The monthly financial reports were received for information.

11.2 Annual Worker Benefit Update – 2024 Calculations

The *Workers' Compensation Act* provides the authority to set the maximum a worker's wages can be insured and the ability to index long term benefits to inflation. To exercise this authority, the Board of Directors has described the approach through the principles of workers' compensation and Policy 04-01. The actual annual process of calculating any changes to benefits based on this guidance has been delegated to management, and the resulting amounts are ratified via a Board Order.

Cost of Living:

Section 59 of the *Workers' Compensation Act* gives the Board of Directors the authority to adjust long-term benefits yearly as a result of a series of legislative changes that came into effect on January 1, 2021. According to Policy 04-01, Part II, Application 4, annual cost-of-living adjustments (COLA) are based on 100% of the change in the average Alberta Consumer Price Index (ACPI) for the 12 months ending September 30 of the year immediately before the adjustment, less 0.5%. The policy states COLA adjustments are applied on the first day of January of each year.

The percentage change in the average ACPI for the 12 months ending September 30, 2023, totaled 4.25%. COLA has been calculated as 3.75% (4.25% less 0.5%). As a result, it is recommended that COLA for 2024 be set at 3.75%.

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Maximum Compensable Earnings (MCE):

Under the authority of section 56(18) of the WCA, the Board of Directors set the value of MCE. The Board of Directors has shared the basis for setting MCE in their published principles. The principle guiding MCE was consulted upon and finalized in 2021. The principle states:

The Board of Directors sets maximum compensable earnings annually to achieve coverage for the full wages of at least 90 per cent of workers in the province. The annual amount will change when the percentage of workers covered drops below 90 per cent.

The annual adjustment calculation is based on wage inflation data provided by Statistics Canada, refined to reflect the industries covered by the workers' compensation system. The calculation pushes the coverage of workers' wages in the province slightly upward to 91% and results in the 2024 MCE being set at \$104,600.

MOTION

2023/05/19

It was moved that,

The Board of Directors:

1. approve the cost of living increase applied to long term benefits to be set a 3.75% pursuant to section 59 of the *Workers' Compensation Act*; and
2. Order that for 2024, maximum compensable earnings be set at \$104,600 (an increase of 2.4% from the 2024 maximum compensation) and approve the proposed Board Order for maximum compensable earnings on these terms pursuant to section 56(18) of the *Workers' Compensation Act*.

CARRIED**11.3 2024 Financial Plan and Operating Budget**

WCB's 2024 integrated budget planning framework is a comprehensive process that commenced in early 2023 with the development of key economic assumptions and estimates for 2023 and 2024. As the year progressed, management reviewed corporate and economic performance against these initial assumptions and updated the financial drivers and projections. At the September 2023 Board of Directors' retreat and meeting, WCB's strategic priorities and 2024 premium rate setting strategies were reviewed, which provided additional guidance that informed the development of the 2024 financial plan and operating budget.

The 2024 operating budget represents a financial plan that has been carefully developed to ensure that WCB continues to fulfill its mandate to Albertans in an efficient and cost-effective manner. The financial plan and 2024 budgeted premium rate charged to employers strikes a careful balance between ensuring the financial sustainability of the workers' compensation system and the additional challenges employers are facing because of a high, prolonged inflationary environment and rising borrowing costs.

MOTION

2023/05/20

It was moved that,

The Board of Directors approve the 2024 Financial Plan and operating budget.

CARRIED

Board of Directors

11.4 Finance Committee Terms of Reference

The Terms of Reference for the Finance Committee are reviewed annually to ensure that they continue to fulfill its mandate and meet best practice standards. The Terms of Reference have been reviewed to assess adequacy, consider industry best practices, consider the Committee's self-assessment results, and address any new regulatory and legal requirements. As a result of this review, management has determined that no substantive changes are required to the Terms of Reference. However, inconsequential amendments were made to clarify the language and to ensure consistency with the Corporate Governance Policy Section 12(e). The Terms of Reference continues to embody best practice standards related to the fiduciary obligations of the Finance Committee.

MOTION

2023/05/21

It was moved that,

The Board of Directors the Finance Committee Terms of Reference as amended.

CARRIED**11.5 Annual Investment Policy Statement Review**

In early 2023, WCB's Investment Policy underwent an extensive review and redevelopment to align with industry best practice and reflect the transition to a single-manager structure. The resulting Investment Policy Statement was approved by the Board of Directors, effective March 1, 2023. WCB's Investment Policy Statement is the Board's primary governing document through which the WCB's investment beliefs, objectives, and risk tolerances are articulated. It sets the parameters and constraints which guide the investment decisions of the managing and operating fiduciaries. The Finance Committee Terms of Reference requires an annual review of the Investment Policy Statement be completed, with any amendments then recommended to the Board of Directors for approval.

From the 2023 annual review, two amendments are being made to both align the Investment Policy Statement with requirements related to WCB's IFRS 17 transition and reflect a change to the global equity investment benchmark. The amendments are:

1. remove the reference to the provision for adverse deviation in the actuarial required rate of return (Part 3. Investment Objectives), and
2. change the Global Equity Benchmark to the MSCI World Index (Part 4.4 Policy Asset Mix).

MOTION

2023/05/22

It was moved that,

The Board of Directors approve the WCB Investment Policy Statement amendments, effective January 1, 2024.

CARRIED**12. New Business****12.1 2024 Board of Directors' Annual Planning Cycle**

The 2024 Board of Directors' annual planning cycle was received for information.

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13. Meeting Evaluation

The members were asked to complete the meeting effectiveness self-assessment in Diligent.

14.1 In Camera with the Executive

The Board of Directors held an *in camera* session with the executive, associate vice presidents and board liaison.

14.2 In Camera with the President and CEO

The Board of Directors held an *in camera* session with the President and CEO.

14.3 In Camera without the President and CEO

The Board of Directors held an *in camera* session without the President and CEO.

There being no further business, the meeting ended at 12:30 p.m.