



8/24/2022

Committee Meeting Minutes of August 24, 2022

ATENDING DIRECTORS:

Dave Rutherford, Chair
Nancy Brown
Richard Barrett
Allan Sheppard

ATENDING STAFF:

Alec Harmer, President

REGRETS:

None

Alec Harmer
RECORDING SECRETARY

MISSION

“To protect your future as if it’s our own”

VISION

“Our family striving to provide you with peace of mind by protecting your tomorrows today”

Opening of the Meeting

Dave welcomed everyone to the in-person meeting @ 9:30am. There was a list of topics for the executive to review.

CEO 360 and HR

CEO Performance Worksheet

Alec provided the board with an updated CEO Performance worksheet (further referred to as the “Worksheet”). It will be provided for the September board meeting under the consent agenda items. Alec also provided the last five years of salary and performance bonus amounts. The performance bonus is comprised of two parts. 50% is guaranteed and 50% is decided by the board based on the actions completed in the Worksheet provided to the board.

The executive discussed the board’s responsibility with respect to the Worksheet. Each director was given a blank form on which to place any comments (positive and criticisms) over the year and to provide those comments to the executive at performance review time.

Structure of the Process for CEO review

The executive talked about the whole process from start to finish and the timing. Alec walked through the steps:

1. Reach out to Kirwin & Assoc. about the 360 survey (Early October)
2. The survey is reviewed to see if there are any changes
3. The survey is sent to the management team (Mid-October)
4. The managers and Alec fill out the survey within 10 days
5. Alec receives the report back and writes up a document reflecting on the feedback
6. Alec provides his reflection document and survey to the management team to get affirmation that he has captured and interpreted their feedback correctly
7. Alec creates the 3 strengths descriptions and 3 areas for improvement descriptions on the Worksheet as well as approximately 3 high priority goals for the coming year
8. Alec provides the executive with the full survey, reflection document and Worksheet (early November) *
9. Alec meets with the executive to confirm and/or modify the Worksheet
10. The worksheet for the following year is presented to the board and each director is provided with a written copy with blank space for comments
11. The “current year worksheet” that’s been filled in is reviewed by the board to help assess Alec’s performance (November)

12. Alec does a year in review and the board considers a pay raise and maximum bonus amount for the next year as well as the bonus earned for the current year
13. In the following year there are comments added to the worksheet updating the board on Alec's activities. These are presented to the executive and then the board. The directors are asked to add any comments to their own copy and provide that feedback to the chair/executive.

* The full survey report & reflection document was provided to all directors in the first two years since this process was new. Going forward, the executive would be responsible to go into the detail of the report with the CEO.

The executive mentioned continuing conversations about the 360 regarding HR consultant involvement and whether some staff should be added to the process. Meghan had set up this process for us to be self-sufficient, with the exception of the collection process through their survey system. Alec was charged to connect with Meghan and have her provide a report confirming the standard practice around these issues to clarify and help conclude any future debate. The executive, as well as Alec, do not believe this survey is appropriate to provide to other staff due to the strategic nature of the survey questions versus the limited day-to-day observations staff may have. Alec was asked to provide the executive with a year-over-year change in each of the survey areas (i.e. Innovation score in 2021 was 4.2, 2022 is 4.4). This took us into a conversation about what Alec does for management that provides him with feedback to help support his managements' performance review process.

Alec showed the executive how he receives input regarding his management team. These include peer-to-peer to peer reviews as well as direct report reviews. Alec receives reviews on his managers twice per year from at least two people (management/staff) each time. There is also a manager self-assessment and assessment that Alec performs that is done annually. The department manager performs the reviews and self-assessments on every staff member as well. On an annual basis, we send out a survey through Bamboo called NPS (Net Promoter score) which allows all staff and management another opportunity to provide feedback anonymously on any issue they want to. The summary is shown to the board. In addition, after each staff meeting, we provide staff the opportunity to provide feedback on the meetings as well as anything else on an anonymous basis. The executive and Alec feel we get a lot of feedback from our staff.

During the discussion on HR practices, it was noted that director interaction has as much possibility of harassment allegations as it does between staff members. It was suggested that a session with Meghan in the afternoon of a board meeting would be a good governance session. Training on what harassment in today's world looks like might prevent a future issue from occurring.

In September's meeting, the agenda will show "CEO 360 Survey" on it as a topic for the in-camera session.

One minor item was to discuss "inflation" versus "COLA" (cost of living allowance). Alec indicated they were both the same thing when it comes to how we use them. We use the Ontario inflation figure for October each year (provided in November) as our COLA, which is applied to everyone's base salary.

Responsibilities of the Executive

While we have some very detailed mandates for committees, the executive committee duties/powers appear to be broad or vague depending on how you look at it. Alec offered to put a question to the mutuals at the next meeting to see if any company has a comprehensive executive mandate. Alec mentioned that conventions are a great place for directors to talk to their peers and see how they operate.

We talked about the last major issue the executive was involved in that led to some disagreement among board members as to decision making authority and information sharing between executive and the rest of the board members.

At the end of the day, there has to be trust between all board members and trust in the executive for some of the roles they play, such as CEO performance reviews.

We will do some information gathering on this subject.

The executive discussed the powers of the CEO to hire and fire any of his management team. Alec indicated if there were a future issue, he would use the executive as a sounding board. The executive should be concerned with proper procedure and they should ensure the CEO has checked the following points. The executive should not get involved in assessing performance or determining the suitability of the individual.

1. Does the manager know there is a performance issue
2. Has the CEO properly documented the HR file
3. Has there been appropriate efforts to improve the performance
4. Does the manager know they are still not meeting expectations
5. Has the CEO consulted with HR (our consultants)
6. Has the CEO consulted with HR counsel

Alec's been asked to create a formal policy for this.

Board Survey and July format

Alec provided the committee with a PDF of the board survey for July. We noted that a few of the questions had low scores but no apparent comments as to why the score was low. In general terms, most scores should be average or good. If you mark one as great or poor, there should be a reason shared as to why you felt that way; otherwise you can't learn very much from just the score.

The question on feeling comfortable in the board meeting to ask questions had one "no". The executive felt that an opportunity in the next in-camera session should be given to that individual to express why they felt that way. This would give the board members an opportunity to help address the situation or it may just have been a one-off situation. No one should feel forced to divulge their score.

Regardless of some of the scoring there were 9 positive comments overall about the change in structure. Barring any other comments that come out from September's meeting, we will work on providing the extra detail for the third quarter in written form and have some good opportunities for in-depth discussion on some important topics.

125 Celebration

Alec mentioned the budget will be starting soon and wondered if the board had any desires for 125 that may impact the board. Smaller activities like an open house can be handled easily in the budget but if there was any "grand" idea, we should know before hand, for budget and preparation purposes. Directors will be reminded to think about the 125th and bring any ideas to the September board. The company was established on May 18, 1898.

Adjournment of the Meeting

Dave adjourned the meeting at around 12:30pm.

Date

Bill Dorland, Chair

Barb Dinnage, Secretary