BOARD OF DIRECTORS – MEETING MINUTES

Meeting Date | August 27, 2020 | Time | 4:00PM
---|---|---|---
Meeting Title | Board Meeting | Type | Regular
Meeting Chair | S. Chavez | Location | Virtual
Recording Secretary | J. Higgins | Call to Order | 4:03PM

<table>
<thead>
<tr>
<th>Attendees</th>
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<tbody>
<tr>
<td><strong>Board</strong></td>
<td>M. Matyashin</td>
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<tr>
<td>N. Bottger-Malaga, S. Chavez, S. Ge, R. Sapra, M. Parkin, C. Harasym, V. Vijay and M. Reesor</td>
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<td><strong>Management</strong></td>
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<td>J. Armour (Chief Operating Officer), N. Soave (SM, Government Services), M. St.Pierre (VP Governance and Finance), V. Macauley (SM, Finance and Compliance) and K. Pacheco (SM, People &amp; Development)</td>
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<td><strong>Guests</strong></td>
<td>T. Adams &amp; C. Wright (PurpleCare)</td>
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<td><strong>Disclosures of Interest</strong></td>
<td>N/A</td>
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3. Changes to and Adoption of the Agenda:

**Motion to approve the agenda.**

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<th>C. Harasym</th>
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<th>S. Ge</th>
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4. Comments from the Chairperson:

S. Chavez stated that it has been a good and productive summer, and now it’s time to get ready for September.

5. Approval of Minutes July 11, 2020 Meeting:

**Motion to approve the minutes from the July 11, 2020 Meeting.**

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6. Presentations for Information:

6.1. **New Trust Q&A**

Presentation provided in meeting documentation.

**Questions:**
S. Chavez – What are the risks or drawbacks by pursuing the trust model?
T. Adams – There are not a lot of draw backs, but what is important to understand is it takes a vested interest in the organization to be a trustee. You have a fiduciary responsibility. You are not expected to know it upon starting, but you need to know what’s going on. A lot of organizations don’t have the infrastructure to continue the education year after year as student leaders change. It’s something you need to be committed to as an organization and some won’t commit to that.

S. Chavez – There is a lot riding on the strength and capability of the Board of Trustees, how do we ensure we have a Board that is doing an adequate job?
T. Adams – There are many aspects to being a trustee, and that’s why you hire service providers. These types of things are going on in every organization, but instead of dealing with it themselves they hand them off. You don’t need to be an expert, but you need to be a participant. Attendance is important. There are three to five meetings a year, and you have to attend the meetings. You can’t say you’ll be a Trustee and then never show up.

M. St.Pierre – The actual Trustee model is what’s holding up the execution of the Trust. The importance of keeping ourselves accountable.
C. Wright – The Trustee will also be educated. We will spend some time and make sure they understand their role. We are hoping for engaged people, not experts.
J. Armour – Part of the reason we selected going this way was the Trust we were in before, we felt that some Trustees weren’t as educated as they needed to be. Now we will be in control of that. Tim is the Trustee advisor to support that model of governance. Cory covers service delivery, and both are in the top of their fields. The trust model takes a bit more work but saves the students money and gives better value. We are set up to support this. The two of them and what we bring to the table will only increase the value of service provided to the students.

C. Harasym – If in a few years the USC requests a service change, does that constitute a new negotiation of what we are doing now, or is there more of a collaborative approach in what we offer in services?
C. Wright – It is collaborative first. We built a program specific to Western with the input of your team. As the students needs change we will pivot with them. Standard protocol is to assess our services twice annually. There is no commitment to just one direction, we adjust as the organization adapts and moves.

C. Harasym – You are both service providers for the trust. Is the trust a transferable entity or is it interwoven with this Service Agreement?
T. Adams – The USC formed the Trust. It is like a corporation you formed. You govern it, and its your trust fund. You are responsible for hiring the administrators and outside parties. At the end of the day you can change your service providers when you feel you want to go separate ways. Your trust can go on as long as you want it to.

S. Ge – What are we looking at in terms of timeline for being in good standing in the self-funded model? Are there any suggestions to the Board in order to help make that happen?
T. Adams – As far as going self funded, you accept a certain risk, and therefore it costs less. In doing so, I want to feel comfortable being able to assess that risk. For car insurance, I can’t predict when you can get in an accident, so you need insurance. For drugs and vision care you can start to predict those claims. In roughly three to five years, we will be able to predict (over or under 5%) a certain target. You may be able to do that now, but you may not be able to fund that target. That’s the method behind it, to build a model around predictability.
C. Wright – About 40% of the premiums we manage are on a self-insured model. A large number of our clients want to get there. The challenge is to be financially viable enough to handle the risk. Some schools are too small to ever move to that level, but we recognize that Western does make sense to get there. Our role is to help find the right time for that.

T. Adams – All insurance companies must hold reserves. One advantage of a Trust is when you reach self funded, you hold the reserves yourself, rather than giving it to the insurer. A Trust allows that those reserves are held separate from the USC. This protects the USC and allows a vehicle to invest those assets. Assets which would normally be held by an insurer are yours.

6.1.1. Board Trustee Election

| M. St.Pierre |

C. Harasym stated his interest in being a member on the Board of Trustees.

Questions:

S. Chavez – Your background is in business law. What will you bring to this position and how will you address the knowledge gap?

C. Harasym – I am financially literate and familiar with insurance underwriting. From the governance and legal side, I have studied the trust model and am familiar with terms and concepts of how trusts are set up. Along with the education from Tim and Cory, I am confident that will make me a fully competent Trustee.

R. Sapra – We want a Director who is very engaged to sit on the Board of Trustees. Along with a demanding schedule this semester, how will you manage your time to devote enough attention to your role as a Trustee.

C. Harasym – My commitment to the Board is less than other directors, as I’m not a committee chair. I contemplated becoming a committee chair and budgeted that time, so I have that time available.

Motion to elect C. Harasym to sit on the Purple Care Trust as the Board of Directors Trustee.

| Moved  | R. Sapra | Second | S. Ge | Approved | Unanimous |

7. Confidential Session

Motion to go in camera.

| Time | Return |

| 4:39PM | 4:55PM |

| Moved | Second | Approved |

| C. Harasym | M. Parkin | Unanimous |

8. Reports for Information:

8.1. Executive/COO Report

| M. Reesor & J. Armour |

J. Armour – All COVID sheets are live and can be checked on anytime. I can say with a lot of pride that all staff members back ready to work. Everything has changed, but the love for the place and passion continues. We are compliant, and Karla has met with every single employee.

M. Reesor – Admittedly, Orientation will run some risk. We want to be transparent and make you all comfortable. There will be a mix of in person and digital programming. Anything in person will be small and spaced out with sanitizing and mask rules in place. We want to ensure when students enter residence, that we are able to support them, so they’re not alone in residence making questionable decisions. We wanted to create a safe outlet.
Questions:
C. Harasym – What happens if on Thursday of O-Week every house on Richmond Street or Broughdale has a party, and the thought arises that students aren’t a part of the London community? I know that’s not our fault, but you’ll be expected to speak to it. Have we started to think how that will look on our end in terms of reputational risk?
M. Reesor – We are trying to get ahead of it with our own safety messaging to make it as clear as possible. When the students are hearing 50 or 100 people limit, we want the students to understand that they are physical distancing in place, and they remain in their 10 person bubbles. We are working to highlight the importance of safety education. We don’t support large parties.

V. Vijay – What sort of supports are provided for clubs?
M. St.Pierre – We have pushed for training during Clubs Week, which was approved for in person as well as virtual. We still have both full time club support staff working. We are answering questions, and guiding them in the right direction. A lot of clubs are willing to work with us, we just need to be as transparent as possible.

V. Vijay – Is the idea to support clubs, whether they are in person or virtual?
M. St.Pierre – We asked the clubs to consider all students, since not everyone will be on campus, but we can’t tell them what to do. Our main message has been to prioritize online, and to offer a virtual option if they do hold in person programming.

Motion to accept the Executive/COO Report.
Moved M. Reesor  Second C. Harasym  Approved Unanimous

9. Reports from Board Committees:

9.1. HR Committee M. Parkin
Staff have been tasked with providing a sample optional Diversity & Inclusion Survey for staff, and then evaluate an affirmative action plan.

There are issues with current USC staff running for political positions, which resulted in staff making sure the policies are in place regarding what is allowed and what is not. This will be a joint venture between Council and the Board.

Karla has met with Matt Mills at Western to review policies. There are no issues with the quarterly Work from Home Policy review.

9.2. Finance Committee S. Ge
The main focus of the meeting was reviewing our investment account, and how the fund was performing. Our investors suggested a smaller portion to equity as we expect greater risk and volatility moving forward. Right now its 70%, and they suggested moving to 65%.

The June financial statements were reviewed. There was a check on hospitality budget and Vicki followed up that it was correct with YTD actuals.
We received a cash projection and wage subsidy update, and there were no surprises. It confirmed that we have received the subsidy. We are waiting to see if we qualify until December.

There was a budget miscalculation last year, and it is now fixed. The surplus from last year is now the COVID Contingency Fund.

### 9.2.1. F2020 June Financial Statements

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**BIRT the Board of Directors accept the F2020 June Financial Statements.**

### 9.2.2. Rebalance Investments

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**BIRT the Board of Directors approve the rebalancing of the USC’s NEI investments account with TD Wealth.**

### Motion to accept the Committee Reports: items 9.1. and 9.2.

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### 10. Inquiries and Other Business:

### 11. Adjournment of Public Meeting:

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