Leah Hollins, Chair, called the meeting to order at 8:28 a.m. EDT on March 1, 2017. She welcomed Board and EMT members to the meeting.

1. The agenda was approved as presented:
   
   After review, **ON MOTION** duly made and seconded, the agenda was unanimously approved.

2. On invitation from L. Hollins, no conflicts of interest were declared.

3. The public and confidential minutes of Dec. 1-2, 2017 were approved as presented:
   
   **ON MOTION** duly made and seconded, the public and confidential minutes of the Dec. 1-2, 2017 meeting were unanimously approved.

4. There was no business arising.
5. **Report of the Chair (L. Hollins)**

L. Hollins updated the board regarding two recent events she attended:

- A meeting with the Honourable Kelvin Goertzen, Minister of Health, Seniors and Active Living for Manitoba with G. Sher. The main issue discussed was the closure of the Brandon permanent site.
- The State of the Province address by the Premier of Nova Scotia, the Honourable Stephen McNeil with E. Sibson.


G. Sher provided comments on the 2016-2017 third quarter performance and risk summary, emerging issues, and CEO activities since the last meeting.

Under the 2016-2017 third quarter performance and risk summary an update was provided on each key focus area:

- **Earning the right to serve**
  - The board and management continue to manage the arm’s length relationship of Canadian Blood Services with its funders, the provincial and territorial governments. Work continues on the It Takes Two framework, to further inform the effectiveness of the relationship.
  
- **Manufacture biological products**
  - While the Cord Blood Bank metrics are not meeting targets, there has been progress in many areas and staff continues to seek additional donors. This continues to be closely monitored by management and is on the board agenda for further discussion.
  - Management has been reviewing how Business Continuity Management (BCM) is governed within the organization. The Finance and Audit Committee has also discussed BCM and it will be on the June 2017 board agenda.

- **Transform how we attract, interact with and retain donors**
  - The donor base grew in the third quarter.
  - New donor acquisition campaigns are being launched to mitigate the loss of donors due to the changes in hemoglobin requirements made to ensure donor safety.
  - Management continues to monitor and work to improve donor time in system after the roll-out of automated supply chain.

- **Provide transfusion and transplantation services**
  - There needs to be further alignment in clinical governance for organs and tissues donation and transplantation (OTDT) program and services to further advance improvements in Canada. This is challenging due to the difficulty in developing traction to move these matters forward.
• Deliver our products and services more efficiently
  o The organization continues to address financial pressures, and is driving towards
    achieving efficiency savings targeted for the fiscal year.
  o Meeting savings targets in 2017-2018 will be more difficult due to the tight fiscal
    environment resulting in the lack of capital to invest in efficiency initiatives.
• Advance and mature our quality management system
  o Quality indicators are trending in a positive direction and have been strongly positive all
    year. This continues to be a priority focus for the organization and many employees
    deserve credit for advancing and maturing the quality system and culture across the
    enterprise.
• A high-commitment, high-performance culture
  o Management is enhancing diversity and inclusion within the organization with the launch
    of the CEO Advisory Committee on Diversity and Inclusion. An update will be provided
    at the June 2017 board meeting.
  o Canadian Blood Services won two awards which recognize certain of the initiatives
    driving the culture in the organization:
    ▪ The International Coaching Federation (ICF) Prism Award in recognition of
      ‘outstanding organizational coaching initiatives’.
    ▪ A bronze Cassies advertising awards for the Give Life campaign.

Emerging issues included updates on:
• Health Sector Critical Infrastructure and Cybersecurity
  o Canadian Blood Services is taking part in the Health Sector Critical Infrastructure and
    Cybersecurity Steering Committee, which is part of the broader national cross sector
    forum on critical infrastructure and cybersecurity.
  o Staff are also participating in ‘Canadian Armed Forces Exercise Staunch Maple ‘17’ – a
    program to increase awareness of and address gaps in the integration of critical
    infrastructure in emergency response activities across Canada.
• Processing of Sudbury collections
  o Processing of collections from the Sudbury permanent clinic and associated mobile
    clinics will be moving from Ottawa to Brampton. This move will provide improved
    services, more effective logistic routes / shorter transport time, and improve productivity
    in Brampton. Six part-time positions will be eliminated in Ottawa, there will be no
    production headcount increases in Brampton.
• Closure of Brandon permanent site
  o Canadian Blood Services has made the difficult decision to close the Brandon permanent
    site.
  o Staff will be informed in early March and the closure will take effect in late May or early
    June.
  o Donors will also be informed of the closure and provided with information regarding
    other opportunities to continue to support Canadian Blood Services – e.g., mobile clinics,
    One Match, etc.
  o Local elected officials will also receive information on the closure.
• National Facilities Redevelopment Program I (NFRP I) - Brampton testing laboratory  
  o There has been a six to eight week delay in phase one of the move to the Brampton testing laboratory due to certain construction and logistics issues. There is no significant impact to other testing projects and the over-all timelines for a complete move of testing have not been impacted.  
  o There will be an opening ceremony for the building and board members will be informed of the date.

• Two work shift model at the Brampton testing facility  
  o Once the move to the Brampton testing facility is complete, there will be a reduction from three to two shifts.  
  o This will not impact product availability and will improve productivity and efficiency.

• Ontario payments  
  o The Transfer Payment Accountability Directive (TPAD) for 2016-2017 has been signed and Ontario has begun flowing payments with the majority of funding expected by March 2017.  
  o Ontario will still have additional funds owed for increased use of plasma protein products. From past experience, this will be paid in summer 2017 once the audited financial statements are distributed.  
  o Management is working to have the 2017-2018 TPAD signed earlier in the year to ensure earlier payments from Ontario.

• Increase in line of credit  
  o To mitigate the risks of cash constraints and as approved by the Board in the September 2016, Canadian Blood Services has negotiated an increase in its line of credit from $50 million to $100 million.

• Cumulative effect of public affairs advocacy plan  
  o Public affairs has been cultivating relationships with influential health leaders, including Dr. Danielle Martin in order to augment the Canadian Blood Services profile in health circles. Dr. Martin recently published a book *Better Now: Six Big Ideas to Improve Healthcare for All Canadians*. Canadian Blood Services’ Highly Sensitized Patient (HSP) registry is highlighted in the book through a patient story of a kidney transplant through the HSP. Dr. Martin will be speaking at the April 2017 board retreat.

• Board retreat, April 2017  
  o The agenda is in development for the board retreat. There will be a focus on strategic planning as well as certain speakers on key topics of interest.  
  o Minister Philpott has been invited to speak, and it is anticipated there will be a speaker on digital transformation and cyber issues.

An overview of the CEO’s activities with stakeholders, government and other parties was provided to the board.
The board received and update on the high visibility projects for the third quarter of 2016-2017, which include the following:

- Automated supply chain has transitioned to realization and has contributed to the overall efficiency savings achieved by the organization.
- All milestones that were planned to be achieved in the first, second and third quarters of 2016–2017 have been completed.
- Blood Supply Chain Excellence has adjusted its timeline to reflect updated productivity plans. The completion date to achieve 10,000 units produced per full time equivalent has moved by two years to 2019–2020. When compared to other Alliance of Blood Operators organizations, Canadian Blood Services does have higher labour costs but our objective is still to achieve top tier productivity measures. Technology, lean processes, and the Toyota production system are examples of measures being used to reduce labour hours per unit.
- NFRP I is behind plan to achieve one milestone relating to testing, which delay can be absorbed within the project contingency with no anticipated impact to overall timelines.
- Cord Blood Bank is behind plan to achieve two milestones and work continues to build target inventory.

The Board adjourned for a lunch break.

The meeting resumed at 1 p.m. ET.

7. Enterprise Risk Management (A. Pateman)

The board received the 2016-2017 third quarter corporate risk report which supports the monitoring and management of key risks to Canadian Blood Services’ strategic objectives. Management continue to closely monitor and manage all risks. Three risks were highlighted during discussions:

- Risk A – operational independence (high) – has remained high due to the fiscal climate and the process of negotiating funding for the plasma strategy outside of the budget process.
- Risk E – Business continuity in the face of internal and/or external disruptive incidents (medium) - has an upward trend for a future rating based on gaps identified through a recent internal audit and BCM exercise. Governance of BCM has moved into the ERM portfolio with strong linkages to IT and supply chain. At the June 2017 meeting, the board will receive a further update on the BCM program and the mitigation steps related thereto. The Finance and Audit Committee continues to closely monitor this risk.
- Risk H – digital transformation (high) – has remained high due to the ongoing transformation to a digital organization. The Safety, Research and Ethics Committee continues to closely monitor this risk.

The board received an update on ERM program achievements in 2016-2017 and actions planned for 2017-2018.
8. Committee reports

The Chairs of the Committees were asked to bring forward any pertinent items discussed at the committee level to the full board.

8.1 Finance & Audit (W. Gladstone)

Wayne Gladstone, Committee Chair, presented the report of the Finance & Audit Committee, which met on Feb. 28, 2017. Highlights of the committee included:

- An education session on the Defined Benefits pension plan.
- Met with the internal auditor, received an update on internal audit activities, and approved the 2017-2018 audit program.
- Met with the external auditor, KPMG, and approved the 2016-2017 external audit plans.
- Reviewed the captive insurance use of surplus capital principles and guidelines and determined there should be no changes.
- Approved the establishment of two new bank accounts with the TD Bank for NFRPII financing with signing authorities based on existing bank authorities.
- Received financial statements for nine months ended Dec. 31, 2016 and the forecast to March 31, 2017 – Ontario has made a partial payment of its amount owed which has helped with the cash balance.
- Addressed the issue of the application of the surplus, if any, to offset plasma products budgets for the provinces and territories

On the recommendation of the Finance & Audit Committee, the following resolution was passed by the Board:

After review and discussion, ON A MOTION duly made, seconded and unanimously carried IT WAS RESOLVED THAT any operational surplus be returned to the members as a credit to accounts receivable at March 31, 2017 and applied to provincial and territorial plasma protein products budget to reduce costs of increased utilization to jurisdictions.

8.2 Safety, Research, and Ethics (G. Glavin)

Gary Glavin, Committee Chair, presented the report of the Safety, Research and Ethics Committee, which met on Feb. 28, 2017. Highlights of the committee included:

- Reviewed the quality and compliance indicators, corrective action and preventive action (CAPA) process is gaining traction.
- The automated supply chain (ASC) is moving from project mode to operational mode, work continues to improve donor time in system. The ASC team was thanked for their work.
- Received an update on activities from the Centre for Innovation and the upcoming external program evaluation and funding renewal process for Health Canada’s 2018-2023 contribution to the Blood Research and Development Program. Committee members and the board chair will assist, as necessary, with the evaluation.
- Received an update on Research Ethics Board (REB) activities. The REB Chair, Dr. Francis Rolleston, has indicated his intention to resign once a successor has been identified.
8.3 Talent Management (C. Knight)
Craig Knight, Committee Chair, presented the report of the Talent Management Committee, which met on Feb. 28, 2017. Highlights of the committee included:

- G. Sher discussed his 2017-2018 CEO performance goals.
- Received a detailed review of the 2016 employee engagement survey and next steps.

8.4 Governance (H. Pankratz)
Henry Pankratz, Committee Chair, presented the report of the Governance Committee, which met on Feb. 28, 2017. Highlights of the committee included:

- Discussed the April 2017 board retreat.
- Reviewed the strategic planning process; it is a major focus of the board retreat and the board will have significant involvement in the process over the next year.
- Received an update on board recruitment and endorsed the skills matrix, which has been sent to the search consultant. Ads will be running in newspapers. The board chair will contact members with expiring terms regarding their desire to be reappointed.
- Discussed the board budget. To assist with corporate savings, the committee supported the decision to eliminate the October board meeting and the elimination of a small part of the excess domestic commercial directors and officers insurance.
- Reviewed the results of the board evaluation survey. Recommendations include:
  
  - Enhance new member orientation program, including:
    - Member continuing education
    - The content and distribution of financial information, organization’s governance process, annual reports, and other legal disclosures.
  - Continuously improve the effectiveness and efficiencies of board meetings. Governance Committee to have a standing item on its agenda to review board meeting agendas and supporting information to provide feedback to the board on its conclusions.
  - Monitor progress of on-going projects relating to board members’ involvement in stakeholder relations, board’s skills and experience matrix, and board members’ involvement in strategic planning.

8.5 National Liaison (B. Teskey)
Bob Teskey, Committee Co-Chair, presented the report of the National Liaison Committee, which will meet on March 6, 2017. Highlights of the upcoming meeting include:

- A report on board activities including priority action items, challenges, etc.
- An overview and status update of the plasma business plan.
- Quality management training: Products and Patients.
- A feedback session for National Liaison members to identify issues to raise with the Canadian Blood Services board.

8.6 Canadian Blood Services Insurance Company Limited (CBSI) and Canadian Blood Services Captive Insurance Company Limited (CBSE) (W. Gladstone)
W. Gladstone, CBSI and CBSE Chair, presented the report of CBSI, which met on Feb. 2, 2017. Highlights of the meeting included:
• Direction will be sought from Canadian Blood Services on the use of any CBSI surplus.
• The CBSI board will review having Canadian Blood Services’ cyber insurance placed with CBSI.
• A review of CBSI’s policies and procedures has commenced with the assistance of Canadian Blood Services’ internal auditor.

There was no CBSE matters for discussion, it continues to operate in good standing with no claims and no adverse issues to be raised.

9. 2017-2020 Corporate Plan and budget negotiations update (P. Port)

The board reviewed and discussed the 2017-2020 Corporate Plan and budget negotiations:

• The 2017-2018 budget was negotiated and endorsed by the PTBLC on Dec. 9, 2016, approved by deputy ministers on Feb. 3, 2017, and will be presented to Ministers at the Special Meeting of Members on March 9, 2017.
• The budget is prepared in two sections: plasma protein products (PPP) and the rest of the business. PPP costs for the provinces and territories (P/Ts) are based mainly on usage with Canadian Blood Services having no control over how it is prescribed. As PPP usage has increased, costs to the P/Ts for PPP have also increased. The rest of the business has remained flat or had decreased over the last few years.
• Despite the two distinct sections of the budget, the PTBLC views the budget as a whole and perceives year over year budget increases. This is, however, mainly driven by PPP utilization which is not controlled by Canadian Blood Services.
• Highlights of the 2017-2018 $1.2B budget being recommended to the minister at the Special Meeting of Members:
  o A $2.55 million decrease in fresh blood components to $418M, despite a 2% increase in demand.
  o Funding for the Cord Blood Bank will remain at the level in the original business plan ($5.4M). Any incremental funding will need to be requested through a revised business plan and included in the next Corporate Plan.
  o A funding request of $2.3M for automation to strengthen the quality management system (Link) was not accepted by the P/Ts and not included in the final negotiated 2017-2018 budget. As it is a risk mitigation initiative, and after discussions of other possible other sources of funding - e.g., CBSI surplus capital, Canadian Blood Services indicated it would be funded by the Contingency Fund as it is an important safety initiative. This is only a one year funding solution and ongoing Link funding will need to be included in the next Corporate Plan.
  o The PPP budget was endorsed as presented, including a hedged foreign exchange rate of $1.34 USD ($735M).
  o The $5M request for the plasma strategy to protect security of supply would only be considered once the business plan is submitted and consequently was not approved by the PTBLC for inclusion in the 2017-2018 budget.
  o Diagnostic Services funding was endorsed as presented and includes funding for eTraceline.
OTDT funding was endorsed as presented with no increase; however, Canadian Blood Services signalled that it will need increased funding in future years.

Any operational surpluses for 2016-2017 are to be used to offset PPP costs.

9.1 2017-2018 internal budget update (P. Port)
The board discussed the development of the internal 2017-2018 budget based on the budget, which will be approved at the Special Meeting of Members on March 9, 2017:

- Management continues to look for efficiencies and savings to balance the budget.
- Several measures were identified to meet 2017-2018 budget pressures; however, not all are long-term solutions and will need to be continually monitored:
  - A review of division budgets with a goal to reduce each by 5%.
  - Supply chain reduced labour hours to improve productivity measures.
  - The travel budget was reduced.
  - A review of benefits and planned allocation for compensation and performance.
  - Increase in turnover rate which may be achieved through delayed hiring (in support services, not front-line employees).
  - Use of the Contingency Fund for items that pose a risk to operations.
  - Implementation of an automatic dialer at the National Call Centre.
- Work continues to balance the stem cell and the diagnostic services budgets.
- The financial health and sustainability risk (Risk I) is being closely monitored by management and is currently rated at medium, but continues to trend towards high. Financial demands are outpacing available funding requiring many projects to be prioritized and wait in a queue for funding.

10. Business plan: Ensuring Canadian security of plasma supply for immune globulin (Ig) (G. Sher)
The board was updated on the business plan: ensuring Canadian security of plasma supply for Ig:

- The business plan was submitted to governments on Jan. 20, 2017. Ministers received a copy from L. Hollins and Deputies -- with a cc to the PTBLC -- received a copy from G. Sher.
- L. Hollins and G. Sher will be meeting with ministers and deputies - provincial, territorial and federal - to discuss the business plan.
- The business plan will be discussed at the Special Meeting of Members on March 9, 2017, but as it is still being reviewed by all governments it is not on the agenda for approval at this time.
- Management continues to refine the implementation plan and gathered further information from plasma vendors in early 2017.
- Once the business plan is approved for implementation, there will be a request for proposals to select vendors.
- Initial start-up costs will require multi-year funding followed by ongoing operational funding.
- ACTION: Speaking notes for board members on the plasma business plan will be developed after the March 9, 2017 Special Meeting of Members.

The board reviewed and discussed the collections plan for 2017-2018:
- The 2017-2018 collections plan was developed with a target of 1% increase in collections over 2016-2017. Overall, the plan:
  - Balances supply and demand across all four quarters.
  - Continues to shift volume to more efficient permanent clinics.
  - Improves labour hours per unit and results in forecasted annual savings.
- As a result of the shift to more efficient permanent clinics, Canadian Blood Services will no longer have clinics in some communities or be there less frequently. It is recognized that there are many loyal donors who will no longer have access to blood donation within a short drive time, however, this must be balanced with ensuring efficient operations. Donors and elected officials in these communities are provided with written communication about the changes and offered suggestions on how they can continue to support Canadian Blood Services – e.g., registering with One Match.
- Donor recruitment efforts will increase in communities target for additional donations.
- Changes to the hemoglobin deferral criteria were taken into consideration when developing the plan.
- ACTION: Provide a list to board of communities exited over the last three years.

12. Men who have sex with men (MSM) research meetings debrief (D. Devine)

The board received an update on the two-day MSM research meeting held in January 2017:
- National and international stakeholders and researchers attended the two-day meeting to identify research priorities for closing knowledge gaps that impact donor eligibility for MSM.
- Funding for the conference came from the $3M from Health Canada for the MSM research program; $2.75M will be for research grants.
- Following the meeting, 16 letters of intent were received for research grants. Following feedback from the letters of intent, researchers will be invited to formally apply for a grant.
- ACTION: Provide update at the June 2017 board meeting on the status of grant applications.

13. National Facilities Redevelopment Program (R. Prinzen)

The board received an update on the National Facilities Redevelopment Program:
- Plans to consolidate Regina operations into the Calgary site continue.
- Staff are meeting with Alberta Ministry of Health and University of Alberta Hospital about the possibility of co-locating at our Edmonton site. This will reduce overall health system costs.
- The new Eau Claire clinic in Calgary is on schedule to open in July 2017.
- Tenders have been received for the Calgary greenfield build construction is expected to being in early April.
14. Regional Honouring Our Lifeblood events 2017

The board was provided with an overview of the 2017 Honouring Our Lifeblood events. Board members will be asked to attend events and participate in welcoming and recognizing honourees and guests.

The board meeting adjourned for the day at 3:35 p.m. ET.

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The board re-convened at 8:30 a.m. for an in-camera session with and without the CEO.

At 10:15 a.m. the closed portion of the meeting resumed.


The board received an update on the Cord Blood Bank and discussed future funding options:

- The Cord Blood Bank is an important part of the broader stem cell strategy.
- A funding strategy is being developed for the Cord Blood Bank to address an anticipated $24M funding gap by 2022. Additional funding will allow the Cord Blood Bank to reach 10,000 banked units and then switch to maintenance mode seeking replacements when cords are used. Annual funding will still be required for maintenance mode.
- Additional funding for the Cord Blood Bank was discussed with the PTBLC in July and December 2016, however, the PTBLC said it would need to be discussed with the deputy ministers and only the funding from the original business case for 2017-2018 went forward as part of the budget.
- Building the Cord Blood Bank is taking longer than the original business plan due to the changing environment – e.g., delayed cord clamping has led to decreases in the number of bankable units – however, the quality of the units in the Cord Blood Bank is high which is better for patients.
- The Cord Blood Bank has also had lower than anticipated revenues for several reasons, including units being made available to Canadian transplant centres at no charge, technical and quality changes in the industry, changes in clinical transplant practices (e.g. Use of haplo-identicala transplants). Many of these factors were not present or known when the original business case was developed.
- An important part of the funding request will be that the Cord Blood Bank is essential to meet the needs of Canadian patients and the unique and rapidly changing ethnic diversity of Canada. The Cord Blood Bank is targeting 60/40, Non-Caucasian/Caucasian banked units and is currently at 57/43.
- In addition to current uses of cord blood, there are also emerging cellular, immune therapies, and clinical trials which could lead to greater demand for cord blood.
- Management is also exploring options for the use of cord blood units that don’t qualify to be banked – e.g., for research – that may increase revenues and benefit the Cord Blood Bank.
- Further discussions regarding the Cord Blood Bank will take place with the board as part of planning for the 2018-2019 budget cycle.
16. **Canada 150 – Canadian Blood Services participation** (JP. Bédard, M. Donnison, G. Kerr, I. Robillard)

The board discussed how Canadian Blood Services will mark Canada 150:

- Canadian Blood Services will celebrate Canada 150 with activities that support recruitment efforts, partnerships, and broader recognition of Canadian Blood Services.
- Activities will fall under four pillars:
  - Leverage various online Canada 150 platforms and sites to share our story and seek out opportunities to partner with other organizations in various online campaigns – e.g., Innovation 150 and our own R.E.D. (Research. Education. Discovery) blog.
  - Produce and share commemorative collateral – e.g., Canada 150 donation pins, Canada 150 bandages.
  - Host public events and internal celebrations – e.g., Honouring Our Lifeblood will have Canada 150 recognition, open board meeting, National Volunteer Week, Science Odyssey, etc.
  - Develop our own online presence to include various stories around our history and people – e.g., Canadian Blood Services interactive timeline.

17. **IT disaster recovery preparedness at Canadian Blood Services** (R. Michaelis, J. Campbell)

As a follow-up to the review of Business Continuity Management at the December 2016 Finance and Audit Committee meeting, the board received an update on IT disaster recovery preparedness:

- In today’s business environment, organizations and their customers expect to have continued IT services no matter the disruption.
- Canadian Blood Services has continued to evolve its IT disaster recovery preparedness with two data centres in Ottawa and a third out of the regional disaster zone in the Greater Toronto Area (GTA).
- The data centres have been refreshed, as necessary, and IT staff run regular disaster recovery tests.
- It could take up to six days to restore full services out of the GTA location if the two Ottawa centres were down from a regional disaster, and this does not meet business needs.
- The executive management team has approved a business case for establishing two new data centres outside of each other’s disaster zones. Funding still needs to be allocated to this project, but preliminary work and a request for proposals for design work are already proceeding. The business case doesn’t require “new” money; however, it does require initial funding to be frontloaded.
- The new data centre strategy would enable a migration to the cloud, so there is also the opportunity to begin testing in this environment for future use.

**ACTION:** The board requested further IT education opportunities – e.g., cloud 101, the cloud and Canadian Blood Services, digital transformation, mobile computing, the future of IT – where is technology going, etc.
18. **Cybersecurity education** (R. Michaelis, J. Campbell)

The board received cybersecurity training similar to the training all employees and contractors are taking. The training will assist board members in their oversight and sponsorship roles of the cybersecurity program. Areas covered in the training included:

- Cybersecurity governance structure
- Key cybersecurity risks
- Responsibilities of the organization and staff
- Cybersecurity threats
- Safe computing practices
- What to do in the event of a breach

**ACTION:** Provide the board with phone number for IT support.

The following items were received by the board under consent and information updates:

19. **December 1, 2016 open meeting webcast**

- The open board meeting was webcast for the first time in December 2016. The next open board meeting will also be webcasted through a less expensive option that has been tested internally.
- Open board meetings are also simultaneous translated in certain cities – e.g., Ottawa.

20. **General Counsel report**

21. **Chair’s correspondence**

22. **CEO’s correspondence**

23. **2017-2020 board meeting dates**

The next meeting will be held in Toronto on April 25, 2017, followed by a retreat on April 26-27, 2017.

The meeting adjourned at 1:22 p.m. ET.

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