


**Minutes of the Meeting held on**

March 20-21, 2013

Ottawa, Ontario

---

 = by telephone

 = by video

**Members of the Board present:**

Rémi Racine, Chairperson of the Board

Hubert T. Lacroix, President and Chief Executive Officer (Items 1 to 8)

Vivian Bercovici

Edward Boyd

Peter D. Charbonneau  (March 21, 2013, from 8:30 to 9: 30 a.m.)

George Cooper

Pierre Gingras

Marni Larkin

Terry Leier

Maureen McCaw

Patricia McIver

Brian Mitchell (Items 1 to 7)

**Members of the Board absent:**

None

**In attendance:**

Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel

Stéphanie Duquette, Chief of Staff to the President and CEO

Tranquillo Marrocco, Associate Corporate Secretary

**Also Participating:**

Steven Guiton, Vice President, Media Technology Services and Regulatory Affairs, and  
Chief Regulatory Officer (Item 2 on March 20, 2013)

Louis Lalande, Executive Vice-President, French Services (Items 2 and 4)

Michael Mooney, Acting Vice-President and Chief Financial Officer (Item 2)

Kirstine Stewart, Executive Vice-President, English Services (Items 2 and 4)

Raymond Judge, Regional Sales Director, Diligent Board Member Services  (Item 9)

Jennifer McGuire, General Manager and Editor in Chief, CBC News and Centres, English  
Services (Item 4)

Neil McEneaney, Executive Director, Finance and Strategy, English Services (Item 2)  
Suzanne Moss, Director, Budgeting & Forecasting, Finance and Administration (Item 2)  
Lorraine St-Germain, Director of Telecommunications, Media Technology Services (Item 8)  
Benoit Villeneuve, Executive Director, Finance and Strategic Planning, French Services (Item 2)  
Jerry Zubryckyj, Executive Director, Shared Services Centre and Capital Process (Item 2)

---

## **Opening of the Meeting**

On March 20, 2013, at 11:30 a.m., the Chairperson called the meeting to order.

### **1. In Camera Session and President and CEO's Report**

The Board met in camera with the President and CEO to discuss several topics. No matters were reported to the Corporate Secretary for inclusion in the Minutes.

### **2. 2013-2014 Operating and Capital Budgets**

Michael Mooney provided an overview of the budget forecast, how the year-end positions were achieved, the status of the budget reduction measures, the FTE reductions, the revenue and expenditure assumptions contained in the budget, the cash flow forecast, and the common strategic priorities for English and French Services. He also reviewed the risk assessment process.

Kirstine Stewart and Louis Lalande provided, for their respective Services, an overview of the environment they operated in, their challenges and accomplishments in 2012-2013, and their plans for 2013-2014.

Michael Money reviewed the net budgetary positions and the advertising revenue performance and reserves for each Service as compared to plan and to industry results.

Neil McEneaney and Benoit Villeneuve provided, for their respective Services, an overview of the challenges they faced in 2012-2013, how they managed the revenue shortfall, their operating budget for 2013-2014, and their revenue projections.

Michael Money reviewed the operating budgets of the non-media services and the committed reserves.

Board members inquired about the BDU agreements, the advertising revenue projections, the sale of non-core assets to offset operations, which Service is accountable for the expenses and revenues related to the Olympic Games and other major international sporting events, severance costs, the budget for training, the specialty channel business, digital platforms, the advertising market and inherent risks, the purpose and use of capital appropriations, and the impact of the net position forecasted for the next three years.

Steven Guiton explained the capital approval process and, with Michael Mooney, provided an overview of the capital budget for 2013-2014.

Board members inquired about over-the-air broadcast transmissions, satellite costs, the key risk areas, the fleet of vehicles, the replacement of on-air consoles, the merits of the capital expenditures program for the Maison Radio-Canada, and the percentage of stations that broadcast in high-definition.

Rémi Racine, on behalf of the Board, acknowledged Management's efforts behind the preparation and the presentation of the Corporation's budget.

---

At 5:45 p.m., the meeting was suspended until March 21, 2013, at 8:30 a.m.

---

## **2. 2013-2014 Operating and Capital Budgets (cont'd)**

Board members inquired about the risks, trade-offs, largest expenses and pressure points within the budget, the revenue risks, the capital projects and expenditures that will be postponed, the urgency of the MRC project, the net position trend, the status of our high definition upgrades vis-à-vis our competitors, the extent of investment required in the schedule, the Canadian Media Fund, other revenue generating options, talent retention, the Bell-Astral transaction, the risks and impacts associated with broadcasting hockey games, the merits of having our own programming fund, the collaboration between English and French Services, independent producers, and our competition.

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the 2013-2014 Operating and Capital Budgets be approved and that the Senior Executive Team be authorized to give effect to the measures contained therein.

Board members recognized the work of Michael Mooney in his role as acting Chief Financial Officer and the staff who prepared the budget documents.

## **3. Adoption of the Minutes**

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the Minutes of the February 21, 2013, Board of Directors meeting be approved.

## **4. Aboriginal Strategy**

Kirstine Stewart, Louis Lalande and Jennifer McGuire provided an overview of CBC\Radio-Canada's commitment to broadcasting aboriginal content, their strategy and plans to deliver that content, the intended audience and the strategy's guiding principles, the initiatives currently underway, and the next steps.

Board members inquired about the aboriginal programming, the languages broadcast, the English-speaking aboriginal communities in Quebec, the collaboration between English and French services in relation to aboriginal content, the questions posed on aboriginal programming during the CRTC hearings on our licence renewals, the budget for the strategy and aboriginal programming, how the programming is transmitted to the aboriginal communities, the communities' engagement, talent acquisition and the information provided to parliamentarians and government officials.

## 5. Human Resources and Governance Committee

### a) 2013-15 Compensation Strategy and 2013 Base Salary Planning Budgets

Ted Boyd provided an overview of the context, rationale and key decision elements for the proposed adjustment to the base salary structure of the Management, Confidential and APS employees.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the 2013-2015 Compensation Strategy and the 2013 Base Salary Planning Budgets be approved.

### e) Wage Reopener - Canadian Media Guild (CMG)

Ted Boyd explained the rationale for the proposed salary increase.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the proposed wage increase for the Canadian Media Guild (CMG members) be approved effective April 1, 2013.

### b) Terms of Reference of the Infrastructure Committee

Ted Boyd provided an overview of the key decision elements.

Board members inquired about the types of transactions that would be considered by the Committee and discussed the approval process.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the mandate of the Real Estate Committee be terminated and that the *Terms of Reference of the Infrastructure Committee* be approved, as amended at the meeting.

### f) Director Training

Ted Boyd reviewed the training topics and guest speaker suggestions considered by the Committee.

Board members suggested the addition of a primer on the labour law landscape and legal environment to the list of training topics.

### d) Director Remuneration

Ted Boyd and Rémi Racine provided an overview of the Committee's discussions and recommendations on the matter, mainly: that bylaw amendments be drafted for consideration at the next meeting with provisions for: (1) new per diem amounts that take into consideration the rate of inflation since 2001; (2) automatic annual increases equivalent to the annual rate of inflation (CPI); and (3) a simplified fee schedule.

Board members supported the Committee's recommendations and approach.

c) Committee Membership

Rémi Racine explained the rationale for the proposed changes to the membership of Committees.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That, effective March 22, 2013, the Committee membership be as follows:

Audit Committee:

Peter Charbonneau (Chairperson), Terry Leier, Maureen McCaw, Patricia McIver, and Brian Mitchell.

Infrastructure Committee:

Rémi Racine (Chairperson), Ted Boyd, Pierre Gingras, Marni Larkin, and, until the Committee has completed the discussion on the Maison de Radio-Canada Project, Brian Mitchell and Patricia McIver.

Human Resources and Governance Committee:

Ted Boyd (Chairperson), Vivian Bercovici, George Cooper, Marni Larkin, and Rémi Racine.

Strategic Planning Committee:

Ted Boyd (Chairperson), Peter Charbonneau, Maureen McCaw, and Rémi Racine.

**6. Real Estate Committee Report**

Rémi Racine reported that the Committee's discussions on the Maison de Radio-Canada project are still ongoing.

**7. Strategic Planning Committee Report**

This item was deferred.

**8. Network Equipment Agreement with Bell Canada**

Steven Guiton and Lorraine St-Germain provided an overview of the nature and terms of the proposed contract, the selection process undertaken, and what the equipment will be used for.

Board members inquired about other bidders.

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the President and CEO or the Vice-President and Chief Regulatory Officer, together with the Vice-President and Chief Financial Officer, or their respective delegates, be authorized to do all things necessary to negotiate, enter into and execute a network equipment, maintenance, and support services agreement with Bell Canada substantially on the terms presented.

## 9. Training

### a) New Board Portal

Tranquillo Marrocco explained the rationale for moving to a new Board portal, the selection process undertaken, and the timeline for deploying the new tool.

Raymond Judge then demonstrated the tool's functionality.

Board members inquired about access to previous board documents, the ability to print documents, and reference materials.

## 10. Other Business

Nil

## 11. In camera session (Independent Directors)

The Board met in camera to discuss several topics. The following matters were reported to the Corporate Secretary for inclusion in the Minutes: the Board discussed the level of reserves to be included in future budgets, the decision to defer certain capital expenditures in 2014-15, the objective of budgeting, in the future, without affecting the programming time and quality on the air and the use of future asset dispositions to fund capital expenditures.

## Adjournment

At 2:15 p.m., the meeting was adjourned.

---

Chair

---

Secretary