

**Brandon University Board of Governors
(Open Session)**

**Saturday, March 17, 2018
Room 143, Health Studies Building
8:30 a.m.**

Present: S. Robinson; N. Brown; S. Chambers (Vice-Chair); H. Mumin; C. Stitt; M. Cain, E. Simon; K. Auriat; B. Zander; G. Jackson; T. Corbett; J. Gobeil; M. Decter (via teleconference); R. Sneath (via teleconference)

Resource: M. Serfaty, S. Lamont, K. Fisher, M. Lamontagne (Recorder)

Regrets: D. Stewart (Chair); K. Kerkowich

1.0 CALL TO ORDER

The Chair called the meeting to order at 8:39 a.m.

2.0 AGENDA AND MINUTES

2.1 Approval of Agenda of March 17, 2018

Motion: Moved and seconded (K. Auriat/G. Jackson)

BE IT RESOLVED THAT the agenda of the March 17, 2018, Board of Governors meeting (Open Session) be approved.

**020 Mar18
CARRIED**

2.2 Approval of Consent Agenda

Motion: Moved and seconded (H. Mumin/N. Brown)

BE IT RESOLVED THAT the Consent Agenda be approved as follows:

- a) **Minutes of January 27, 2018 (Open Session)**
- b) **Report from the Vice-President (Administration and Finance)**
- c) **Report – Transactions of \$25,000 or More – January 16 to March 5, 2018**
- d) **Final List of February Graduates**

**021 Mar18
CARRIED**

2.3 Moved to Closed Session

Motion: Moved and seconded (N. Brown/E. Simon)

BE IT RESOLVED that the meeting move to Closed Session.

CARRIED

2.4 Motion(s) Raised from Closed Session

There were no motions raised from Closed Session.

CARRIED

3.0 DELEGATIONS

There were no delegations.

4.0 REPORTS

4.1 Governance and Nominating Committee

a) Report from the Governance and Nominating Committee (J. Gobeil)

The Governance and Nominating Committee met on Friday at 4:30 p.m.

One item of continuing business was discussed which was an update on the Board Policy Review.

Items of new business were discussed as follows:

- Annual Review of the Board Member Self-Evaluation tool;
- Draft document of guidelines for in-camera sessions of the Board was circulated and discussed with a recommendation coming forward to the Board in May;
- Update was provided on the upcoming Board Retreat and the following is a summary of the update:
 - o A letter of agreement has been signed for Ken Steele of Eduvation to facilitate the retreat;
 - o The retreat will be held at Brandon University on April 27th and 28th;
 - o Ken Steele will provide a proposed schedule for the retreat in the coming weeks.

Lastly, one recommendation to the Board of Governors was passed in regards to the review of the Student Fees Policy.

4.2 Finance and Audit Committee (K. Auriat)

a) Report from the Finance and Audit Committee

The Finance and Audit Committee met on Friday at 5:00 p.m.

Mr. Todd Birkhan from BDO Canada was in attendance in person and Mr. Brendan Thiessen from the Office of the Auditor General participated via telephone to present and discuss the Audit Plan for the March 31, 2018 year-end. The Audit Plan includes the Brandon University Financial Statements, Schedule of Public Sector Compensation, and the U.S. Department of Education William D. Ford Loan Program. The Audit Plan outlines the annual audit process as well as the responsibilities of the Auditor, Management, the Board of Governors and the Finance and Audit Committee.

The following reports were received for information:

- Financial Summary as at February 28, 2018
- Financial Summary by Object as at February 28, 2018
- Transactions of \$25,000 or More from January 16 to March 5, 2018

4.3 Executive Committee (S. Chamber A/Chair)

a) Report from the Executive Committee

The Executive Committee met on Friday at 5:45 p.m.

Reports were received from the Governance and Nominating Committee, Finance and Audit Committee, the President, and the Vice-Presidents. The reports and all other Executive business are included on the Board of Governors agenda for discussion and approval.

4.4 President (S. Robinson)

a) Report from the Interim President

A copy of Dr. Robinson's written report was included in the package and presented. A set of key priorities have been identified and a number of corresponding activities and engagements that are in support of these priorities were noted.

Dr. Robinson provided the following highlights in addition to his written report:

- 15% Management Cut

- 15% Management reduction has officially been mandated by the Province;
- A decision was made and announced to the campus earlier in the week. A summary of the announcement is as follows:
 - University Librarian; Director of Information Technology; and Director of Institutional Data & Analysis positions will be eliminated and combined into one position with the title of Chief Information Officer;
 - Associate Vice-President (Research); Associate Vice-President (Teaching & Learning); and Dean of Graduate Studies positions will be eliminated noting that these are part-time positions. A position will be created for a Dean of Graduate Studies and Research;
 - Associate Director of Campus Manitoba; Healthy Living Centre Facilities Manager; and Associate Vice-President (External) positions will be eliminated;
 - The elimination of these positions will save approximately \$750k per year noting that this will take time to phase out;
 - These were difficult decisions to make while also trying to preserve quality education for students;
 - The goal is to ultimately reduce costs of education at BU while preserving front line services and teaching staff, especially for students.
- Budget
 - Provincial budget was announced on March 12th noting that BU received a 0.9 percent reduction for the operating grant;
 - Budget consultations will be held across campus in March/April with the budget being presented to the Board in May;
- All MSBI money has been distributed to students noting that BU had received an increase of \$330k. Approximately one third was distributed to graduate students. Information has been received that approximately \$15k of additional money will be made available for students;
- BU will be sponsoring Kid's Day at the Royal Manitoba Winter Fair on March 29th. Board members are encouraged to attend;
- Homecoming 2018 will be held on October 13th-14th noting that the event will be much larger than usual to celebrate BU's 50th Anniversary. Board members are encouraged to attend;
- Will be attending upcoming alumni events in Toronto and Vancouver.

Member asked how the important functions of the University Librarian will be preserved.

S. Robinson stated that the intention is to replace the position with a Chief Information Officer who will need to be capable and able to manage all three areas with knowledge. Quality of service for the Library is important to supply services to students and Faculty. Details have not yet been laid

out (e.g. job advertisement). There is a need to phase out the current positions and to consult with each area.

b) Overview of University Fundraising Initiatives

Dr. Robinson provided a verbal report and the following is a summary of his report:

- Fundraising initiatives are led by Carla Eisler, Director of Advancement & Alumni Affairs in the Department of Advancement & External Relations;
- There are plans within this year's budget to add another position to the department to increase fundraising capacity;
- Five broad types of fundraising within the department include: annual fund; planned giving (e.g. donor gifts of insurance or wills); special projects (e.g. anniversary classes); major gifts (e.g. individuals or organizations with interest in the university); and capital campaigns;
- Capital campaigns usually require the hiring of additional staff;
- Board members are encouraged to think of individuals they know who would like to contribute to the University;
- When people donate, the funds go to the Foundation and disbursements are paid out through endowments to the University.

The 2016 Annual Report was distributed to Board members noting that the 2017 version will be ready in May.

4.5 Brandon University Foundation (T. Corbett/M. Cain/H. Mumin)

Mr. Lamont provided a report as per request from member. The following is a summary of his report:

- Audited financial statements were presented to the Foundation Management Committee noting that they are up \$6M from last year;
- \$5.4M investment return was received last year;
- Transfers to BU from the Foundation last year totaled \$2.632M compared to \$2.57M in the year prior;
- Annual General Meeting will be held on May 11th;
- Return on investment is approximately 10.83% for one year and 11% for 5 years.

4.6 Knowles-Douglas Student Centre (S. Lamont/D. Stewart)

No meeting has been held noting there will be a meeting next week.

N. Brown stated that BUSU will soon begin construction of the gender neutral washroom.

4.7 Board of Trustees of the BU Retirement Plan (S. Chambers/S. Lamont)

S. Lamont reported the following:

- Last meeting was held in February where Audit Plan was explained to Trustees;
- 2018 year pensioners will receive a cost of living increase just shy of CPI. This year there will be no excess interest because earnings are not quite at CPI;
- Early evaluation of Pension Plan is complete and special payments have been reduced by \$300k noting that an extra \$300-400k will be required for the Pension Plan;
- Rate of return is 11.5% compared to the benchmark of 11%.

4.8 Brandon University Senate (H. Mumin/M. Cain)

M. Cain reported the following:

- Senate met on March 13th;
- Several motions came forward from CAP which were largely housekeeping and administrative changes;
- Senate approved new terms of reference for three new awards including: George & Maxine Moore Music Scholarship; a Physics Scholarship and the Netset Student Teaching Scholarship;
- Changes to the membership of Indigenous Education Sub-Committee were approved.

M. Serfaty added that changes were made to the membership of the Indigenous Education Sub-Committee as it was felt that the committee should be chaired by Indigenous people. A recommendation was made to have two co-chairs, one male and one female, of the committee. Membership will be increased substantially to bring more Indigenous people and knowledge keepers to the committee. The membership change was a lengthy process due to by-law requirements of Senate. The committee has also met to discuss implementation of the Indigenous Blueprint which has been signed by BU and will now move forward on other matters.

4.9 Status of Women Review Committee (K. Kerkowich)

No report.

4.10 Brandon University Alumni Association (D. Stewart)

No report.

4.11 Brandon University Students' Union (N. Brown/E. Simon)

N. Brown reported the following:

- Number of events have been held including the Colten Boushie Call for Action & Round Dance at Princess Park and BU Open House;
- Whitney Hodgins attended the Reclaiming Bodies and Minds conference for accessibility directors;
- BU Women's Collective held a trivia night for International Women's Day;
- BUSU election was held noting that Emily Simon and Mo Agavi have been re-elected as Vice-Presidents. There were no candidates who ran for President. It was noted that this is unusual for BU but it was also consistent across the province and could potentially be due to the provincial political climate.

E. Simon reported the following:

- Deadline for Work Study Program has come and BUSU will meet next week to find out who will be selected;
- Mental Health Week was a positive experience noting that BUSU has been communicating with Klinik and other community organizations to promote the IM Well app.

Members acknowledged that this would be N. Brown's last meeting as BUSU President. The Vice-Chair commended his efforts and thanked him on behalf of the Board for his time on the Board.

5.0 NEW BUSINESS

5.1 Motion: EAP Tuition Fees

Motion: Moved and seconded: (N. Brown/K. Auriat)

BE IT RESOLVED THAT tuition fees for the English for Academic Purposes Program at Brandon University increase by no more than 2.25% annually for a period of five years starting in the 2019/2020 Academic Year;

AND THAT tuition fees for the English for Academic Purposes Program at Brandon University be the lowest of the three largest universities in Manitoba.

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N. Brown spoke to the motion and expressed concern for the unanticipated increase in EAP fees set at the January meeting; noting that such an increase has not occurred in several years. It was noted that some concern has been expressed about the cost increase from students with siblings who may wish to take the program. N. Brown consulted with S. Lamont prior to submitting the motion and they both agreed that an annual increase of 2.24% seemed like a reasonable amount.

S. Lamont added that the idea is to have regular incremental increases rather than large, infrequent increases and should the Board decide to change it after a few years, they will have the ability to do so. S. Lamont confirmed his support for the motion.

Member asked why the Board should consider capping this fee at 2.25% relative to discussion on general tuition fees.

S. Lamont stated that regular program tuition is regulated by the Province with the 5% plus CPI; however, EAP is not regulated which is why we are choosing to treat it differently.

Member asked why we want to have the lowest fees of the three largest universities.

N. Brown stated that this is a guiding principle that BUSU would like BU to stand behind and the 2.5% would keep us there.

Members of BUSU expressed that more students would stay at BU after completing EAP if fees stay the lowest in Manitoba.

Motion to amend: Moved and seconded (B. Zander/M. Cain)

THAT “AND THAT tuition fees for the English for Academic Purposes Program at Brandon University be the lowest of the three largest universities in Manitoba.” be struck from the motion.

Discussion took place regarding the amendment.

Members expressed concerns that comparing to other universities could be problematic and a concern was raised that the review of EAP fees had been neglected for approximately five years.

S. Robinson stated that EAP fees are fairly stable due to agents who market overseas. Stability of rates makes it easier to manage the promotion of these programs through diverse agencies. The proposal to raise fees in January was brought forward because the Director of International Activities noticed other institutions had raised theirs.

Member asked why the EAP Program is not currently full if we currently have the lowest rates in Manitoba.

M. Serfaty suggested that this could be due to the number of agents BU has compared to other universities.

S. Robinson added that many factors including cost, number of agents, quality of agents and compensation for agents are all part of the cost of the program. In recommending an increased fee at the time, the Director was observing an increase

in EAP enrollment and had the confidence that the fee increase would not drag that down. The program is looking to increase funds so they can deliver good services in return.

AMENDMENT CARRIED

There was no further discussion on the motion as amended.

CARRIED

5.2 Motion: Regulation of Tuition Fees

Motion: Moved and seconded (N. Brown/E. Simon)

BE IT RESOLVED THAT Brandon University have the lowest tuition fees among post-secondary institutions in Manitoba;

AND THAT tuition at Brandon University increase annually by no more than the rate of inflation.

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N. Brown shared a video featuring BUSU's Day of Action for members. A number of student concerns were expressed including the anticipation of a 6.6% tuition increase; students expecting to pay more while earning less; international students no longer eligible for universal health care; and the government removing interest free student loans.

Member asked how the university would make up for the money lost due to increased rate of inflation while also experiencing a regular net loss. N. Brown stated that an operating grant would be required noting that the government has announced that there will be a decrease in the operating grant.

It was confirmed that the University would have a net loss if this motion were to pass.

N. Brown stated that the University needs to push the government more to fund PSE rather than passively accepting the budget moving forward. He stated that money will be saved with the 15% mandate.

S. Robinson stated he would speak against the motion for the following reasons:

- Government has been clear in statements that they are diverting responsibilities for PSE funding from tax payers to students in small increments by reducing the operating grant and allowing an increase in tuition;
- University should not take a stand against government as it is their authority to direct us accordingly;

- Point has not been reached yet in the budget process to raise tuition fees noting that hands will be tied if the motion is passed. If it is not passed, we will keep it in mind for May.

Member expressed that fundamentally, BUSU has a good point and stated that irresponsibility of adults has been downloaded on to students.

S. Lamont stated that the \$750k savings from the 15% mandate cuts would not be available for another 2-3 years. He stated that he cannot support the motion as a resource person given the latitude.

M. Serfaty stated that some positions approved in the staffing plans that would be beneficial for students will not be possible if this motion passes.

N. Brown stated that the biggest consequence for students is not getting an education at all.

DEFEATED

5.3 Motion: Student Fees Policy Review

Motion: Moved and seconded (K. Auriat/N. Brown)

BE IT RESOLVED THAT the Board of Governors approve the revisions to the Student Fees Policy.

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S. Robinson reported that the Student Fees Policy revisions are coming forward as part of the regular policy review. It was noted that materials fees as indicated in the attached policy are separate from tuition fees. There have been no significant changes. The changes include clarification on basic instruction under the Materials and Service Fees paragraph as well as an active offer statement in accordance with the Accessibility for Manitobans Act.

CARRIED

5.4 Downtown Development

- a) Presentation: Downtown Development Feasibility Study by Marcela Poirier and Jeremy Read of University of Winnipeg Community Renewal Corporation (UWCRC)

S. Robinson provided an overview of items leading up to the feasibility study as follows:

- With land acquisition and potential development in mind, BU has pursued this study to see what would be possible in terms of the land that was assembled;
- The land assembly phase was completed in July 2017 and resulted in 70,000 square feet for development;
- In order to proceed carefully and thoughtfully, it was decided to engage with experts to advise on what would be possible given the ideas we had in mind (e.g., mixed-use residential, commercial and academic space);
- The goal of the study was to explore whether this type of project is feasible from experts who have been involved in similar projects in the past;
- UWCRC was asked to conduct and test the feasibility of a potential downtown development;
- UWCRC has provided concepts to satisfy the description that BU provided to them;
- These concepts are included in the study/report that has been provided to members.

S. Robinson introduced Jeremy Read and Marcela Poirier of UWCRC who provided a presentation on the feasibility study and report. The following is a summary of the presentation:

- The report provides a conceptual framework only and it will be up to the Board to make the hard decisions as to how to move forward;
- Concepts are meant to show how the university would go about the site and costs involved as well as how to raise the money and assemble the partnerships;
- Mixed use space includes arts, academic, daycare and commercial space;
- Study was completed in collaboration with a project team comprised of Prairie Architects, Mansfield Construction, and housing and commercial market data by BW Ferguson;
- Some public financing is suggested as part of the report;
- Should BU choose to proceed with development, the report provides the following critical information:
 - Evaluation of development factors for all parcels assembled in the 2017 land deal;
 - Exploration of two conceptual design approaches for full site development;
 - Massing, phasing, costs at a Class D level;
 - Governance and approaches to financing and funding;
 - Recommendations to manage risk and phased costing.
- Site work has significant costs of \$4.8-\$9M variable by concept and phasing (e.g. re-routing services; demolition; landscaping etc.);
- Ensuring sufficient parking was a theme of all consultations noting that underground parking was assessed as not feasible due to costs;

- In general, use would be approximately 33-37% for academic uses (including theatre & fine arts); 8-11% for Commercial space and 1-3% for a child care centre;
- Black box theatre would provide other streams of revenue;
- Financial Feasibility
 - Total project costs: \$103M;
 - Phase 1 to support feasibility: \$63.0-\$66.0M;
 - Site costs: \$4.8-6.8M;
 - BU fundraising phase 1 (without site work): \$11.4-14.2M;
 - Funding and financing sources available for mixed-use development (e.g., CMHC, SEED, MB Hydro PowerSmart Grant);
 - Development has been positioned for a funding model (e.g., federal Strategic Investment Fund (SIF) program) whereby the University would need to raise approximately one third of the total project, with the remaining two-thirds to come from provincial and federal portfolios;
 - There may be a will to establish partnerships that may offset funding required for specific project components (e.g., partner with BUSU on daycare component)
- Recommendations
 - Refine vision – assess support and risk tolerance for project;
 - Evaluate scope (scale for success);
 - Assess climate and work to secure funding & financing;
 - Gather project champions;
 - Solidify partnerships and associated agreements, particularly as it relates to the residential and commercial components (e.g., Servants of Service)
 - Refine functional plan – continue to discuss and consider options (e.g., Science facilities, continuing education, etc.) and adjust phasing structure as appropriate
 - Development team – gather appropriate partners to continue testing through *pro forma* modeling;
 - Establish an integrated project delivery process to ensure vision matches design and design matches budget.

The Vice-Chair thanked Ms. Poirier and Mr. Read for their presentation.

b) Downtown Development Discussion

The Vice-Chair invited questions and discussions relating to the presentation.

Member questioned the reference to no tax generation by the land. Mr. Read clarified that the University owns the land, which is not developed, and therefore does not generate tax revenue for the City. The willingness of the Brandon Downtown Development Corporation (BDDC) to work

closely with Brandon University signals that there is potential to be revenue generating for the City of Brandon through programming such as Tax Increment Financing (TIF).

Member expressed concern about the actual ability to attract new commercial/retail space without being a carnivore to other areas. Potential commercial partnerships need to be tested to ensure that their needs align (e.g., timeline, scale, rental commitment, etc.). Ms. Poirier recommended that the Board proceed with caution as it relates to commercial space and to ensure that there is sufficient testing. Mr. Read noted that a large influx of residential tenants has the potential to provide stability to commercial partners in the downtown.

Member noted the large scope of potential components being considered with the project (e.g., residence, commercial, arts space, daycare, etc.) and expressed concern about the cohesiveness of the project. Ms. Poirier noted that a viable development often includes a mix of uses that bring services to people, and people to place. At whatever scale, this type of development that combines residence with services does have a strong record of success.

Member noted the Class D estimate state of the project which typically means one must consider a significant range of flux (e.g., plus or minus 20%) in terms of overall costing.

Member noted that 58,000 square feet (33%) is devoted to a fine arts complex which represents approximately \$30 – 45M. Member questioned the prioritization of and significant investment in the fine arts program.

Member expressed concern about the overall cost of the housing units (\$35M). Ms. Poirier noted that the cost per square foot has been estimated at \$220 which is not out of line with other similar developments. Mr. Read noted that the residential component is similar to the University of Winnipeg's Downtown Commons which includes mixed-use housing (i.e. affordable, market and premium).

As it pertains to the Campus Master Plan (CMP), it was noted that there is limited reference to the downtown project as its potential emerged after the CMP process was well underway. What has been presented is consistent with what is outlined in the CMP and is also consistent with the Downtown Hub plan that has been established by the BDDC.

Member asked for clarification about the rent per unit. Mr. Read referred to the tables provided in Section 9. The rent estimates provided are projected 2020 rates. Member made note of the large quotient of students who commute to campus on a regular basis and noted the importance of a parking strategy. Mr. Read noted that the rents have been modeled as 12-month rents and are reflective of market conditions.

Member expressed concern about the broad scope/purpose of the project and questioned its alignment with the overall mission of the university.

Member expressed concern about the university positioning itself in a developer role.

Member noted that the concepts are reflective of the themes that have been emerging through the consultations that have been held over the past year. Member asked for examples of how the project may be scaled down for success. Ms. Poirier suggested that the scope of work be set to match the needs that emerge through the consultation process. After having a sense of needs and support, the Board may then wish to pursue a scaled development on a particular parcel of land. Community engagement has emerged through the consultations and any development really should address this as it forms the basis of potential partnerships.

Member stated that the Board did not pursue this feasibility study lightly. A great deal of consideration went into the needs of the university as well as its role in the community. As the Board's deliberations move forward, members need to be mindful of what community engagement really means which encapsulates aspects of research that are critical to what a university does. The Board must consider philosophically what role the university has in the development of the downtown and should appreciate a long-term view.

Member noted the extraordinary financial assumptions including rental revenue and government funding. Even with the assumptions, the operations seem to result in a net operational loss which makes the pursuit of the project a no-go as it pulls resources from our existing site and our students. Members agreed with the financial risk presented by the project as conceptualized but were encouraged to consider the scope and scale of the project and ways in which it could be more palatable.

Member asked how the commercial rents in the downtown compare with commercial rents in other areas of the city. Mr. Read noted that it is context-specific, but the rental assumptions made are consistent with what is being realized in other developments (e.g., Renaissance Station).

Mr. Read noted that there are gaps in the funding assumptions, particularly given the current lack of public (provincial or federal) funding programs. There are alternate ways of funding the development, including significant investment from a private partner or developer, through fundraising, or other private investment through residential life-leases, etc.

Ms. Poirier referred to the market study which signaled that there is significant demand for affordable housing. Therefore, the residential element was not intended to generate significant revenue.

Member expressed concern with the incorporation of science facilities in the development. Mr. Read noted that this concept emerged through consultations late in the process. Member noted that the Faculty of Science is fully integrated into the existing campus and any consideration of its relocation, whether in full or in part, will require significant debate. It was noted that there are examples of how this type of structure works at other institutions, including in Manitoba.

Member noted that affordable housing can be generated either by subsidizing the renter or by subsidizing the builder. When we shift focus to life-lease, we are shifting focus away from affordable housing. Mr. Read noted that there are life-lease models that work with affordable housing that could be considered. The mixed housing approach is intended to lessen the burden on public investment which will be required for affordable housing.

Member asked UWCRC to speak to their experience on their own campus and asked if these issues and challenges can be overcome. Mr. Read shared that these issues are not uncommon and spoke to the evolution of a number of their projects (e.g., the indoor soccer pitch that was originally envisioned as an ice-plex). From their experience, they have learned that each project has hurdles, including scale and financing. The challenges that have been identified may be overcome, but it is recommended that the project be appropriately scaled so that the university can be opportunistic when funding potential exists. Ms. Poirier encouraged the Board to continue to debate the possibilities and to keep an open mind as to what might be possible.

Members expressed their sincere thanks to Ms. Poirier and Mr. Read for their attendance, their efforts throughout the pre-development phase and for their report.

6.0 ANY OTHER BUSINESS

Member expressed concern about what may be discussed publicly while the Board continues to consider the information. It was agreed that any public statements should be reflective of the Board's intent to seriously consider the information received before making any determination. It is to be emphasized that these are exploratory concepts and are not to be viewed as a final commitment.

The Chancellor expressed that these types of developments do take a long-time to realize but encouraged members to keep open minds and to continue the open and thoughtful discussions.

7.0 ADJOURNMENT

Moved (E. Simon/N. Brown)

BE IT RESOLVED THAT the meeting adjourn at 2:23 p.m.

CARRIED

Chair, Board of Governors

Secretary, Board of Governors