

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

**Saturday, June 22, 2019
Louis Riel Room
8:30 a.m.**

Present: S. Chambers (Acting Chair); J. Gobeil; D. Docherty; H. Mumin; L. Ross; W. Hodgins; K. Auriat; J. Galvin; T. Corbett; B. Zander; G. Jackson (via teleconference); T. Rourke; M. Decter (via teleconference)

Resource: S. Robinson; S. Lamont; K. Fisher; M. Lamontagne (Recorder)

Regrets: M. Archibald; O. Akintola; D. Stewart; K. Kerkowich

1.0 CALL TO ORDER

The Chair called the meeting to order at 8:34 a.m.

The Chair welcomed Dr. Linda Ross as the new Senate Faculty representative to the Board of Governors. It was also announced that Jason Gobeil and Michelle Archibald would be departing the Board as of June 30. The Chair thanked them for their service on the Board.

2.0 AGENDA AND MINUTES

2.1 Approval of Agenda of June 22, 2019

Motion: Moved and seconded (T. Rourke/J. Gobeil)

BE IT RESOLVED THAT the agenda of the June 22, 2019, Board of Governors meeting (Open Session) be approved.

Item 5.9 – Move to Closed Session to be moved to Item 6.3

**074 Jun19
CARRIED AS AMENDED**

2.2 Approval of Consent Agenda

Motion: Moved and seconded (H. Mumin/T. Rourke)

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

- a) Minutes of May 11, 2019 (Open Session)
- b) Report from Vice-President (Academic & Provost)
- c) Report from the Vice-President (Administration & Finance)
- d) Report – Transactions of \$25,000 or More – April 24 to May 29, 2019
- ~~e) Final List of May Graduates~~
- f) Reports from Representatives on Committees Reporting to the Board:
 - i. Brandon University Foundation
 - ii. Brandon University Students' Union
 - iii. Brandon University Senate

075 Jun19

Member requested that Item 2.2 e) Final List of May Graduates be removed from the Consent Agenda and added as Item 6.2 of the Open Session agenda.

CARRIED AS AMENDED

3.0 REPORTS

3.1 Governance and Nominating Committee

- a) Report from the Governance and Nominating Committee (S. Chambers on behalf of J. Gobeil)

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

One item of continuing business was discussed regarding the annual Board evaluation tool. Members will be contacted via email with a request to complete the evaluation in July for further discussion in the fall once summarized. In addition, one item of new business was discussed regarding Board development.

3.2 Finance and Audit Committee (K. Auriat)

- a) Report from the Finance and Audit Committee

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

Mr. Todd Birkhan of BDO Canada and Mr. Brendan Thiessen of the Office of the Auditor General attended the meeting to present and discuss the results of the annual audit.

Six items of new business were discussed and motions were passed regarding the following: Brandon University Audited Financial Statements; Bill 57 – Public Sector Compensation Disclosure; Compliance with the William D. Ford Federal Direct Loan Program. The Brandon University Retirement Plan Annual Report was also received for information and a motion was passed regarding Amendment No. 19/01 to the Brandon University Retirement Plan.

The following regular reports were received for information:

- Financial Summary as at May 31, 2019
- Financial Summary by Object as at May 31, 2019
- Transactions of \$25,000 or More from April 24 – May 29, 2019

In addition, the Brandon University Retirement Plan – Actuarial Valuation as at December 31, 2018 was received for information.

3.3 President (D. Docherty)

a) Report from the President

Dr. Docherty's written report was provided in the agenda package. In addition, the following points were highlighted:

- Strategic Plan
 - Initial work on the strategic plan has begun
 - President's Executive Council (PEC) has established a charter for a Strategic Planning Advisory Committee noting that two Board members will be appointed to the Committee which will commence in September.
- Development
 - In coordination with the Director of Advancement & Alumni Affairs, two proposals have been received from external agencies with expertise in campaign planning exercises. A decision is expected to be made in the near future and a contract will be awarded to the successful firm.
- Brodie Building
 - Tour was organized for members of the BU Foundation on June 17th
 - Dr. Docherty has met with the Dean of Science and the Vice-President (Academic & Provost) to open discussions on the consultation process.

Dr. Docherty acknowledged Ms. Fisher for the new format of the President's report.

4.0 CONTINUING BUSINESS

4.1 Motion: 2019-20 Operating Budget

Motion: Moved and seconded (W. Hodgins /K. Auriat)

BE IT RESOLVED THAT the Board of Governors approve the 2019 – 2020 Operating Budget (including the 2019 – 2020 Fee Schedule and budgets relating to Renovations & Equipment, Eckhardt-Gramatte Conservatory of Music, Ancillary Services and Campus Manitoba), as recommended by the President.

055 May19

The 2019-20 Operating Budget motion was tabled at the May 2019 Board meeting with a request from members for more information prior to approval. Since the May meeting, members received an updated budget document with a summary of changes.

In response to a question raised at the May meeting as to whether PENT tuition fees have been reduced over the timing of the subsidy, Mr. Lamont confirmed that tuition fees have remained at \$800 per course for the past three years and there have been no changes to the fees. In addition, the following was reported in regards to future budget factors for PENT:

- 2019-20 program occurs from April to July 2019;
- Tuition rates are communicated to communities in the fall before the program begins;
- Community based initiatives has ended so future administrative costs will all be borne by PENT;
- Enrolment has been 77-88 FTE over the last five years and it is expected to be at least 95 for 2019-20. Increasing enrolment reduces cost per course;
- There may be a change in teaching compliment, which would impact costs;
- Surplus can be used to reduce future tuition and mitigate unfavorable events.

Member questioned if a replacement would be hired if the current employee left the program. Mr. Lamont confirmed that in this scenario, the position would be replaced with a sessional.

Member questioned if the \$45k is per year or if it is an additional. Mr. Lamont confirmed the \$45k is additional.

Mr. Lamont stated that the commitment to the PENT program should be from an access point of view and that the only reason the program should ever discontinue is if there is no longer a demand or need.

In response to a question raised at the May meeting in regards to whom the University owes the debt for the Healthy Living Centre. It was further questioned that if BU is the owner of the debt, why BU would not write this off. Mr. Lamont provided the following information:

- The debt is owed to the University;
- Payment on this debt is proposed to be delayed in this budget;
- Total fund balance (Operating, Specific Provision, Research & Special Purpose, Capital Purpose) totals \$6,429,617; this money is set aside and is controlled by the University;
- Remainder of operating fund is allocated into the 2018-19 budget to be available for expenditure;
- Difference is deployed to next budget year to be expensed. Only thing not brought forward is the carry forward;
- There is no money to pay off the capital purpose fund;
- Operating fund can be there as a contingency;
- Projects may see recoveries (Downtown, Fleming) noting that investments have to be made to these projects in order to apply for funding. In the case of the HLC, the University came short by \$1M.

Member suggested that at future budget meetings, it should be communicated that the University has unallocated funds and that money has been borrowed from the Capital Purpose Fund that must be repaid.

Mr. Lamont stated that as per the request of the Board at the May meeting, an updated budget Decision Matrix and summary document was been provided in the agenda package. It was noted that the budget assumes that all vacancies will be replaced as before. The following was highlighted:

- Operating Budget (Decision Matrix) shows a balanced budget for the 2019-20 year; however, a deficit is projected over the next two years of 4.5% and 4.6%. This will show a \$2.5M shortfall over the next two years;
- Surplus funds have not been applied towards the shortfall noting this will be a challenge over the next two years;
- It was noted that this is a cash budget which includes money spent on tangible capital assets;
- University is transitioning to a summary enterprise wide budget which will include the whole enterprise of the University. This will result in next year's financial statements being produced differently;
- Whole enterprise budget will be \$67M whereas the Operating Budget is \$58M;

- Accumulated surplus at the end of the year is \$4.4M. All accumulated surplus will be deployed with the exception of \$1.4M to cover the annual surplus deficit. The remaining surplus will go into the 2019-20 budget to be spent;
- It is anticipated that there will be another surplus next year.

Member questioned if the \$1.68M new cost increase was unexpected from last year or if it was accounted for. Mr. Lamont confirmed that surplus was used to cover this.

Member raised question in regards to the 15% management savings. Mr. Lamont confirmed that one or two thirds is built into the budget and that the rest is set aside as a debt owed that will be spread over three years.

Member raised comment in regards to the Library Records Budget, particularly the \$1.7M budgeted for salaries and benefits (21 employees).

Dr. Robinson stated that the Library has employed this number of staff for a long time. It was noted that as technology advances, there is equally compensated work that is required such as managing electronic collections and data management. He added that a large part of their work is not reduced by technology.

Dr. Docherty added that Library resources are helpful to students to navigate online services, as it can be overwhelming.

CARRIED

5.0 NEW BUSINESS

5.1 Brandon University Audit Results Memorandum – 2019

This memorandum was provided in the agenda package for information.

5.2 Motion: Brandon University Audited Financial Statements

Motion: Moved and seconded (K. Auriat/J. Gobeil)

BE IT RESOLVED THAT the Board of Governors approve the audited Financial Statements for Brandon University for the year ended March 31, 2019.

065 Jun19

Ms. Noto shared the following highlights of the audit:

- Finance & Audit has reviewed the audit package and recommended the motion to the Board for approval.
- Statement of Financial Position
 - o Assets are at \$70M (page 59);
 - o Overall, cash investments are similar to last year noting that changes between lines are to maximize earnings;
 - o Pension liability decreased by \$3.5M (details reported in Note 11);
 - o Pension liabilities are calculated by actuary over many factors. This liability may increase or decrease each year noting that it has reduced this year.
- Changes in Net Assets
 - o Shows allocations and transfers of unrestricted operating to restricted special purpose;
 - o Further definitions are noted in Note 2 b).
- Statement of Operations
 - o Statement includes all activities of the University (research, grant revenues and expenses, special purposes, ancillary etc.);
 - o Reporting a \$4.1M gain this year;
 - o Reporting is in accordance to the new PSAS standards which include certain rules on how to recognize revenue and expenses which is why it is different than a budget prepared on a cash basis;
 - o There was a reduction in pension liability which shows up in savings and can be seen in the benefits line. This is the only line that saw a significant change.
- Notes are included that provide readers with more information on how the accounting policies work and how the University manages funds as well as other information and obligations.
- Schedules are also included for additional information noting these are not audited; however, they include important information in regards to restricted and unrestricted funds which is why they are published.

Mr. Lamont added that the auditors had no concerns to report.

CARRIED

5.3 Motion: Bill 57 – Public Sector Compensation Disclosure

Motion: Moved and seconded (T. Rourke/K. Auriat)

BE IT RESOLVED THAT the Board of Governors approve the attached document as prepared in accordance with the Public Sector Compensation Disclosure Act.

066 Jun19

Ms. Noto stated that the University is required to report all employees who earn an annual salary in excess of \$50k. This includes salary, vacation and taxable benefits. It was noted that the requirement has changed for the 2019 year and that in the future, the University will report annual salaries in excess of \$75k.

The final report will be made available to the public by June 30th. Physical copies will be available in the President's Office and the Library. The report will also be available online via the Administration & Finance webpage.

CARRIED

5.4 Motion: Compliance with William D. Ford Federal Direct Loan Program

Motion: Moved and seconded (T. Rourke/J. Galvin)

BE IT RESOLVED THAT the Board of Governors approve the Auditor's Report regarding the University's compliance with the William D. Ford Federal Direct Loan Program for the year ended March 31, 2019.

067 Jun19

Ms. Noto stated that this is a compliance report and that the US Loans Department requires universities to report on all US students who receive loans. This report includes seven students, compared to eight students in the previous year. There are very specific criteria on how universities administer US student loans requiring that they be audited to ensure that the university is in compliance.

CARRIED

5.5 Brandon University Retirement Plan Annual Report – 2018

Mr. Lamont reported that the BU Retirement Plan is approved by the Pension Trustees. The report shows unrealized losses which occurred in December. At the recent Pension Trustees meeting, it was reported that most losses were recovered at the end of March. It was noted that whenever the average rate of return (4 year) on pension investments exceeds 6%, there is an opportunity for a cost of living increase in July; however, this did not occur this year.

Member asked if the losses are unrealized in one year, if we can make up for them in a future year. Mr. Lamont stated that the cost of living adjustment can be the amount of the 4-year average above 6% for a max. of CPI. The excess can be allocated back retroactively, however, this would be at the discretion of the

Board of Trustees who would ultimately make a recommendation to the Board of Governors for consideration.

5.6 Motion: Amendment No. 19/01 to the Brandon University Retirement Plan

Motion: Moved and seconded (T. Rourke/K. Auriat)

BE IT RESOLVED THAT the Board of Governors approve the Amendment 19/01 to the Brandon University Retirement Plan (attached), subject to the approval of the amendment by the Brandon University Faculty Association per Article F.7.4.(a) of the Collective Agreement with BUFA.

068 Jun19

Mr. Lamont stated that any changes to the Pension Plan must be approved by the Board of Governors. It was noted that there is an article in the Collective Agreement that states changes to the retirement plan must also be approved by the BU Faculty Association. The amendments have also been reviewed by the Finance & Audit Committee.

Member stated that the amendments do not hurt the University financially and shared support for the amendment.

The Chair stated that he sits on the Pension Committee and agrees there is nothing urgent included in the amendments to draw attention to.

CARRIED

5.7 Motion: Establishment of Centre for Critical Studies of Rural Mental Health – Faculty of Health Studies

Motion: Moved and seconded (J. Gobeil/H. Mumin)

BE IT RESOLVED THAT the Board of Governors approve the establishment of a Centre for Critical Studies of Rural Mental Health – Faculty of Health Studies.

073 Jun19

Dr. Docherty reported that this motion has been recommended by Senate. This is an exciting opportunity which is in line with the mission of the University and will draw on faculty across the University. The Centre will be housed in a small space in the Faculty of Health Studies and will be operating on funding that already exists within the Faculty's budget.

Dr. Robinson added that the Centre will have participants from all five faculties.

The Chancellor stated that this establishment is timely and that having a specific Centre focusing on rural areas will likely draw funding over time.

Member raised question if there is anything the Board can do to assist in getting this project off the ground such as by way of an additional grant or scholarship.

Dr. Docherty stated that Board members can support this initiative by making themselves available for a launch event and by communicating the importance of this initiative to members in the community. In addition, a letter of endorsement from the Chair would go a long way.

Dr. Robinson added that the Board is providing their support by approving the motion which includes support of Health Studies using the financial resources to carry out this initiative which is substantial.

Member commented that the Centre could attract private funds and is a great opportunity to liaise with potential partners (e.g. Bell Let's Talk). It was noted that if this is not done in the initial stages, the University could miss out on opportunities.

Dr. Robinson stated that all Centre's are encouraged and required to seek external funding. Support funds from Health Studies is seen as seed money to provide a space and an ongoing presence. Funds to support research will come from external funding resources.

Member stated the importance of support from the Board and community on this initiative and that this is another step forward for BU.

Question was raised in regards to an upcoming conference, Mental Health on the Prairies (April 29 – May 1, 2020). Dr. Robinson stated that it is expected that the conference will be revenue generating and there are registrations and sponsors already lined up.

Dr. Robinson confirmed that there will be a public announcement once the establishment of the Centre is approved and that the conference will likely be the launch of the Centre.

CARRIED

5.8 Appointment of OIC Representatives on Strategic Plan Advisory Committee

Dr. Docherty reported that volunteers are being sought for the Strategic Plan Advisory Committee. The committee will act as a sounding board noting that the President's Executive Committee (PEC) will do much of the work. It is anticipated

that the Board representatives will attend four to five meetings over the course of the year and in addition, Board members would be asked to run and facilitate a workshop for all Board members.

The Vice-Chair called for nominations and volunteers to serve on the Strategic Plan Advisory Committee.

J. Galvin, B. Zander and T. Corbett expressed interest in serving on the committee. B. Zander subsequently rescinded his name as he is currently serving on the Downtown Development Advisory Group.

Motion: (G. Jackson/H. Mumin)

BE IT RESOLVED THAT Julee Galvin and Trudy Corbett be elected to serve on the Strategic Plan Advisory Committee.

CARRIED

It was confirmed that the committee will be focusing more on strategic goals rather than policies and procedures.

6.0 INFORMATION

6.1 Brandon University Retirement Plan – Actuarial Valuation as at December 31, 2018

Mr. Lamont reported the following:

- Funding is on a going concern basis which is used to determine if special payments are required;
- We are now in a position where special payments have equaled out and are no longer required;
- We have gone from a significant deficit to being 99.9% funded;
- We have been given exemption for solvency payments as we are 81% funded. It was noted that as long as the number is below 90, we have to continue doing annual valuations of the plan;
- Both the Foundation and Pension Plan are doing well;
- Heathbridge and Connor, Clark and Lund have done a great job and both have been managing money for over 20 years and it is believed that they are both serving the University well.

6.2 Final List of May Graduates

Member raised question as to what the grade cut-off for Greatest Distinction and Distinction and why there were no students in the Bachelor of Education (BED)

Program or the Master of Education (MED) Program graduating with Distinction or Greatest Distinction. It was further questioned if this is correct; if it is an anomaly; and whether cuts offs are different for this degree.

Ms. Fisher provided information from the University Registrar, Ms. Andrea McDaniel as follows:

A couple of years ago, Senate voted to abolish the use of Distinction, Great Distinction, and Greatest Distinction for BED graduates since almost all BED students were graduating with one of those designations. The Distinction, Great Distinction, and Greatest Distinction designations were replaced functionally by the creation of the Dean's Awards for Excellence in Education, which are announced and given out at Convocation.

Per page 37 of the current Undergraduate Calendar, the cutoffs for the various levels of Distinction are as follows:

- Greatest Distinction – graduate with an average of 3.90 or better;
- Great Distinction – graduate with an average of 3.80 or better; or
- Distinction – graduate with an average of 3.70 or better.

The Distinction designations apply only to undergraduate students, which is why there were no notations for the MED students.

Member questioned if this speaks to the marking system and that if everyone is graduating with these high marks, if this makes sense.

It was confirmed that different faculties have different marking schemes and different standards of marking. It was noted that there is a uniform policy for grading.

Member commented that this is not a new concern within the University and that there is a possibility of grade inflation that bears further investigation.

Discussion took place as to whether the Board has the authority to bring concerns regarding academic matters to the Senate. It was suggested that this would be a good topic for a joint meeting between the Board and Senate.

The Chair encouraged members to bring questions forward or submit them via email as they are valuable.

6.3 Move to Closed Session

Motion: Moved and seconded (W. Hodgins/L. Ross)

BE IT RESOLVED that the meeting move to Closed Session.

6.4 Motion(s) Raised from Closed Session

No motions were raised from Closed Session.

7.0 ADJOURNMENT

Moved (T. Rourke/J. Gobeil)

BE IT RESOLVED THAT the meeting adjourn at 11:35 a.m.

CARRIED

Chair, Board of Governors

Secretary, Board of Governors