

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

**Saturday, June 20, 2020
Via Video Conference
8:30 a.m.**

Present: S. Chambers (Chair); D. Docherty; K. Auriat; J. Galvin; T. Corbett; W. Taylor; M. Decter; D. Stewart; T. Rourke; O. Adeleye; E. Bach; B. Lawrence

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

Regrets: J. Omoregie; J. Davies; K. Kerkowich; B. Zander

1.0 CALL TO ORDER

The Chair called the meeting to order at 8:33 a.m.

The Chair welcomed Dr. Edward Bach and Dr. Breanna Lawrence as new Board members to the meeting.

2.0 AGENDA AND MINUTES

2.1 Approval of Agenda of June 20, 2020

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

BE IT RESOLVED THAT the agenda of the June 20, 2020, Board of Governors meeting (Open Session) be approved.

**044 Jun20
CARRIED**

2.2 Approval of Consent Agenda

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

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

- a) **Minutes of May 22, 2020 (Open Session)**
- b) **Approval of electronic resolutions of March 26, 2020**
 - i) **Board Appointment to the Chief Human Resources Committee**

- ii) **Board Appointment to the Vice-President (Academic & Provost) Search Committee**
- c) **Approval of electronic resolution of May 26, 2020**
 - i) **Board of Governors Entrance Scholarships and Bursaries**
- d) **Approval of electronic resolution of June 15, 2020**
 - i) **Appointment to the Board Finance Committee**
- e) **Report – Transactions of \$100,000 or More – May 2 to May 31, 2020**
- f) **List of May Graduands**

**045 Jun20
CARRIED**

3.0 REPORTS

3.1 Report from the President (D. Docherty)

Dr. Docherty's written report was provided in the agenda package. The following highlights were noted:

- **Strategic Planning**
 - Planning was put on hold due to the pandemic and work has not progressed as anticipated;
 - A number of working groups have been established to prepare for the Fall (e.g. exam integrity; which classes to be online/on campus; external relations; strategic plan etc.);
 - Discussions have taken place about changing the focus of strategic planning noting the need to look at how we will recover and what the University will look like five years after the pandemic. The hope is to make use of the Strategic Planning Advisory Committee's work done prior to the pandemic and incorporate this into the Plan;
 - Starting to develop a few other discussion papers that will be sent to the SPAC with the hope to meet over the summer to get the plan back on track;
- **Due to the pandemic, BU saw a rise in demand for emergency funds for students (Student Undergraduate Supplementary Assistance fund). The criteria was changed to allow graduate students to apply, noting that students who moved home to live with parents were not eligible. Criteria also requires applicants to have a GPA of 2.0 or greater. Of 174 applications, 136 met the criteria. Approximately \$70k was distributed in student aid. Alumni were very generous to support this fund. There is still money remaining in the fund should there be a need in the Fall;**
- **Convocation**
 - Although an in-person event was not possible due to the pandemic, a large effort was made to try to make students feel as valued as possible;

- Parchments with additional items were sent to each graduate and a commemorative video was made with participation of students, faculty and staff to celebrate graduates;
- 593 graduates successfully finished all degree requirements.

3.2 Report from the Vice-President, Administration & Finance (S. Lamont)

S. Lamont's written report was provided in the agenda package. The following highlights were noted:

- Most time has been dedicated to managing the pandemic situation as well as the budget;
- "Renew BU" Project (ERP)
 - ERP project was approved by the Board in January;
 - Meetings have been taking place virtually with the consultant due to the pandemic;
 - The student module is expected to be complete by June 2021;
 - Finance module will begin in June 2021 and is expected to be complete by September 2022;
 - Project is on schedule and on budget noting that savings have occurred as a result of no travel expenses;
 - Backfill is being provided to ensure staff can concentrate on ERP and to avoid burnout noting there is concern just as much for employee wellness as there is to get the project done.

Member raised question if the modules will go live once complete and how the process will work.

S. Lamont stated that modules could go live as early as June 2021, however, there has been some debate about whether a portion of modules can go live before others. The intent was to go live when each module is finished, however, this is still being worked out.

3.3 Report from the Vice-President, Academic & Provost (S. Robinson)

Dr. Robinson's written report was provided in the agenda package. The following highlights were noted:

- Working closely with the Deans, Chief Information Officer, and Centre for Teaching Learning & Technology (CTLT) to prepare for Fall semester and support faculty with moving courses online and modifying instructional design;
- Faculty are very busy preparing to deliver courses in ways they have never done before;
- Online instruction will require new software which the CTLT is providing support for;

- Registration is down slightly from projections, however, enrolment is looking stronger than anticipated for the fall given the pandemic noting there was uncertainty as to how enrolment would be impacted. This has been similar across Canada.

The Chair stated his appreciation for all the preparation towards the fall term.

4.0 NEW BUSINESS

4.1 Motion: 2020-2021 University Budget

Motion: Moved and seconded (K. Auriat/D. Stewart)

BE IT RESOLVED THAT the Board of Governors approve the 2020-2021 University Budget, as recommended by the Finance Committee.

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Dr. Docherty reported the following:

- A balanced budget is being recommended for approval;
- Due to the pandemic, there was limited opportunity for larger consultations noting that a number of other challenges existed due to the new Public Service Accounting Standards (PSAS);
- As a result of the new PSAS, the University is no longer able to use surplus funds to balance the budget, with the exception of capital projects;
- A new Budget Advisory Committee was established which replaced the Board Budget Committee. The new Committee has representation from across the University, including faculty, staff, students and senior administration;
- The Budget Advisory Committee will meet in the coming weeks to discuss budget principles and ways to move forward with the 2021-2022 budget;
- Province requested submission of a number of scenarios should the University receive larger budgetary cuts as well as days off without pay. In the end, they confirmed that BU will receive a 1% operating grant decrease;
- President's Administrative Council managed to create a balanced budget without the need for days off without pay and without the need to make significant cuts to personnel.

The 2020-2021 Brandon University budget document was provided in the agenda package. S. Lamont shared a PowerPoint presentation with highlights of the document as follows:

- COVID-19 interrupted the budget development process which impacted budget principles of fiscal sustainability and student attraction and retention;
- Introduction of the new PSAS implemented by the Province no longer permits the use of surplus funds; requires budgeting for amortization; and the requirement for the BU Foundation statements now needing to be incorporated into the BU Financial statements;
- COVID-19 has had a significant impact on the budget which required various adjustments to operations;
- Summary revenue includes all operations at the University noting that the largest amounts come from the Province (59%) and tuition and other student fees (22%);
- Operating revenues include the operating grant (68%); tuition fees (22%); and other smaller revenues. It was noted that BU's operating grant is larger in terms of ratio compared to other universities;
- Summary expenses include: learning (49%); academic and student support (20%); institutional support (11%); operations and maintenance (11%); research (4%); and Ancillary Services (5%);
- Operating expenses include: Salaries-BUFA (52%); support salaries (20%); benefits (12%); transportation (2%); communication; minor capital and other operating;
- Over the four-year period from 2017 to 2021, the University's budget has increased by \$4M, mostly from tuition and fees noting we have lost approx. \$1M from the Province;
- Salary and benefits are the largest expense;
- 2020-21 budget includes all adjustments that are being proposed;
- Benefits have decreased, partly due to lower payments to the Pension Plan;
- Provincial grant decreased by \$376k;
- Tuition fees increased by \$238k;
- Due to the new accounting standards, the University can no longer use surplus to balance the budget which impacted the budget by approx. \$1.3M;
- Sessional budgets will be untouched;
- Over \$1M in positions are still vacant;
- There will be no Leave Without Pay (LWOP) days;
- Budgets will need to be closely monitored.

In addition, S. Lamont highlighted the following points in regards to the Summary Budget (page 2 of budget document):

- Revenues:
 - Tuition and other fees in the summary budget show to be higher compared to the operating budget due to the inclusion of non-tuition student fees with a portion relating to ERP;

- Education and Training operating grant is down by approximately \$600k due to the 1% grant reduction (\$376k) and \$70k was money received for the Manitoba Scholarships and Bursaries Initiative. Some other smaller amounts are due to Research and Special Purposes;
- Fairly significant reduction can be seen under donations;
- Donations; Endowment Donations & Transfers; and Capitalized Endowment Income are down approximately \$2.4M compared to last year due to extraordinary gains in the Foundation that had to be reported from an accounting point of view. This is not expected to repeat;
- Sales of Goods & Services is down approx. \$1.5M. \$700k of this is an expected reduction in Ancillary Services. \$800k is a variety of fees and recoveries that happened within the University that are typically not budgeted for as they are difficult to anticipate.
- Expenses:
 - Institutional support is down approximately \$1M partly due to ERP that was unbudgeted for in previous years and staff turnover;
 - The \$700k was noted for Facilities in Maintenance for amortization expense.

Dr. Docherty stated that in regards to how surpluses will be managed, areas that primarily came up with a surplus each year will be seeing their “cushion” decreased from about 2% to 0.5% which will result in less chance of having a surplus.

Member requested clarification regarding the \$1.5M savings from salaries and benefits (e.g. layoffs, delayed hiring etc.) and if this is a one-time cost. S. Lamont stated that it cannot be a one-time cost and that in order for the University to go forward, there is a need to reduce salaries and benefits on an ongoing basis. It was noted that other ways of managing resources could be used such as reallocating resources to areas of higher demand. It was further noted that there will no longer be assumptions made that vacant positions in one year will be filled in the next year.

Member questioned how much enrollment normally fluctuates from year to year. S. Lamont stated that enrolment at times will grow for a period of 5-7 years before turning over and decreasing, noting that this has been the case for the past 30 years. Typically, the decrease has lasted for 4-5 years and a typical change would be in a range of 2% during normal times. However, there could be a shock, such as the 2011 strike, and with the current pandemic, it is unknown how this will affect enrolment.

Member commented on the large amount of effort in the number of changes that were required to produce the budget and thanked administration for their time and effort.

CARRIED

4.2 Motion: Bill 57 – Public Sector Compensation Disclosure

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

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

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S. Lamont reported that the Province changed the compensation reporting threshold from \$50,000 to \$75,000. Approximately 250 staff earn more than \$75,000. It was noted that the University typically speaks of a staff of 400, however, the total number of employees per year is approximately 1,400 (including student assistants, sessional instructors etc.)

CARRIED

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

Motion: Moved and seconded (D. Stewart/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, 2020.

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S. Lamont stated that this program must be administered in a particular way for US students. The audit has indicated that this was a clean report and that the University complied with the rules of the program.

CARRIED

4.4 Brandon University Retirement Plan Annual Report – 2019

S. Lamont reported that the report is provided for information and that it was approved by Pension Trustees and has received a clean audit. In addition, the following was highlighted:

- Return on Investment in Pension Plan saw a market downturn at the end of 2018, however, came back very well in 2019 earning over 18%;
- Achieved objectives for one-year and four years;
- Going concern valuation at the end of 2019 was 99.9% funded. Special are now down to \$26k;
- Costs of Pension Plan are covered by contributions of employees, employer and investments noting the change between last year and this year is only \$11k on over \$3M;
- Plan has unfunded liability on a solvency basis of approximately \$46k;
- Province has allowed us to opt out of making solvency payments;
- Over \$200M of assets in the Plan
- At March 31, 2020, assets were down by \$180M compared to December 31, 2020, however, all losses were recovered as of June 10, 2020. Markets are still volatile and therefore this amount could change by the end of the valuation period;
- Volatile events are required to be brought to the attention of the leader noting that comments will be included in the next valuation.

4.5 Move to Closed Session

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

BE IT RESOLVED that the meeting move to Closed Session.

CARRIED

4.6 Raise Motion(s) from Closed Session

There were no motions raised from Closed Session.

5.0 INFORMATION & ANNOUNCEMENTS

5.1 Brandon University Retirement Plan – Actuarial Valuation as at December 31, 2019

This document was provided for information.

5.2 Manitoba Scholarships & Bursaries Summary Report

This report was provided for information.

It was confirmed that the maximum provided by the Province for the MSBI Initiative is \$325k noting that the \$70k received later in the year is an annual one-time occurrence. The University has not been made aware of any increases.

5.3 Brandon University 50/50 Raffle Report

This report was provided for information.

The Chair announced the following:

- Dr. Linda Ross has resigned from the Board and is now currently serving as the Acting Dean of Health Studies;
- Dr. Hamid Mumin's term on the Board expired on June 16th;
- Dr. Edward Bach and Dr. Breanna Lawrence have been appointed to the Board as Faculty Senate representatives;
- JaysaLee Davies term will expire at the end of June;
- Olufunke Adeleye and Jennifer Omoregie are new representatives of BUSU.

In addition, the Chair acknowledged the end of Derrick Stewart's term as the Brandon University Alumni Association representative and thanked him for his nine years of service on the Board and his many contributions over the years.

6.0 ADJOURNMENT

Motion: Moved and seconded (W. Taylor/M. Decter)

BE IT RESOLVED THAT the meeting adjourn at 10:41 p.m.

CARRIED

Chair, Board of Governors

Secretary, Board of Governors