

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

**Saturday, November 28, 2020  
Via Video Conference  
8:30 a.m.**

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**Present:** S. Chambers (Chair); K. Auriat; E. Bach; T. Corbett; M. Decter; D. Docherty; J. Galvin; K. Kerkowich; A. Kowalchuk; B. Lawrence; S. Montague; T. Rourke; W. Taylor; B. Zander

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

**Regrets:** T. Friesen

**Absent:** J. Omoregie; O. Adeleye

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**1.0 CALL TO ORDER**

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

**2.0 AGENDA AND MINUTES**

2.1 Approval of Agenda of November 28, 2020

Motion: Moved and seconded (T. Corbett/E. Bach)

**BE IT RESOLVED THAT the agenda of the November 28, 2020, Board of Governors meeting (Open Session) be approved.**

**083 Nov20  
CARRIED**

2.2 Approval of Consent Agenda

Motion: Moved and seconded (K. Auriat/M. Decter)

**BE IT RESOLVED THAT the consent agenda of the November 28, 2020 Board of Governors (Open Session) be approved as follows:**

**Approval of Consent Agenda**

- a) Minutes of September 26, 2020 (Open Session)
- b) Report from the Vice-President, Academic & Provost (S. Robinson)

- c) **Report from the Vice-President, Administration & Finance (S. Lamont)**
- d) **Report – Final List of October 2020 Graduates**
- e) **Report – Transactions of \$100,000 or More – September 1 to October 31, 2020**
- f) **Reports from Representatives on Committees Reporting to the Board:**
  - i) **Brandon University Senate**
  - ii) **Knowles Douglas Centre**
  - iii) **BU Retirement Plan Trustees**
  - iv) **Brandon University Foundation**
  - v) **Brandon University Students' Union**

**084 Nov20  
CARRIED**

### **3.0 REPORTS**

#### **3.1 Report from the President (D. Docherty)**

Dr. Docherty reported the following:

- Brandon University Senate granted Dr. Meir Serfaty Professor Emeritus status on November 17<sup>th</sup>;
- Development team has been doing an excellent job noting that the Annual Fund has seen a significant increase this year compared to last year;
- Very moving note accompanied a donation to the student emergency fund which is a testament as to who our alumni are;
- Four BU alum and one BU student were recognized as Manitoba's Top 40 Under 40;
- A Visual Arts student won two awards - the Manitoba Arts Council Award and the Royal Canadian Academy of Arts Award - worth a combined value of \$7,000.

#### **3.2 2020-21 Budget Update**

S. Lamont reported the following:

- This year's budget is substantially more difficult and uncertain than in the past;
- As promised, a couple of budget updates will be provided throughout the year to get a sense of whether we are on budget, ahead or behind;
- Budget update is as of September 30<sup>th</sup> and is projected forward to March 2021 (year-end);
- Another presentation will be provided based on the January 31<sup>st</sup> numbers projected to March 31<sup>st</sup>;
- Credit hours are used as opposed to head count as the number of people are expressed in the number of courses they registered for which translates into tuition fee dollars;

- In June, anticipated domestic enrolment would be down 2.3%;
- In mid-July, enrolment projections were changed based on the amortization change which brought enrolment for domestic students down to -8%;
- From June 1<sup>st</sup> to November 1<sup>st</sup>, domestic enrolment has recovered from -8% to -4.2% noting that last year (November 2019) it was -2%;
- International enrolment was projected at -5% which is now sitting at 1.5% noting it is higher than what was budgeted;
- Student Tuition and Fees:
  - We are a million dollars ahead of where we expected to be when making budget projections in July 2020;
  - This was a result of increases in undergraduate tuition (\$658k); graduate tuition (\$43k); visa student premium (\$575k); less uncollectible and other (\$240k).
- Expect to be up by \$376k in the Provincial Operating Grant due to the Transition Support Fund which is expected to return one percent of the grant that was cut;
- The goals of the Transition Support Fund are to help the University through the pandemic (e.g. lost revenues and other additional costs) as well as Government's broader objectives such as labour market alignment;
- University applied for Transition funding and are waiting to hear back noting the Province directed the University to not budget for the funding;
- Ancillary is down \$1.7M in revenues due to losses in Residence, Food Services and Parking;
- Tuition and other fees are up by \$1M;
- Revenues down total of \$303k compared to what was budgeted for in this current year;
- Expenses are also down which has resulted in the ability to save some money noting that salaries are down by approximately \$245k, mostly in support salaries;
- Faculty salaries are about what was projected;
- Transportation costs have been cut as administrative travel was not expected due to the pandemic;
- Professional development was not covered in the budget and given that the pandemic went on longer than anticipated, approximately \$250k was saved for this reason;
- Saved almost \$1M in costs compared to what was budgeted (\$930k);
- Overall, revenues are projected to be down by \$300k, however, expenses are down by approximately \$900k and we are about \$628k to the positive compared to where we expected to be;
- Ancillary Services:

- Regarding revenues, Food Services is down nearly \$1M; Residence is down by \$600k; and Parking is down \$150k resulting in a total of \$1.7M loss in revenues;
- Costs have been cut as much as possible, however, the overall expected loss is \$830k compared to what was anticipated;
- Anticipate surplus of \$628k or just under 1% of budgeted expenditures;
- Assuming Transition Funding arrives at \$376k;
- A 1% change in international enrolment is \$32,750;
- 176 of 418 international students are from Nigeria (43%) noting that Nigeria has been experiencing civil unrest. If the University were to lose Nigerian students, this could be a loss of \$1.4M;
- A 1% change in domestic enrolment is \$109k noting that first time students are down by 5.5%. However, this is up from being down 10% in the summer;
- There are concerns about the pandemic experience for students and if they will thrive in the online teaching environment;
- Since the first budget presentation in November, the Province has since decided to implement Retirement Asset Obligations (amortization) which added \$700k in expenses to the current year's budget immediately. This was unexpected noting that the Province indicated in the summer that this would not come into effect until 2022-23. All universities and colleges will be writing to the Province to explain the impact of this new requirement noting it is not expected that this will change. The Province has requested that PSI's explain how this will be done by January 2021. These costs need to be estimated with help of engineers (re: asbestos removal and equipment) noting this will be challenging to have complete by January as per the Province's expectations.

*B. Zander joined the meeting at 9:00 a.m.*

S. Lamont confirmed that the amortization will be set up on a balance sheet as an asset and liability and will be amortized over the life of the building which is anticipated to be incurred over approximately the next 15 years. There is some dispute about the methodology but effort will be made to reduce this number.

Member questioned what the impact has been due to the closure of the Healthy Living Centre. S. Lamont reported that unfortunately some staff cannot work and had to be laid off which will result in some offsetting of costs associated with the building. Some staff have been re-deployed to other projects in some cases. It is not anticipated that there will be a large financial loss due to operations and it is estimated that the loss could be approximately \$10k-20k.

**4.0 NEW BUSINESS**

4.1 Motion: Borrowing Resolution

Motion: Moved and seconded (K. Auriat/M. Decter)

**BE IT RESOLVED THAT the Board of Governors approve the attached borrowing resolution.**

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Dr. Docherty stated that the borrowing resolution is relatively standard noting that this would allow the University to borrow short term cash if needed, however, it has never been used to date. This is a precautionary measure that requires Board approval.

**CARRIED**

4.2 Motion: Annual Distribution Rate – Endowment Funds

Motion: Moved and seconded (T. Rourke/M. Decter)

**BE IT RESOLVED THAT the Board of Governors approve the endowment earnings disbursement rate of 5.0% as recommended by the Brandon University Foundation.**

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S. Lamont reported the following:

- Distribution rate has been recommended by the BU Foundation as per the tripartite agreement between the Foundation, Alumni Association and the Board of Governors;
- The recommended rate is 5% noting that 4.5% is for the purpose of endowments and 0.5% is used to support administrative costs;
- Objective for endowments is that we earn the distribution rate plus CPI noting that we just barely met this objective, however, not for the short term but for the long term;
- BU's distribution rate is on the higher end and is about half a percent higher than what might be average, however, the earnings have always been able to support it;
- In looking at what other universities distribute, this is what the Foundation feels comfortable with recommending.

Member commented that 4.5% is high and asset mix is an area of concern noting this needs to be kept in mind as this is not necessarily well served on the investment side.

Member questioned if there was discussion with the BU Foundation about altering the rate.

S. Lamont confirmed that there was discussion and the same concern was raised. There is some worry and discomfort, however, it was decided that it would be an appropriate recommendation for now. It was noted that an investment manager review is being conducted with an independent third party and draft copies of the reports have been received with additional documents still to come. A review committee has been formed by the Foundation who will get a copy of the report along with the review relating to the investment manager as well as general rate of investments. This will be beneficial in subsequent years to be looked at more closely.

Question was raised as to what the fund is currently sitting at noting that it was at \$68.2M in June. S. Lamont stated that while uncertain of the number, it did recover as of the end of September and does not believe it had quite reached the peak in February.

**CARRIED**

4.3 Move to Closed Session

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

**BE IT RESOLVED that the meeting move to Closed Session.**

**CARRIED**

4.4 Raise Motion(s) from Closed Session

The following motions were raised from Closed Session:

**BE IT RESOLVED THAT Brandon University sell the three houses located at 215 and 223 18<sup>th</sup> Street and 1718 Princess Avenue.**

**5.0 ADJOURNMENT**

Motion: Moved and seconded (W. Taylor/T. Corbett)

**BE IT RESOLVED THAT the meeting adjourn at 12:11 p.m.**

**CARRIED**

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Chair, Board of Governors

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Secretary, Board of Governors