

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

**Saturday, June 26, 2021
Via Video Conference
8:30 a.m.**

Present: S. Chambers (Chair); E. Bach; T. Corbett; D. Docherty; J. Galvin; A. Kowalchuk; B. Zander; K. Kerkowich; T. Rourke; B. Lawrence

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

Regrets: W. Taylor; O. Adeleye; M.J. McCallum; T. Friesen

1.0 CALL TO ORDER

The Chair called the meeting to order at 8:35 a.m.

The Chair acknowledged that Brandon University campuses are located on Treaty 1 and Treaty 2 Lands, the traditional homelands of the Dakota, Anishinaabek, Cree, Oji-Cree, Dene and Métis peoples.

2.0 AGENDA AND MINUTES

2.1 Approval of Agenda of June 26, 2021

Motion: Moved and seconded (A. Kowalchuk/K. Kerkowich)

BE IT RESOLVED THAT the agenda of the June 26, 2021, Board of Governors meeting (Open Session) be approved.

**042 Jun21
CARRIED**

2.2 Approval of Consent Agenda

Motion: Moved and seconded (A. Kowalchuk/T. Corbett)

BE IT RESOLVED THAT the consent agenda of the June 26, 2021 Board of Governors (Open Session) meeting be approved as follows:

a) Minutes of May 15, 2021 (Open Session)

- b) Report from the Vice-President, Academic & Provost (S. Robinson)
- c) Report from the Vice-President, Administration & Finance (S. Lamont)
- d) Report – Transactions of \$100,000 or More – April 24 to May 31, 2021
- e) Report – Financial Summary by Object as at May 31, 2021
- f) Report – Financial Summary as at May 31, 2021
- g) Report – Final List of May Graduates
- h) Reports from Representatives on Committees Reporting to the Board:
 - i. Knowles Douglas Centre
 - ii. BU Retirement Plan Trustees
 - iii. BU Students' Union
 - iv. Status of Women Review Committee
 - v. BU Senate
 - vi. BU Foundation
 - vii. Governance and Nominating Committee
 - viii. Audit and Risk Committee

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CARRIED

3.0 REPORTS

3.1 Report from the President (D. Docherty)

Dr. Docherty provided a verbal report noting the following highlights:

- Annual fund goal of \$300k was surpassed noting a total of \$309k. This is a positive result especially considering the economic climate.
- Great uptake with the Winning Shot campaign, which encourages students, faculty and staff to be vaccinated. There are \$10k in prizes including a \$5k tuition grand prize.
- A socially distanced flag raising ceremony took place and was a success. Chancellor McCallum was able to attend to receive the Metis and Treaty 2 flags. The flags have recently been lowered to half-mast due to the discovery of children's remains being found on the grounds of residential schools in Canada.
- Fall planning is ongoing noting a plan to hold another joint meeting with the Board and Senate.

4.0 NEW BUSINESS

4.1 Brandon University Audit Results – 2021

S. Lamont reported the following:

- Todd Birkhan of BDO presented the audit results to the Audit & Risk Committee of the Board.
- Reminder given that the audit process is different than previous years as the OAG is no longer contracting BDO to conduct the audit noting that BDO will be issuing the report and audit opinion to BU rather than the OAG.
- BU will go to tender this summer for a more permanent appointment of an auditor.
- Audit opinion states that the audit is material enough for decision-making purposes and there is nothing of any significance to bring forward in terms of adjusted/unadjusted financial statements and no significant areas of fraud.
- Auditor also tracks potential misstatements noting that BU has made the decision to not accept misstatements.

4.2 Motion: Brandon University Audited Financial Statements

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

BE IT RESOLVED THAT the Board of Governors approve the audited Financial Statements for Brandon University for the year ended March 31, 2021.

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S. Lamont provided a high-level summary as follows:

- Consolidated Statement of Operations and Accumulated Surplus
 - Ran a surplus of \$1.2M in Operations.
 - \$2.967M surplus in total due to the Foundation being consolidated with BU statements.
 - Difference in tuition fees and student fees compared to what was budgeted (\$14M) and achieved (\$15.5M) noting enrollment was higher than anticipated.
 - MB Advanced Skills & Immigration line is approx. \$1.7M more than anticipated due to transition fund and the University received more funding than anticipated.
 - Sales of Goods & Services substantially down as a reflection of Ancillary Services noting fewer students in residence resulting in less revenue in Food Services, parking etc. (both revenues and expenses).

- Consolidated Statement of Changes in Net Financial Assets
 - Change in accumulated remeasurement gains is the unrealized gains of investments in the Foundation (\$8.2M)
 - Approx. \$3M surplus out of Operations; \$8M surplus due to investments in the Foundation, which is offset by approx. \$1M of capital loss.
 - Approx. \$850k of capital loss relates to disposal of Fleming property. This property came to the University by way of donation and after the government expressed no interest in funding the development of a project, the property has been transferred back to the City resulting in the need to remove from the books (i.e. \$850k capital loss).
- Consolidated Statement of Financial Position (balance sheet)
 - Net assets increased by \$11.4M noting loss on disposal.
 - Some differences in cash and cash equivalents noting we were unable to find ways to invest short-term cash so left it in cash position.
 - Employee future benefits are down due to change in liabilities to the Pension Plan.
 - Deferred revenues increased by \$2.3M due to endowments in the BU Foundation.
 - Statement of operations and accumulated surplus.
- Note 15 explains the expense differences noting that the new Public Service Accounting Standards requires that we show expenses in a particular way. It was noted that academic salaries are down slightly from the previous year as well as support salaries. Benefits are also down noting pension liability.
- Travel down \$186k, which includes operational and research purposes. In the case of operational travel, this is a net saving.
- Supplies & consumable expenses reflect a reduction in Ancillary Services.
- Scholarships & Bursaries up from previous year, which reflects additional MSBI money.

Member requested clarification regarding the \$850k capital loss. S. Lamont confirmed that this was received as a gift and therefore was recognized as a loss and removed as an asset.

CARRIED

4.3 Motion: Bill 57 – Public Sector Compensation Disclosure

Motion: Moved and seconded (T. Rourke/B. Zander)

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 Public Sector Compensation Disclosure discloses employees who earned a total compensation of \$75k or more in the past year as required by the Province. There is a requirement that this report be made public noting this is done through the President's Office and the Library and is sent to other public bodies (e.g. City of Brandon). It was noted that the previous threshold was \$50k, which the Province changed to \$75k in 2020. There are approximately 400 regular employees at the University; however, 1279 T4's were issued which include sessionals and student assistants. The report must be made public by June 30. It was noted that background details such as contract or other specifics are not made public.

CARRIED

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

Motion: Moved and seconded (A. Kowalchuk/K. Kerkowich)

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, 2021.

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S. Lamont reported that the audit of the W. D. Ford Federal Direct Loan Program is required to ensure the University complied with the rules of the program. Four students are included in the report noting the names have been redacted for privacy. This was reported as a clean audit.

Member raised question as to the cost associated with performing this audit. S. Lamont stated that he is uncertain as to what the cost of this specific audit is noting that the total audit cost is between \$35-40k and this audit is included in that total.

CARRIED

4.5 Brandon University Retirement Plan Annual Report – 2020

S. Lamont requested to speak to the BU Retirement Plan Actuarial Valuation, which was provided for information in Item 5.1 as it ties in with the Annual Report.

S. Lamont reported the following in regards to the Actuarial Valuation:

- On a going concern basis, the value of assets in the Plan are approximately \$225M, however, on a smooth basis they are \$206M.
- Almost \$10M surplus in Pension Plan.
- Deficit of approximately \$52M on a solvency basis (approx. 80% funded).
- If the University were to cease to operate, BU is exempt from special payments on a solvency basis.
- Deficit of \$33M on a wind up basis.
- Payments will go up by approximately \$160k next year noting these are directly related to service costs.
- Overall, the Plan is in good shape on a going concern basis.

Highlights of the Annual Report are as follows:

- Year end was December 31, 2020;
- Almost \$10M surplus in Pension Plan;
- University is not required to make special payments into the Plan as per the Solvency Exemption for Public Sector Pension Plans Regulation;
- As the solvency ratio of the plan is less than 0.90, the next valuation is to be effective no later than December 31, 2021;
- Plan had a solvency deficiency of Plan assets over calculated Plan obligations (liabilities) of \$52M;
- \$33M deficit in wind-up valuation;
- Overall, Pension Plan is in a reasonably good position on a going concern basis.

4.6 Move to Closed Session

Motion: Moved and seconded (K. Kerkowich/A. Kowalchuk)

BE IT RESOLVED THAT the meeting move to Closed Session.

CARRIED

4.7 Raise Motion(s) from Closed Session

The Chair commended Dr. Robinson for his work in the role of the Vice-President (Academic & Provost). On behalf of the Board, the Chair thanked Dr. Robinson for his service as Vice-President and as a resource to the Board of Governors.

5.0 INFORMATION & ANNOUNCEMENTS

- 5.1 Brandon University Retirement Plan – Actuarial Valuation as at December 31, 2020
- 5.2 Notice of Board Executive Officer Appointments (September)

The Chair announced that nominations and elections for the Executive Officer positions would take place in September. The Chair thanked T. Corbett for her time in the Vice-Chair role noting that she will be stepping down from the role. Members were asked to contact the Chair or K. Fisher if there is interest in any of the Executive positions.

6.0 ADJOURNMENT

Motion: Moved and seconded (E. Bach/A. Kowalchuk)

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

CARRIED

Chair, Board of Governors

Secretary, Board of Governors