

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

**Saturday, June 25, 2022
Room 143, Health Studies Building & Zoom
8:30 a.m.**

Present: In-person: S. Chambers (Chair); D. Docherty; J. Galvin; J. Splett; M. Magnusson; K. Kerkowich

Via Zoom: M. J. McCallum; T. Chzyk; B. Zander; E. Bach; O. Adeleye

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

Regrets: W. Taylor; A. Kowalchuk; A. Li

Absent: S. Omotoye

1. CALL TO ORDER

The Chair called the meeting to order at 8:39 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. AGENDA & MINUTES

1.1 Approval of Agenda of June 25, 2022

Motion: Moved and seconded (J. Splett/K. Kerkowich)

BE IT RESOLVED THAT the agenda of the June 25, 2022, Board of Governors meeting (Open Session) be approved.

**035 Jun22
CARRIED**

1.2 Approval of Consent Agenda

Motion: Moved and seconded (J. Splett/J. Galvin)

BE IT RESOLVED THAT the consent agenda of the June 25, 2022 Board of Governors (Open Session) meeting be approved as follows:

- 2.2.1 Minutes of May 17, 2022 (Open Session)**
- 2.2.2 Report from the Provost & Vice-President, Academic (K. Campbell)**
- 2.2.3 Report from the Vice-President, Administration & Finance (S. Lamont)**
- 2.2.4 Report – Transactions of \$100,000 or More – April 30 to May 31, 2022**
- 2.2.5 Final List of May Graduates**
- 2.2.6 Motion: Award Revisions to the Terms of Reference for the First Nations Teacher Education Scholarships**
- 2.2.7 Reports from Representatives on Committees Reporting to the Board:**
 - 2.2.7.1 BU Senate**
 - 2.2.7.2 BU Retirement Plan Trustees**
 - 2.2.7.3 BU Foundation**
 - 2.2.7.4 BU Students' Union**

**036 Jun22
CARRIED**

3. REPORTS

3.1 Report from President

Dr. Docherty's written report was provided in the agenda package. He highlighted that Convocation was a great experience this year noting that the decision was made to hold four ceremonies which worked out well as each faculty had their own Valedictorian. There were no honorary degrees conferred this year which shortened the ceremony lengths; however, this can be managed by limiting speaking times in future years.

The Chair thanked J. Galvin for attending Convocation on behalf of the Board.

Members shared positive feedback they heard from those who attended Convocation and that it was nice to see that the 2020 and 2021 graduates were included.

4. NEW BUSINESS

4.1 Brandon University Audit Results - 2022

S. Lamont reported that Todd Birkhan from BDO presented the audit results and process to the Audit & Risk Committee. Overall, a clean audit was reported. It was noted that there was a misstatement with regards to the Fleming property, which resulted in approx. \$700k of related assets that were not written off until 2022. The nature of the transaction did not affect the financial statements significantly or change the opinion of the statements and was below materiality, however, it was important that it be brought to the Board's attention.

4.2 2021-22 Financial Outcome Presentation

S. Lamont presented on the 2021-22 Financial Outcomes. The following are highlights of the presentation:

- Same presentation was provided to President's Administrative Council to show operational impacts.
- New PSAS accounting standards requires consolidated budgeting. The consolidated budget now includes the Foundation and Research noting this impacts operating, however, there is also a separate operating budget.
- On a consolidated basis, the annual net income was a positive position of \$2.88M
- It was noted that BU must balance its consolidated budget as well as components and that all funds are not available for all purposes. In addition, all revenues and expenses are not spendable.
- Ancillary Services:
 - Lost \$275k in 2021-22 compared to \$2M in the previous year noting revenues are still far below normal as residence numbers have not recovered as hoped.
 - Cadets in residence over the summer will be a positive for revenue generation.
 - Anticipated that Ancillary Services will make a positive contribution to the budget in 2022-23 as has traditionally been the case.
- BU Foundation made a net revenue of almost \$10M, however, the endowment had unrealized losses of \$9M. Overall, the Foundation was in a positive position of \$840k.
- Internally Restricted
 - Provisions used were to the negative at \$37k and program net balances were to the positive \$32k resulting in an overall negative of \$4,919 for internally restricted funds.

- It was noted that provisions are funds set aside for future purposes and that the program net balance increase is mostly in relation to the PENT program.
- \$3M of disposals including the Fleming property (expense), Downtown (expense) and the 18th Street houses (capital) were noted for tangible capital assets.
- Operating Fund Net of \$1M.
- Extraordinary items included:
 - Loss on tangible capital assets of \$1.9M (Fleming & Downtown)
 - Interfund transfers of \$1.7M (to other funds, mostly tangible capital assets)
 - Change in accruals (benefits) reduction of \$5.5M due to increase in interest rates noting this cannot be determined ahead of time
 - Unappropriated Fund
 - Change from normal operating is down 2.3M at the end of last year
- Unappropriated fund reduction of \$3M (operating component)
- General Operations Fund
 - Positive balance for appropriated amounts of \$2.1M
 - Overall operating deficit of fund balance of \$161k at the end of the year, which impacts operations of the University, which is significant
- Financial Year 2021-22 highlights:
 - Appropriated fund has a positive balance
 - Unappropriated fund has a negative balance
 - Net combined is negative
 - No carry forward available for 2022-23
- 2022-23 Final budget adjustments include:
 - Travel -\$400k; COVID fund -\$200k; Operating/research funding - \$105k; President's scholarships -\$70k; RDI non-salary budget - \$25k; Library acquisitions -\$100k; Ancillary Services contribution - \$100k; and General inflationary increases -\$130k
- Budget 2022-23
 - Balanced and approved in March 2022
 - Sessionals \$2M (same number as 2021-22 at new rates)
 - Travel \$374k (allocated with priority to domestic student recruitment and program support)
 - Carry forward remains for cost recovery programs only (Conservatory and Ancillary)
 - No discretionary funds available centrally
 - Sessional budget changes must be approved
 - Significant funds will be needed at the end of the 2022-23 year to get to breakeven, funded PDA, and the ERP payment
 - Ukrainian commitment of \$100k

- Unforeseeable events
- Budget 2023-24
 - Provincial election in Fall 2023 noting that March 2023 budget will be from current government. Any policy changes will likely be implemented for 2024-25.
 - Collective bargaining starts again (includes various influences, many external from BU)

Member expressed appreciation to S. Lamont for making the presentation comprehensible.

4.3 Motion: Brandon University Audited Financial Statements

Motion: Moved and seconded (J. Splett/M. Magnusson)

BE IT RESOLVED THAT the Board of Governors approve the audited Financial Statements for Brandon University for the year ended March 31, 2022.

037 Jun22

S. Lamont reported the following with regards to the BU Financial Statements:

- Overall, the University has received a clean audit, which has been presented fairly in all material aspects.
- Statement of Operations
 - Tuition fees were down about 2 percent noting they were still higher than the previous year but not as far as the budget went. This was partly due to a decrease in international and domestic enrolment
 - Sales of goods and services (Ancillary Services) were up substantially from last year but still down from where the budget was.
 - Note 15 within the financial statements provides more detail with regards to expenses.
 - When looking at income statement, looks like we are up \$12M, however, Net Assets are only \$2.88M.
 - Cash and cash equivalents have increased since last year noting receipt of over \$3M at the end of 2022 for the nursing expansion (renovations in Winnipeg and Brandon)
 - Accounts receivable are up from previous year noting details are provided in Note 4.
 - Employee future benefits dropped by \$5.5M. This calculation is done by the actuary and cannot be anticipated or recorded in the budget. This is effectively a reduction of expenses.

- \$3.5M is in long term debt per money for nursing expansion. Government gives capital funding by way of a loan.
- Overall, the real bottom line is the increase in Net Assets of \$2.88M.

CARRIED

O. Adeleye joined the meeting at 9:15 a.m.

4.4 Motion: Bill 57 – Public Sector Compensation Disclosure

Motion: Moved and seconded (J. Splett/J. Galvin)

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

038 Jun22

S. Lamont reported that the Public Sector Compensation Disclosure Act requires the public sector bodies to report salaries above \$75k. All employees of the University whose compensation exceeds \$75k are included in the report. It was noted that BU has about 400 regular employees, however, issues about 1400 T4's and T4A's (incl. casual employees, sessionals, etc.). Of the 1400 total employees, 256 employees had salaries that exceeded \$75k. BDO has confirmed a clean audit of this report.

It was noted that the final approved report will be made available to the public on the BU website and copies will be available by request in the President's Office and the Library.

CARRIED

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

Motion: Moved and seconded (J. Splett/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, 2022.

039 Jun22

S. Lamont reported that BDO looks to ensure the University has complied with the requirements set out by this US student loans program and they have indicated that there were no reportable findings as a result of their procedure.

Member questioned if the number of U.S. students in the report is consistent each year. S. Lamont confirmed that there are less than 15 students included in the report and that this number does not fluctuate much. It was noted that only students who have U.S. student loans are included in the report and this does not reflect the actual number of U.S. students enrolled at BU. It was further noted that Manitoba has an agreement with Minnesota where Minnesotans pay the same tuition as Manitoba students if attending post-secondary in Manitoba and Manitobans pay the same tuition as Minnesota students if attending post-secondary in Minnesota.

CARRIED

5. INFORMATION

5.1 Brandon University Retirement Plan Annual Report - 2021

The BU Retirement Plan Annual report was provided in the agenda package for information. S. Lamont stated that the Plan is approved by the Pension Trustees noting that this is of interest to the Board as it rolls into the financial statements and includes significant benefits for employees.

S. Lamont highlighted that the Plan is sitting at 89.4% on a solvency basis noting that plans funded more than 85% only require a valuation to be done every three years. Therefore, BU's plan no longer requires an annual valuation, however, the Foundation may choose to continue with an annual valuation to look at opportunities to improve the Pension Plan. It was further highlighted that the plan is funded at 110% on a going concern basis, which is a very good position. There will be a need now to ensure that the Plan does not get to a point where it is over-funded, and this will need to be managed.

S. Lamont stated that overall, the Pension Plan is in good shape and will be in even better shape next year. It was noted that retirees will receive a 4.08% increase in cost of living as the plan is doing well.

Member questioned if the 4% increase is permanent for pensioners. It was confirmed that the increase will be permanent for current pensioners, however, not for those who have not yet started drawing from their pension. It was confirmed that the 4% increase has already been incorporated into the fund.

5.2 Brandon University Retirement Plan – Actuarial Valuation as at December 31, 2021

Discussion on this item occurred as part of Item 5.1.

6. MOVE TO CLOSED SESSION

Motion: Moved and seconded (J. Splett/J. Galvin)

BE IT RESOLVED THAT the meeting move to Closed Session.

CARRIED

7. Raise Motion(s) from Closed Session

There were no motions raised from Closed Session.

8. ADJOURNMENT

Motion: Moved and seconded (K. Kerkowich/J. Galvin)

BE IT RESOLVED THAT the meeting adjourn at 11:15 a.m.

CARRIED

Chair, Board of Governors

Secretary, Board of Governors