

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

**Saturday, September 23, 2023
Louis Riel Room & Zoom
8:30 a.m.**

Present: Edward Bach; Kristal Bayes-McDonald; Joy Chikezie (via Zoom); David Docherty; Julee Galvin (Chair); Scott Hayward (via Zoom); David Huberdeau-Reid (via Zoom); Michael Juce (via Zoom); Michelle Magnusson; Barbara MacKalski; Mary Jane McCallum (via Zoom); Asit Patel; Ayushi Patel; Quintin Pearce; Kevan Sumner (via Zoom)

Resources: Kofi Campbell; Scott Lamont; Louise Moss (Recorder); Allison Noto

Regrets: Anugo Okudo

1. CALL TO ORDER

The Chair called the meeting to order at 08:30 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 the Red River Métis peoples.

2. WELCOME TO NEW BOARD MEMBERS

The Chair welcomed the following new Board members:

- Asit Patel – Student Order-in-Council appointee.
- Ayushi Patel – Student Order-in-Council appointee.
- David Huberdeau-Reid – Order-in-Council appointee.
- Edward Bach – Faculty Senator appointee.
- Scott Hayward – Brandon University Alumni Association appointee.

3. AGENDA & MINUTES

3.1 Approval of Agenda of September 23, 2023

Motion: Moved and seconded (Q. Pearce/M. Magnusson)

BE IT RESOLVED THAT the agenda of the September 23, 2023, Board of Governors meeting (Open Session) be approved as amended.

L. Moss noted that the Agenda in Diligent noted a 9:00 a.m. start time. It should be corrected to show an 8:30 a.m. start time.

**094 Sep23
CARRIED AS AMENDED**

3.2 Approval of Consent Agenda

Motion: Moved and seconded (B. MacKalski/Q. Pearce)

BE IT RESOLVED THAT the consent agenda of the September 23, 2023, Board of Governors (Open Session) meeting be approved as follows:

- 3.2.1 Minutes of June 24, 2023 (Open Session)**
- 3.2.2 Report from the Provost & Vice-President (Academic)**
- 3.2.3 Report from the Vice-President (Administration & Finance)**
- 3.2.4 Report – Transactions of \$100,000 or More – June 1 to August 31, 2023**
- 3.2.5 Report – Financial Summary as at August 31, 2023**
- 3.2.6 Report – Financial Summary by Object as at August 31, 2023**
- 3.2.7 Report – Research & Special Purposes – April 1 to June 30, 2023**
- 3.2.8 Reports from Representatives on Committees Reporting to the Board**
 - 3.2.5.1 Board of Directors of the BU Foundation**
 - 3.2.5.2 Board of Trustees of BU Retirement Plan**
 - 3.2.5.3 BU Senate**
 - 3.2.5.4 BU Students’ Union**
 - 3.2.5.5 Finance Committee**

The following amendments were proposed regarding item 3.2.1 Minutes of June 24, 2023:

- M. Magnusson to be noted as regrets as she was not in attendance at the meeting.
- Course code for the Teaching of Indigenous Studies course (page six) to be corrected to 02:381 (not 02:231).

**095 Sep23
CARRIED AS AMENDED**

4. REPORTS

4.1 Report from President

The President's written report was provided in the agenda package. In addition, the following highlights were made:

- Homecoming weekend was great. The numbers were down a little from the prior year due to the changing demographic of our alumni.
- The Strategic Plan's nine braided groups are working on their initial projects using seed money. This includes looking at an outdoor classroom. M. Magnusson also noted that students recorded their first wellness podcast.

*M. Juce left the meeting at 8:40 a.m.
S. Lamont joined the meeting at 8:48 a.m.*

5. NEW BUSINESS

5.1 Motion: Brandon University Audited Financial Statements

Motion: Moved and seconded (K. Bayes-McDonald/E. Bach)

BE IT RESOLVED THAT the Board of Governors approve the audited Financial Statements for Brandon University for the year ended March 31, 2023, as recommended by the Audit & Risk Committee.

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D. Docherty introduced S. Lamont and A. Noto and noted that members may have seen S. Lamont's retirement announcement. S. Lamont noted that A. Noto is the technical accountant for the University and has produced the Financial Statement for several years in her role of Director, Financial & Registration Services and that she would present the audited Financial Statements to the Board.

The Audited Financial Statements were provided in the agenda package. A. Noto noted that the Audit and Risk Committee met earlier this week and that the Auditor was in attendance to present and review the audit results with the Committee as well as answer any questions. The presentation is included in the Board package.

A. Noto noted that the University is required to consolidate its Financial Statements with the Brandon University Foundation's Financial Statements and are therefore presented as consolidated financial statements.

A. Noto noted that the audited Financial Statements for the March 31, 2023, yearend is being presented to the Board in September rather than June. This was related to some new reporting requirements introduced this year, summarized as follows:

- Some of the investments in the Foundation and the Retirement Plan portfolios are held in private equity investments, meaning that there are no public market values for the Auditor to confirm those numbers with. As these are new to the portfolio, the Auditor needed extra time to go through the evaluations using private financial statements to ensure the valuation was acceptable. The Auditor also reviewed the risk to the University and to the Pension Plan in holding these types of investments. Ultimately, there were some changes to the way the Pension Plan is reported, but none to the Foundation.
- A new Asset Retirement Obligations (ARO) accounting standard was introduced. For the University, this means recognizing the liability for the cost of asbestos removal as summarized in Note 10 of the BU Audited Financial Report.
- The University made a prior period adjustment, which is summarized in Note 21 of the BU Audited Financial Report. A. Noto reported that there were two errors in capital transactions that the Auditor and BU confirmed needed to be restated, specifically \$1.16M (to correct a disposal which took place last year that came up for the first time under the new accounting standards); and \$10.5M was re-stated as a classification error, noting it should have been realized gains rather than unrealized gains.

A member asked what private equity is included in the portfolio and how this was determined. S. Lamont confirmed that Real Estate and Infrastructure have been added to further diversify the portfolios. It was noted that the University has two portfolios: the Pension fund, which is approx. \$220-240M; and the Foundation, which is approx. \$70-80M. Both portfolios have been evaluated to assess risk.

It was confirmed that the \$10.5M realized gains that were reclassified included the Foundation.

A. Noto summarized the financial statements as follows:

- Statement of Operations
 - Revenues of \$71.4M
 - Significant variances include tuition revenue shortfall of \$1.3M, due to decreased student enrolments, which was offset by \$1.7M surplus in expected sales of goods & services due to Ancillary Services operations out of COVID restrictions and hosting the Air Cadets group for a significant stay over the summer.
 - Expenses of \$69.2M

- Significant variances include benefits cost due to the valuation change of our Employee Future Benefits liability of \$5M. The other is a classification difference between the two lines of support salaries versus academic salaries of \$1M, which came from how we are now recording our Academic Administrators (Dean's positions).
- Results in an Accumulated Surplus of \$2.2M
- Statement of Financial Position
 - Changes \$4.5M in Financial Assets due to prior year Provincial funding project for Nursing Expansion and cash positioning to short term portfolio investments due to improving interest rates.
 - Employee Future Benefits in Liabilities were impacted due to the valuation done by our Actuary/Eckler for our pension plan liability.
 - Overall Net Assets decreased by \$135k, which is the result of the \$2.2M accumulated surplus from the Statement of Operations, less the \$2.3M unrealized rereasurement gains. Remeasurement for gains and losses is the result of the change in the market value of our investments.
- The accompanying Notes to the Financial Statements give additional detail and explanation.

A question was raised as to whether the audited results would be presented in September going forward, if there were any workload concerns for the University due to the additional work, and if there was any responsibility on the investment firms to get their statements to the University sooner. S. Lamont stated that the investment firms rely on the Auditor and the University to tell them what is needed and when and the plan is to ask for statements earlier next year.

A. Noto added that the audited report being presented in September is exceptional, noting that this year it had to go to a specialist, which will not be needed on an ongoing basis. It was further noted that she does not foresee a problem meeting the deadline to present the audited Financial Statements at the June Board meeting in 2024.

CARRIED

5.2 Motion: Compliance with Specified Procedures for 50/50 Raffles

Motion: Moved and seconded (K. Bayes-McDonald/M. Magnusson)

BE IT RESOLVED THAT the Board of Governors approve the Auditor's Report regarding the University's compliance with the Liquor, Gaming, and Cannabis Authority of Manitoba Specified Audit Procedures for 50/50 Raffles, for the year ended March 31, 2023, as recommended by the Audit & Risk Committee.

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A. Noto indicated that this is a straightforward compliance audit for the approximately \$10,000 revenue for 50/50 raffles that flow through the University's regular accounts as it is not a separate account. No exceptions were found, resulting in a Clean audit report.

In response to question, A. Noto confirmed that the cost is approximately \$1500, and that the University is looking into opening a separate bank account specifically for 50/50 raffle revenue and expenditures that would eliminate the need for a compliance audit.

In response to a question, A. Noto confirmed that the cost of the US student loan audit is approximately \$5000, and is a requirement of the US loan program.

CARRIED

5.3 Motion: Brandon University 2024-25 Budget Estimates

Motion: Moved and seconded (M.J. McCallum/D. Huberdeau-Reid)

BE IT RESOLVED THAT the Board of Governors approve the 2024-2025 Budget Estimates, as recommended by the Finance Committee.

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D. Docherty provided context for the 2024-25 Budget Estimates for new members noting:

- Conversations have occurred with the Province, including where the University is fiscally and the challenges due to the inequitable funding received.
- Discussion with elected officials is on hold due to the election, however the Deputy Minister and Assistant Deputy Minister recently came to Brandon to discuss inequities.
- This is the *Estimates* document that will be submitted to the Province.
- At this time, we don't know what our grant will be, but we make our best assumptions/estimates for 2024-25.
- We have been told what to expect for movement on tuition.
- We are negotiating with our Faculty Association, so anticipate some costs that we will have to reconcile once those decisions are made at the bargaining table, (not by the Executive), and will honour the Collective Agreement as signatories to it.

- Some items may shift.
- Traditionally, a letter is received from the Province in January on what to expect for the following budget year.
- The University continues to ask if we can know the budget for the next four years, rather than annually. This would allow better planning and provide more stability.
- This is our best estimate given the current conditions, given that conditions can change.

S. Lamont provided additional context and details that is summarized as follows:

Background

- Brandon University's financial statements are consolidated with all core government departments and other reporting entities within the Province.
- The University is required to submit the 2024-25 budget estimates (April 1, 2024, to March 31, 2025) in July 2023 when 2023-24 is not complete.
 - The University is currently bargaining with the Faculty Association in 2023-24; in 2024-25 we will be bargaining with all remaining unions, so the percentage salary increases for all Collective Agreements for 2024-25 currently unknown.
 - Enrolment projections for 2023-24 are not complete; 2024-25 year not known.
- Budget Estimates is, in many respects, our target.
- The University is asked to produce a balanced budget each year. However, the University will submit a \$3M deficit in the Estimates document. The University is in discussions with the Province to resolve inequities and is submitting the Estimates Document with these discussions in play. If a sufficient response to issues raised is not received, then the University will revise the submission to present a balanced budget to the Province early next year.
- This is the first year in the last five to six years where the University has had the opportunity to talk to the Deputy Minister alongside budget submission.
- The Estimates Document is not university-specific, rather it is generic and used throughout all government reporting entities, so some sections do not fit post-secondary.

Estimates Document

- Revenues are projected to increase by about \$1.5M. About \$600k is tuition and fees; some is the nursing expansion; some is from promissory notes.
- Expenses are projected to increase by \$4.5M, therefore showing a \$3M deficit. The University is working with the government to address the \$3M deficit.

- The government asked the University to assume a 0% increase to the operating grant (the University's largest revenue source) and 2.75% increase to tuition revenue. These may change.
- Enrolment (student numbers % and credit hours %) has shown a modest increase. As of September 1, 2023, first time student credit hours are up by 15.9% and the number of first-time students is up 11% over the prior year. Domestic non-indigenous students declined the most last year; however, the number of credit hours is 20% higher this year over last year.
- The University is assuming an 8% increase for the two-year period (2023-24 and 2024-25) for domestic enrolment, and a 10% increase in international tuition.
- General inflation of 3% is built in for Electricity, Gas and Water.
- The University received a 3.9% provincial operating grant increase last year; the Winnipeg institutions got 10-20%.
- The University's operating grants decreased by 2.5% over the last four years while inflation went up 8.5%. This causes pressure to do the same with less. This Estimates Document includes a request for additional funding for student support.
- The University received \$12.5 million capital (for the Brodie building Architecture plans and McMaster plumbing stack replacement). This is one-time only funding, not ongoing. It can be used for projects only but cannot be used to pay salary or bills.
- As the Board you are fiscally responsible for ensuring that the University does not run at a deficit. We are submitting a \$3M deficit in the Estimates document. Ultimately, we will be producing a balanced budget, not a \$3M deficit, for the Board in March when the actual budget is submitted.

A member asked why there were large increases for the Advancement Office. A. Noto clarified that this question was related to the August report submitted as a part of the Consent Agenda, and not the Budget Estimates document. It was confirmed that the Advancement Office, for most of the fiscal year, looks overspent as their funding does not arrive until an endowment payment is received in January (a timing issue).

A fulsome discussion on the Budget Estimates submission ensued. Topics discussed included: continued impacts of the pandemic; interest rate projections; the budget template and process; international student tuition; research grant increases; operating grant funding and disparities; and the need for the University and Board to continue advocating for equitable grant funding with the Province.

CARRIED

5.4 Motion: Borrowing Funds for Deferred Maintenance

Motion: Moved and seconded (E. Bach/K. Sumner)

BE IT RESOLVED THAT the Board of Governors agree to borrow five million dollars (\$5,000,000) by way of a promissory note from the Province of Manitoba to support deferred maintenance capital needs of the University.

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S. Lamont explained that the government provides capital funding by way of a loan and then provides the University with a grant to pay back the loan. The Board passed a motion earlier this year for \$7.2M capital funding. This motion is for an additional \$5M subsequently announced by the government. S. Lamont noted that the terms and conditions of the loan have not yet been provided but is requesting approval today to move quickly once provided, noting that the government provides the funding to pay back the loan regardless of the terms.

CARRIED

5.5 Motion: Borrowing Resolution

Motion: Moved and seconded (D. Docherty/E. Bach)

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

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S. Lamont reported that the borrowing resolution allows the University to borrow up to \$2M by way of a line of credit. The credit line has not been utilized in 31 years and would be used for urgent matters only.

CARRIED

5.6 Motion: Board of Governors 2024 Meeting Schedule

Motion: Moved and seconded (K. Sumner/Asit Patel)

BE IT RESOLVED THAT the Board of Governors approve the 2024 meeting schedule as follows:

Board of Governors - Meeting Dates
Saturday, January 27, 2024
Saturday, March 16, 2024

Saturday, May 18, 2024
Saturday, June 22, 2024
Saturday, September 21, 2024
Saturday, November 23, 2024

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L. Moss noted that the Board By-laws state that meetings occur on the fourth Saturday of the month as detailed above, unless otherwise determined. It was noted that three alternate dates were selected to avoid the long weekend in May and in September as well as to avoid the Brandon School Division Spring Break in March.

CARRIED

5.7 Nominations and Elections for Board Committee Appointments

Motion: Moved and seconded (K. Bayes-McDonald/M. Magnusson)

BE IT RESOLVED THAT the Board of Governors approve the appointment of the following individuals to the indicated committee(s) for the 2023-2024 period:

Knowles- Douglas Student Centre

Vacant (Board Representative)
Scott Lamont (Administration Representative)
Vacant (BUAA Representative)
Vacant (BU Teaching Faculty)

Board of Trustees of the BU Retirement Plan

Scott Lamont (Administration Representative)
Vacant (Board Representative)

Review Committee on the Status of Women

Ayushi Patel (Board Representative)

Board of Directors of the Brandon University Foundation

Quintin Pearce (OIC non-student Representative) – *also member of the Foundation Management Committee*
Asit Patel (Student Representative)
Michelle Magnusson (Faculty Senator)

Brandon University Senate

David Huberdeau-Reid (Board Representative)

Governance and Nominating Committee

Michelle Magnusson (Faculty Senator)

Anugo Okudo (Student Representative)

Michael Juce (OIC Representative)

Finance Committee

Ed Bach (Faculty Senator)

Ayushi Patel (Student Representative)

Vacant (OIC Representative)

Audit and Risk Committee

Vacant (External Board Member-at-Large Representative)

Kristal Bayes-McDonald (External Board Member-at-Large Representative)

Human Resource Committee

Vacant (External Board Member-at-Large Representative)

Executive Committee

Ed Bach (Faculty Senator)

Asit Patel (Student Representative)

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The Chair noted that E. Bach had volunteered as the Faculty Senator on the Finance Committee and on the Executive Committee. The Chair then called for volunteers for the remaining vacant positions; no volunteers came forward during the meeting.

The Chair noted that she would reach out to Board members regarding the remaining vacancies.

CARRIED AS AMENDED

5.8 Annual Signing of Fiduciary Duty & Conflict of Interest Agreement

The Chair indicated that the document had been provided to members. This is a document that is required to be signed annually by all Board members and resources to the Board to confirm their acknowledgment of their commitment to Fiduciary Duty and avoidance of Conflict of Interest. The Chair also stressed the importance of confidentiality.

Members were asked to complete, sign, and submit the completed forms to M. Lamontagne. The Chair will review and sign the completed documents.

6. MOVE TO CLOSED SESSION

Motion: Moved and seconded (E. Bach/Q. Pearce)

BE IT RESOLVED THAT the meeting move to Closed Session.

CARRIED

7. RAISE MOTION(S) FROM CLOSED SESSION

The following motion was raised from Closed Session:

BE IT RESOLVED THAT the Board of Governors approve the extension of Dr. Heather Duncan's appointment as Associate Vice-President (Research) commencing October 1, 2023, to December 31, 2023.

BE IT RESOLVED THAT Julee Galvin be elected for the position of Chair of the Board of Governors.

BE IT RESOLVED THAT Kevan Sumner be elected for the position of Vice-Chair of the Board of Governors.

BE IT RESOLVED THAT Kristal Bayes-McDonald be elected for the position of Secretary of the Board of Governors.

BE IT RESOLVED THAT David Huberdeau-Reid be elected for the position of Treasurer of the Board of Governors.

BE IT RESOLVED THAT the Board of Governors appoint K. Sumner to the Vice-President (Administration & Finance) Search Committee.

8. ADJOURNMENT

Motion: Moved and seconded (E. Bach/Ayushi Patel)

BE IT RESOLVED THAT the meeting adjourn at 12:53 p.m.

CARRIED

Chair, Board of Governors

Board Secretariat