

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

**Saturday, May 11, 2019
Louis Riel Room
8:30 a.m.**

Present: J. Gobeil (A/Chair); S. Chambers (via videoconference); D. Docherty; H. Mumin; M. Malazdrewicz; O. Akintola; W. Hodgins; K. Auriat; J. Galvin; T. Corbett (via videoconference); B. Zander; K. Kerkowich; G. Jackson (via videoconference)

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

Regrets: M. Archibald; M. Decter; T. Rourke; D. Stewart

1.0 CALL TO ORDER

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

The Chair welcomed Dr. David Docherty, President & Vice-Chancellor; Whitney Hodgins, BUSU Vice-President (Internal); and Olu Akintola, BUSU President, to the Board of Governors.

2.0 AGENDA AND MINUTES

2.1 Approval of Agenda of May 11, 2019

Motion: Moved and seconded (M. Malazdrewicz/H. Mumin)

BE IT RESOLVED THAT the agenda of the May 11, 2019, Board of Governors meeting (Open Session) be approved.

**052 May19
CARRIED**

2.2 Approval of Consent Agenda

Motion: Moved and seconded (H. Mumin/K. Auriat)

**BE IT RESOLVED THAT the Consent Agenda be approved as follows:
a) Minutes of March 16, 2019 (Open Session)**

- b) Report from the Vice-President (Administration and Finance)
- c) Report – Transactions of \$25,000 or More – February 23 – April 23, 2019
- d) Reports from Representatives on Committees Reporting to the Board:
 - i. Knowles-Douglas Centre
 - ii. Status of Women Review Committee
 - iii. Brandon University Alumni Association

053 May19
CARRIED

3.0 REPORTS

3.1 Governance and Nominating Committee

- a) Report from the Governance and Nominating Committee (J. Gobeil)

The Governance and Nominating Committee met on Friday at 4:30 p.m.

Two items of New Business were discussed. One motion was recommended to the Board of Governors regarding an amendment to By-Law No. 8 – Signing Authorities. The Committee also reviewed the annual Board evaluation tool.

3.2 Finance and Audit Committee (K. Auriat)

- a) Report from the Finance and Audit Committee

The Finance and Audit Committee met on Friday at 5:00 p.m.

The following regular reports were received for information:

- Financial Summary by Object as at March 31, 2019
- Financial Summary as at March 31, 2019
- Preliminary Report – Research and Special Purpose Funds from April 1, 2018 to March 31, 2019
- Transactions of \$25,000 or More Report – February 23, 2019 to April 23, 2019
- By-Law No. 8 Amendment Update

In addition, a motion was recommended to the Board of Governors regarding the Board of Governors Entrance Scholarships and Bursaries.

3.3 President (D. Docherty)

a) Report from the President

Dr. Docherty provided a verbal report as follows:

- Attended two days of Crown Services Board Development training;
- Met with the Manitoba Post-Secondary Education Presidents;
- Toured the Brodie Science Building.

It was noted that a written format for the report from the President will be discussed in Closed Session.

4.0 CONTINUING BUSINESS

4.1 John R. Brodie Science Centre Building

Motion: Moved and seconded (H. Mumin/K. Auriat)

BE IT RESOLVED THAT the President and Vice-Chancellor develop a plan in response to the Preliminary Assessment & Conceptual Design Recommendations for Brandon University, as prepared by Prairie Architects, for consideration and approval by the Board of Governors;

AND THAT the plan be inclusive of the options related to the scope of work and financing of the project and that it be developed in consultation with the Dean and Faculty of Science.

057 May19

The Chair stated that the Board has now had additional time to consider the information as provided in the report of the assessment and preliminary design options for the John R. Brodie Science Centre. It was suggested that the Board engage in a further discussion to ensure members have an opportunity to share additional thoughts, suggestions, and ask questions before requesting that the President develop a detailed plan, in consultation with the Faculty of Science, to respond to the recommendations and bring that plan to the Board for discussion and approval.

Member expressed the importance of faculty and community engagement for a future development.

Dr. Docherty stated he has met with the Dean of Science and there is agreement that a plan is important noting this is a priority. The consultation process would include the Dean, faculty, students and the public.

Member raised question about the timeline for this process.

Dr. Docherty stated there is a need to first consult with various groups and that a timeline will be developed. The Board will be updated on the consultation process which will include development, resources, and what is fiscally reasonable.

Member raised question if the motion should be amended to include more specificity regarding the consultation groups. Members felt that this was not necessary.

CARRIED

5.0 NEW BUSINESS

5.1 Motion: 2019 – 2020 Operating Budget

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

BE IT RESOLVED THAT the Board of Governors approve the 2019 – 2020 Operating Budget (including the 2019 – 2020 Fee Schedule and budgets relating to Renovations & Equipment, Eckhardt-Gramatte Conservatory of Music, Ancillary Services and Campus Manitoba), as recommended by the President.

055 May19

Mr. Lamont provided an overview and highlights of the budget and the environment in which we operate for consideration. It was noted that the fee schedule has been changed on page 47 in the budget document. A revised fee schedule was circulated to Board members at the meeting. The following is a summary of Mr. Lamont's budget presentation:

- International student enrolment has grown from 3% to 11% with applications continuing to increase;
- Number of first time students continues to grow but is slowing;
- Indigenous student retention has increased from 36% to 62% over the past seven years;
- New accounting standards (PSAS) are required this year meaning the budget is produced in a different way than previous years;
- Total budget is \$68 million on a summary basis noting that \$54 million of this is the operating budget;
- Operating revenues include: Manitoba Education & Training (MET) Operating Grant; Tuition Fees; Other Student Fees; Other Income; and Sales of Goods & Services;

- Approximately 84% of the traditional operating budget is allocated for salaries and benefits;
- Proposed that \$1.35 million of the budgeted cost increases be addressed through the use of surplus funds noting that this includes \$500k to be allocated to the ERP system;
- Non-ERP surplus funds are roughly half of what was used last year noting good progress in reducing use of surplus funds to balance budget;
- As approved by the Board in May 2018, international student tuition fees will increase as follows as of September 2019:
 - New undergraduate – 3.7 times higher than domestic students
 - Continuing undergraduate – 2.5 times higher in 2019/20; 3 times for 2021/22; and 3.7 times for 2022/23
- 15% of all international tuition premium rates are returned to international students in the form of scholarships. For 2019-30, this will increase international scholarships by about \$160k to over \$300k per year;
- Student enrolment is budgeted to increase by 8% for international students and domestic enrolment is budgeted to be the same as 2018-19;
- Vacancy, term and sessional replacements were approved as requested. Five vacancies in each of the five faculties will be held on a temporary (one-year) basis. Four FTE additions were committed to in various academic and administrative service areas;
- The Provincial budget was announced on March 7th. At the time it was understood that, in accordance with the Advanced Education Administration Act, tuition fees were allowed to increase at the rate of 5% plus Consumer Price Index (CPI) or, for 2019/20, at the rate of 7.5%. A change in provincial directive was received on April 12th that stipulated tuition fees may only increase by a maximum of 3.75%. The loss of revenue as a result of the directive was \$415k. This required the Board Budget Committee, at their second meeting, to consider changes to the budget. Changes include removing inflationary non-salary increases, postpone payment on the HLC debt, and a greater draw on surplus funds. It should be noted, however, that a commitment remains in place to those positions that were originally pledged.

Dr. Robinson added that there is a possibility that legislation could change and that we should anticipate a maximum allowable tuition increase of 3.75% next year.

The Chair opened the floor to questions:

Member raised question in regards to the HLC debt payment and if there are other alternatives to pay off the debt.

Mr. Lamont stated that unappropriated surplus funds could be used to pay off the HLC debt, however, this would remove flexibility. He commented that it would

be best to spread the funds over a larger amount of time so as to not restrict the University should there be emergency expenditures or unanticipated upgrades (e.g. underground hydro cabling).

Mr. Lamont confirmed for a member that the 3.75% allowable tuition increase is all-inclusive (i.e. includes CPI).

Member asked for a rough estimate of academic/research salaries compared to other staff. Mr. Lamont noted that approximately three quarters of salaries and benefits are academic/research and one quarter are non-academic salaries.

Discussion took place in regards to other opportunities to generate funds for the HLC such as naming rights or fees for those utilizing the Centre that would not directly impact students. Suggestions included exploring the possibility of transferring of naming rights and other naming opportunities. Another suggestion was made to look at obtaining sponsorship for existing programs. It was noted that a levy is in place for all students who use the HLC. It was further noted that Athletics has been doing a tremendous job at sponsorship and fundraising for the HLC.

Dr. Docherty stated that he and the Director of Advancement & Alumni Affairs have been working on similar priorities noting they would like to work with the Deans to establish development priorities.

Member raised question in regards to the motion recommended by the Board Budget Committee at their April 17th meeting in regards to the proposed adjustments on Page 7 (Decision Matrix) of the budget document.

Mr. Lamont acknowledged that the Decision Matrix is not in its final form as the Board Budget Committee (BBC) rejected the delay of the third installment for the PENT subsidy as well as the removal of inflation adjustment for Library acquisitions. It was recommended by the BBC that these be supported through the use of additional surplus funds.

Comment was made that the Board should be receiving this information in a more summarized format and that changes made to the Decision Matrix should be highlighted for members.

Mr. Lamont agreed and stated that a final adjusted budget will be provided next year which will allow members to see exactly what the budget looks like after adjustments are made.

Member raised question as to why the administrative fee is increasing from \$87k to \$235k for Campus Manitoba (Page 215).

Mr. Lamont stated that Campus Manitoba is an external agency which operates on campus. BU is responsible for administering their budget (and various other administrative services) and has charged overheads at a nominal rate of \$87k per year. This amount is proposed to increase to \$235k and it is recommended that these be covered solely by Campus Manitoba. This is subject to Provincial concurrence noting that if the Province does not approve, the University will need to increase the use of additional surplus funds to cover this increase. Dr. Robinson added that this is not a request for funds from the government, it is rather asking for permission to charge Campus Manitoba from funds received by government.

Mr. Lamont confirmed that Campus Manitoba has the capacity to cover this increase while still running a surplus and this would not impact their operations.

Member raised question as to why PENT has a surplus of \$12k and if this can be used towards the \$45k subsidy.

Mr. Lamont and Ms. Noto explained how the PENT program operates and that this is the first year the program shows a surplus noting that the program is actually running a deficit. It was agreed that this item would be brought back to the Board for further explanation in June. It was confirmed that the PENT program does not operate with other institutions and is solely a BU program.

Member questioned the Board's comfort level with using \$650k of \$990k of surplus funds to balance the budget.

Ms. Noto stated that \$990k was an estimate as of April 17th and that unappropriated surplus is now at approximately \$2 million. Mr. Lamont added that the original estimate was made during the process of year-end noting that the use of \$650k of unappropriated surplus is still correct. Overall, the budget will use \$1.3 million of surplus funds while using just over \$500k in unappropriated surplus. The use of other surplus (i.e. Ancillary, carry-forward, and Conservatory of Music) was confirmed correct.

Members expressed that they would like to see an updated budget document before voting on the budget.

Extensive discussion took place regarding how surplus is generated and how it is used. The following is a summary of discussion:

- Surplus funds are used for unexpected expenses (e.g. hydro improvements) and cannot be used on an ongoing basis;
- Surplus funds are considered "one-time money" and are used as a contingency fund;
- We have a deficit budget and are using surplus to balance, noting our expenses are greater than our revenues;

- We are using some surplus, but not all of it to balance the budget;
- We are producing a surplus each year for the next year;
- Surplus is not ongoing revenue;
- Surplus is required to ensure we are doing our due diligence for unexpected projects and can be considered an essence of float;
- 65% of unappropriated surplus is going into the budget just to balance it;
- Accurate surplus is not determined until year-end is complete noting this is why the original estimate of \$990k of unappropriated surplus was not correct;
- A surplus contingency fund of \$2 million is not out of the realm of what is appropriate for an institutional budget of our size;
- Board has the authority to direct funds to be moved into implementing initiatives such as a Strategic Plan and it is not unusual to budget surpluses for this reason.

Members requested an updated Decision Matrix that is clear on surplus balances as well as any supporting summary documentation. Discussion took place as to whether this should be done via electronic motion or if it could come forward at the June meeting. It was agreed that these would come forward at the June meeting.

Mr. Lamont asked the Board to consider the fee schedule separately given that students need to be informed of the tuition fees for the 2019-20 year as soon as possible. It was agreed that a separate motion would be considered.

Motion: Moved and seconded (H. Mumin/M. Malazdrewicz)

BE IT RESOLVED THAT the 2019-20 Operating Budget be tabled until the June 2019 Board of Governors meeting.

CARRIED

Motion: Moved and seconded (W. Hodgins/M. Malazdrewicz)

BE IT RESOLVED THAT the Board of Governors approve the fee schedule for 2019-20 including a 3.75% increase in tuition fees.

CARRIED

5.2 Motion: Junior Kindergarten Program

Motion: Moved and seconded (M. Malazdrewicz/D. Docherty)

BE IT RESOLVED THAT the Junior Kindergarten program at Brandon University cease to operate at the end of the 2019-20 school year in June 2020.

056 May19

Mr. Lamont reported that the Junior Kindergarten program has been operating for many years out of the Faculty of Education. It was reported as part of the 2018-19 Operating Budget discussions that the program ran a deficit of \$32k. In consideration of comments made by the Board of Governors at that time, Mr. Lamont has looked into whether the program could continue to operate on a break-even basis and it has been determined that this is not possible. Based on this knowledge, Mr. Lamont is recommending that the Board consider ceasing the operation of the program. Although revenue and classroom space will be gained if the motion is passed, the University will be losing the community outreach aspect that this program provides.

Member expressed disappointment noting that the Junior Kindergarten program is a good community outreach initiative.

Member expressed discomfort in asking students to subsidize a program that is not utilized by students noting it would be different if the majority of children in the program had parents who were university students.

CARRIED

5.3 Motion: Board of Governors Entrance Scholarships and Bursaries

Motion: Moved and seconded (K. Kerkowich/K. Auriat)

BE IT RESOLVED THAT the Board of Governors approve the allocation of unrestricted endowment funds for the 2019/2020 fiscal year as follows:

Faculty Research (BURC) \$59,954

Entrance Scholarships:

Tier I	Average greater than or equal to 95%	2000.00
Tier II	Average greater than or equal to 92.5%	1700.00
Tier III	Average greater than or equal to 90%	1400.00

Tier IV	Average greater than or equal to 87.5	1100.00
Tier V	Average greater than or equal to 85%	800.00
Total available from endowment funds for Entrance Scholarships		\$60,708
TOTAL		\$120,662

048 May19

Mr. Lamont reported that these funds provide automatic entrance scholarships for those who meet the high school grade requirements. The Operating Budget provides the balance of funds necessary to fulfill these scholarships (in addition to the endowment funds noted in the motion).

Dr. Docherty stated that the tiers have not changed and that the Board is only considering the allocation of endowment funds.

CARRIED

5.4 Motion: Amendment to By-Law No. 8

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

BE IT RESOLVED THAT the Board of Governors approve the revisions to By-Law No. 8 – Signing Authorities.

043 May19

Mr. Lamont stated that the proposed amendments were initiated at the request of the Finance and Audit Committee in regards to the bi-annual contracts and agreements report. It was noted that a list of agreements will be maintained and that those that have changed or are of significant value will be provided to the Board.

CARRIED

5.5 Motion: Appointment of Student Representatives to Board Committees

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

059 May19

BE IT RESOLVED THAT the Board of Governors approve the appointment of the following individuals to the indicated committees:

Executive Committee – Olu Akintola
Finance & Audit Committee – Whitney Hodgins

CARRIED

5.6 Move to Closed Session

Motion: Moved and seconded (W. Hodgins/H. Mumin)

BE IT RESOLVED that the meeting move to Closed Session.

5.7 Motion(s) Raised from Closed Session

The following motions were raised from Closed Session:

BE IT RESOLVED THAT the Board of Governors approve the following applications for Sabbatical Leave as recommended by the President:

FACULTY OF ARTS:

Schneider, Christopher July 1, 2020 to June 30, 2021 at 80%
Winter, David July 1, 2020 to June 30, 2021 at 80%
Robles, Wilder July 1, 2020 to June 30, 2021 at 80%
Harms, Patricia July 1, 2021 to June 30, 2022 at 80%
Ashton, Bill July 1, 2020 to December 31, 2020 at 80%
Allan, Jonathan July 1, 2020 to June 30, 2021 at 80%
Smid, Deanna July 1, 2020 to June 30, 2021 at 80%
Mayer, Lorraine July 1, 2020 to December 31, 2020 at 100%
Grills, Scott July 1, 2020 to December 31, 2020 at 80%
Holland, Emily July 1, 2020 to June 30, 2021 at 80%
Saunders, Kelly July 1, 2020 to December 31, 2020 at 80%
McCulloch, Allison January 1, 2021 to June 30, 2021 at 80%
Zhuang, Hejun July 1, 2020 to June 30, 2021 at 80%

FACULTY OF SCIENCE:

Chen, Vincent July 1, 2020 to June 30, 2021 at 80%
Charette, Michael July 1, 2020 to June 30, 2021 at 80%
LeMoine, Christophe July 1, 2020 to December 31, 2020 at 100%
Alexandre, Paul January 1, 2021 to June 30, 2021 &
..... January 1, 2022 to June 30, 2022 at 80%
Srivastava, Gautam July 1, 2020 to June 30, 2021 at 80%
Li, Chenkuan July 1, 2020 to December 31, 2020 at 100%
Williams, Jeff January 1, 2021 to June 30, 2021 at 80%

FACULTY OF EDUCATION:

Nantais, Michael..... July 1, 2020 to December 31, 2020 at 80%

SCHOOL OF MUSIC:

Wood, CatherineJanuary 1, 2021 to June 30, 2021 at 80%

STUDENT SERVICES

Grills, Sheilagh..... July 1, 2020 to December 31, 2020 at 80%

Garbutt, Joan.....July 1, 2020 to June 30, 2021 at 80%

CARRIED

6.0 ADJOURNMENT

Moved (W. Hodgins/K. Auriat)

BE IT RESOLVED THAT the meeting adjourn at 12:26 p.m.

CARRIED

Chair, Board of Governors

Secretary, Board of Governors