

Item: Board of Governors Minutes, June 1997

Call Number: Board of Governors Fonds UA-1, BOG 160 June 1997 and BOG 160
September 1997

Additional Notes:

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AGENDA
BOARD OF GOVERNORS
JUNE 17, 1997, 4:00 P.M.
UNIVERSITY HALL
MACDONALD BUILDING

1. Approval of Agenda
2. Minutes of Board Meeting of May 13, 1997 (enclosure)
3. Report of the President
4. Report of the Chair

Items for decision

5. Financial Matters
 - a) 1996-97 Budget Report (enclosure) Risley
 - b) Audited Financial Statement for year ending March 31, 1997 (enclosure) Petley-Jones
 - c) Appointment of Auditors for 1997/97 fiscal year Petley-Jones
 - d) 1997/98 University Budget Risley
6. Selection of an Architect for the new building for the Faculty of Arts and Social Sciences Mason
7. Transfers to the Retirees Trust Fund (enclosure) Stuart
8. Amendment to the Early Retirement Program (enclosure) Stuart
9. Naming of DalTech Rhodes

Items for information

10. Annual Reports of Standing and Other Committees (enclosures)
11. Capital Ideas Campaign Risley
12. Information exchange

In Camera

13. Appointment of Acting Vice-President (Academic & Research) Traves
14. Appointment of Dr. Ruth Goldbloom to the Dalhousie Foundation Traves
15. Adjournment

Dalhousie University Board of Governors
Motions to be Proposed
June 17, 1997

- Item #** **BE IT RESOLVED:**
5. b) THAT on the recommendation of the Audit Committee, the Board of Governors Approve the audited financial statements of the University for the year ended March 31, 1997.
5. c) THAT KPMG Chartered Accountants be reappointed as auditors of the University for the 1997-98 year with no increase in the base audit fee.
5. d) THAT on the recommendation of the Finance & Budget Committee, the Board of Governors approve the 1997-98 Operating Budget with revenues and expenditures of \$138,737,000.
7. Motion as recommended by the Pension Advisory Committee is attached to the memo circulated with agenda.
8. Motion as recommended by the Pension Advisory Committee is attached to the memo circulated with the agenda.
- Additional Item THAT on the recommendation of the Nominating Committee, the Order in Council reappointments of Mr. James Cowan and Mrs. Ann Petley-Jones each effective July 1, 1997 for a three year period be approved. And the Order in Council appointment of Ms. Karen Cramm for a three year appointment effective July 1, 1997 be approved.
- In Camera**
14. THAT the Board of Governors approve the nomination of Dr. Ruth Goldbloom to the Governor in Council for appointment to the Dalhousie University Foundation.



Minutes of a meeting of the Board of Governors held on June 17, 1997 at 4:00 p.m. in University Hall.

Present:

Mr. Allan C. Shaw
Chair

Mr. Chris Adams

Ms. Nancy Anderson

Ms. Diane Bell

Mr. Gerald Clarke

Prof. Joan Conrod

Mr. Murray Coolican

Dr. Ivan Duvar

Mr. Andrew Eisenhauer

Mr. John Flemming

Mr. Fred Fountain

Dr. Elaine Gordon

Ms. Patricia Harris

Ms. Margaret Langley

Dr. Daurene Lewis

Dr. Frank Lovely

Ms. Bernadette Macdonald

Mr. George MacDonald

Hon. Jacqueline Matheson

Prof. John O'Brien

Mrs. Ann Petley-Jones

Vice-Chair

Mr. Hugh Pierce

Mr. John Risley

Honorary Treasurer

Ms. Patricia Roscoe

Mr. Kenneth Rowe

Mr. Peter Stuart

Dr. Tom Traves

President

Mrs. Carol Young

Honorary Secretary

Also, present were the following Associate Board Members: Mrs. Cynthia Davis, Halifax; Dr. Douglas C. Mackay, Toronto; Hon. T. Alex Hickman, St. John's; Mrs. Brenda MacCarthy, Toronto; Senator Donald Oliver, Ottawa.

Also, present were: Dr. Deborah Hobson (Vice-President, Academic & Research), Mr. Bryan Mason (Vice-President, Finance & Administration), Ms. Dale Godsoe (Vice-President, Development & Alumni Affairs); Dr. Robert Fournier (Associate Vice-President, Research and International Relations); Ms. Julia Eastman (Coordinator, Policy Development); Dr. Peter Schotch (President, Dalhousie Faculty Association); Ms. Michelle Gallant (Director, Public Relations); Mr. Alan Barkhouse (KPMG Peat Marwick Thorne); Mr. Ian Nason (Director, Financial Services); Mr. Darrell Cochrane (Controller); Mr. Leland Crowell (Coordinator, Employee Benefits & Payroll); Ms. Mary Somers (Editor, Dalhousie News); and Ms. Sharlene Drake (Secretary).

The Chair called the meeting to order at 4:10 p.m. Mr. Shaw then introduced and welcomed the Associate Board Members.

Board of Governors

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Approval of Agenda

Board Members agreed to accept the agenda as distributed with the following changes: the addition of Staff Matters to the *In Camera* session, the discussion of Item 6, selection of an architect for the new building for the Faculty of Arts and Social Sciences, to take place during the *In Camera* session, the addition of an item to approve the Order in Council appointment and reappointments, and the deletion of Item 9, naming of DalTech, at the request of the DalTech Board.

Minutes of the Board Meeting of May 13, 1997

Ms. Langley moved and Mr. Adams seconded a motion that the minutes of the meeting of May 13, 1997 be approved as distributed. The motion carried.

Report of the President

Dr. Traves extended a welcome to Associate Board Members. Dr. Traves then brought Members attention to the posters on display in the room, some of which depict the series of advertisements published in local papers, and which serve to promote the virtues and many strengths of the newly amalgamated university. A series of donations has paid for these advertisements made to the university for this purpose. The cover pictures are a part of the recently distributed brochure that depict the capacities of the newly amalgamated university in the areas of technology education and technology research. They provide a sense of the range of the capacity of the university and its comprehensive strengths.

Additionally, Dalhousie's strengths are represented in the series of publications by the Province of Nova Scotia entitled *Open to Nova Scotia* designed to promote the strengths of the province. The first issue is dedicated to strengths in oceans related industries entitled the *Next Wave* and the most recent edition, *Life Science* focuses on the impact of research on the economy of the province. Although these are not Dalhousie publications, the overwhelming presence of Dalhousie faculty and programs as a large part of the strength of Nova Scotia can clearly be seen; this is an important element in enabling us to connect our strengths to the development of the province.

Dr. Traves drew attention to his memo that was recently circulated to the Dalhousie community to provide an update on recent developments. The first development is the recent retreat of the vice-presidents, deans, other senior academic administrators, as well as three Board Members, to discuss strategic directions for the university. He noted that there was a high degree of consensus reached about where the university is headed. A series of specific goals and objectives will be formulated based on this consensus and the preliminary results will be brought to the Board for discussion. Dr. Traves remarked that the university is moving forward on several fronts, and there is a strong emphasis on creating an entrepreneurial capacity in the University to respond to our changing environment. The second matter referred to was the development and refinement of our service component; recognizing that we are in a highly competitive market, we must provide excellent service to our clients.

We have recently had confirmation of a \$2M grant from CIDA to underwrite the costs of an international development project in the Baltic States where Dalhousie will provide economic and management advice.

Additionally, we have word that our proposal for \$1M to develop a new program and increase research strength at the University has been short listed by the Whittaker Foundation which has a special interest in biomedical engineering. The amalgamation now gives us strengths in both areas.

Our proposed enrolment for the coming year suggests that, based on the numbers of qualified applicants in the pool, we will meet our targets and are currently 4.5% ahead of the offers made last year based on the number of qualified applications received. In contrast to other universities where they are reporting a decrease in the numbers of qualified applicants, we are enjoying a strong increase, particularly in the Faculty of Arts and the Faculty of Engineering where the first year application pool is up more than 30%.

Finally, those employees who have recently retired were entertained recently at the President's Residence. Those employees who have been employed at Dalhousie for twenty-five years will be recognized on June 18 at a similar function to acknowledge their dedication to the university.

On the 22 of July, a reception will be held to honour Deborah Hobson who leaves her post as Vice-President (Academic & Research) at the end of the academic year. An invitation will follow.

Dr. Traves closed by thanking Board Members and Associate Members for their contributions during the past year, noting that it has been an exciting, challenging, and historically significant year for the University.

Report of the Chair

Mr. Shaw concurred that it had been an exciting year and rewarding in that the University has made significant progress and is now well positioned for the future. He also expressed his gratitude to the absolute devotion shown by all Board Members and especially Board Members who will be stepping down from the Board at the end of June, namely Prof. Joan Conrod, Dr. Elaine Gordon, Ms. Margie Langley, Dr. Frank Lovely and Mrs. Carol Young. Together this distinguished group represents 13 years of service to the Board of Governors and many more to Dalhousie University

through Senate and the Alumni Association. Their collective contribution encompasses a diverse involvement in the life of the University, and a generous commitment of time and effort, always freely given with the best interests of Dalhousie in mind. Mr. Shaw commented that these individuals had contributed generously and thoughtfully to the work of the Board and would be relied on for their ongoing support and interest in Dalhousie, knowing that they can be counted on in the future to be ambassadors for Dalhousie. The President and the Chair then presented each retiring Board Member with a small gift as a token of gratitude.

Ms. Langley then presented Dr. Traves with an umbrella on behalf of the Alumni Association as a token of their appreciation.

Items for decision

5. A) 1996-97 Budget Report

Mr. Risley indicated that this represents the ninth consecutive year the budget has either been balanced or in a surplus position, a remarkable achievement. It is more remarkable in the context that for the past five years the University has experienced declining government support for a cumulative effect of about \$20M. At the same time, the debt has been reduced from approximately \$40M to \$9M, with a plan in place to pay out the balance of the debt in the next two-to-three years. The University's finances are managed extremely effectively with thanks in no small part to the staff who are knowledgeable and responsive.

B) Audited financial statement for the year ending March 31, 1997

Mrs. Petley-Jones noted the following points from the audited financial statements - that the equity of the University has increased by \$10M, and endowments have increased by \$17M.

Mrs. Petley-Jones moved and Prof. Conrod seconded a motion THAT on the recommendation of the Audit Committee, the Board of Governors approve the audited financial statements of the University for the year ended March 31, 1997. The motion carried.

C) Appointment of Auditors for 1997/98 fiscal year

Mrs. Petley-Jones moved and Mr. Clarke seconded a motion THAT KPMG Chartered Accountants be reappointed as auditors of the University for the 1997-98 year with no increase in the base audit fees. The motion carried.

D) 1997\98 University Budget

Mr. Risley reminded Board Members that the budget process on campus is very open and everyone on campus is given an opportunity to understand the financial position of the university and the variables that impact most significantly on the budget from year to year. The Budget Advisory Committee deals with these issues and makes recommendations to the President.

This year the University is aware of the grant from the province, unlike many years in the past, and the grant is greater than expected but less than that of last year. The anticipated reduction was 2.7% but the actual cut is 2.2%. The key variables, which Board Members should be aware of in the budget, are enrolment levels, tuition fees, and the upcoming negotiations on collective agreements.

Issues arising from the amalgamation of Dalhousie and TUNS are outlined in the 1997-98 Operating Budget Report including a variety of models being considered for the replacement of the heating source for DalTech, formerly supplied by the plant at the Halifax Infirmary. Mr. Risley also noted a grant of \$3M over three years is being provided by the province to DalTech to "beef-up" the Computer Science program. It is understood at government levels that this will continue to be provided for in the budget.

Prof. Conrod raised concerns over the budget projections regarding the collective agreements that are to be addressed in this budget year. Dr. Traves noted that he and Mr. Mason met with the Nova Scotia Council on Higher Education last week to discuss the funding formula and it was a positive meeting in that they understood our position and the arguments being presented. The issue of negotiations was raised as was the staffing implication in Computer Science that will require long-term funding commitments. The Deputy Minister was presented with a mechanism to address this problem - fold \$2M into the base budget. The Deputy Minister requested a proposal be brought forward at the NSCHE meeting this week. Dr. Traves hopes to have more to report at the September meeting.

In response to concerns raised by Mr. Coolican about the upcoming costs associated with the salary negotiations and the implications on future budgets, Dr. Traves indicated that one topic raised at the recent strategic directions retreat was a pressing need for new revenue sources as there is no assumption that government grants can or will increase significantly. Therefore, the University must develop sources of revenues through innovative programs and marketing strategies.

Mr. Risley moved and Mrs. Petley-Jones seconded a motion THAT on the recommendation of the Finance & Budget Committee, the Board of Governors approve the 1997-98 Operating Budget with revenues and expenditures of \$138,737,000. The motion carried.

7. Transfers to the Retirees Trust Fund

Mr. Mason reported that this transfer has been discussed and agreed to by all employee groups as well as the Pension Advisory Committee. This will ensure that there are sufficient funds in the Retirees Trust Fund to pay ex gratia pensions to those who retired fifteen years ago and prior to that time. This will leave the fund fully funded in this respect.

Amendment 13 was also circulated with this item and represents wording that must be incorporated into the Pension Plan text to enable the university to pay the pensions. The amendment is to be retroactive to September 1, 1991. The actual wording of the motions and the amendments are attached to the minutes. The motions carried.

8. Amendment to the Early Retirement Program

Mr. Mason provided background on the amendments, the first being a change in wording governing the early retirement program, the intent of which is to provide a degree of flexibility in eligibility for early retirement in very restricted cases where units are required to downsize and have individuals who had not previously considered the option. Additionally, Amendment 11 to the Pension Plan text, has been suggested by pension regulators and agreed to by the employee groups.

The motions, as attached, were moved by Dr. Traves and seconded by Mrs Petley-Jones. The motions carried.

9. Nominating Committee: Order in Council Appointments

Dr. Traves moved and Mr. MacDonald seconded a motion THAT on the recommendation of the Nominating Committee, the Order in Council reappointments to the Dalhousie Board of Governors of Mr. James Cowan and Mrs. Ann Petley-Jones each effective July 1, 1997 for a three year period be approved. And the Order in Council appointment of Ms. Karen Cramm to the Dalhousie Board of Governors for a three-year appointment effective July 1, 1997 be approved. The motion carried.

Items for information

10. Annual Reports of the Standing and Other Committees

Mr. Shaw invited Committee Chairs to comment on the reports. Mr. Shaw indicated that the committee work is extensive. Mr. Stuart thanked members of the Investment Committee and Mr. Mason and his staff who have provided the information required so that the committee can work effectively and efficiently.

Mr. Traves encouraged Board Members to view some projects outlined in the report of the Buildings and Grounds Committee such as the Killam Atrium, and to note the Code Blue system on campus funded by the Student Union, and also the restaurants now on campus at the request of students and staff. These specific projects have improved the quality of life on campus.

11. Capital Ideas Campaign

Mr. Risley reported that in 1996/97 the University had its greatest level of private sector gifts at \$9M. The campaign has recently passed the halfway point of \$18M toward the goal of \$35M. The goals are changing and have evolved since the amalgamation. Mr. Risley reminded Board Members that the fundraising business is extremely competitive and that Board Members are ambassadors of the University and must seize every opportunity to promote the University and enhance its image. We must develop the right relationships, maintain a professional manner in managing the University, and convince people who have historically not given large amounts of money to universities to now do so. The transition to having universities be more relevant to the private sector is a difficult but not insurmountable task. It is the collective responsibility of the Board to ensure that the community understands the future directions and requirements of the University.

Mr. Risley reported three good news items:

- (1) The Purdy Crawford Chair in Business Law is designed to fund a new position at the Law School. The goal is to raise \$2M to endow this Chair and at this point \$1.3 M has been raised. He thanked Mr. Crawford for lending his name to the Chair and for his personal contribution.
- (2) The Medical School has not had a new Chair in 50 years. The Campaign has been working with the Departments of Medicine & Surgery to ascertain their needs and, combined with an undesignated gift from the Webster Foundation, a gift from the Dalhousie Medical Research Foundation, the campaign itself from undesignated funds, the Departments of Medicine and Surgery each hope to raise the remaining \$1M to endow this Chair.

Mr. Risley encouraged Board Members to seek out every opportunity to send out Dalhousie's message.

Dr. Traves personally thanked Mr. Risley for the enormous amounts of time, effort, and thought he has so generously given to the Campaign.

Dr. Traves indicated that the Capital Campaign is not the only fundraising that is ongoing. Other efforts include special funds or donated funds through the Capital Campaign, the Annual Fund, planned giving bequests, dedicated research projects funded by private donations, and occasional extraordinary gifts from either the federal or provincial governments. Since the Campaign began as the lead component of the fundraising efforts almost three years ago, from these sources we have raised slightly in excess of \$43M. The goal of the Campaign is \$35M but now through these components the goal is now \$75 to \$80M as new money to the university.

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Congratulations for the success of these efforts goes not only to Mr. Risley, but also to the staff who works with Ms. Godsoe for the professional focus required to achieve these results. We have moved toward targets that in previous years were unheard of - the previous campaign having raised \$35M over a similar time period.

Adjournment

The meeting adjourned at 5:40 p.m. with Board Members being asked to remain for a brief *In Camera* session. For the record, the following appointments were approved:

- Dr. Warwick Kimmins as Acting Vice-President (Academic & Research) for the period August 1, 1997 to June 30, 1998;
- Mr. Ronald Gilkie as Dean of Students for the period July 1, 1997 to June 30, 1998.

The Board also accepted, with regret, the resignation of Dr. Deborah Hobson as Vice-President (Academic & Research) and Professor with tenure in the Department of Classics, effective August 31, 1997.

Mrs. Carol D. Young
Honorary Secretary

Mr. Allan C. Shaw
Chair

Board of Governors
June 17, 1997
Pension Advisory Committee

RE: *Matters for Consideration of the Board of Governors -*

a) Further Amendment to the Early Retirement Program - Rule 11

On April 28, 1997, the Pension Advisory Committee approved a motion to amend the recently approved Early Retirement Program. Plan members had to make a voluntary election of early retirement according to the terms of the 1996-98 window by January 10, 1997. A few members who qualified for enhanced early retirement had significant health concerns such that they were unable to make a decision by January 10, 1997, understandably affected by the outcome of further medical treatment or assessment. These members were deemed to have made an election of early retirement which they could rescind or confirm at a later date. The first part of the amendment makes provision for this practice.

The second part of the amendment provides limited additional flexibility for a decision to take early retirement for reasons which are comparable to "position elimination". Rule 11(g) as written requires that special election arrangements for a member after January 10, 1997, are permitted under the window "because his or her position is being eliminated prior to 1 July 1998". The amendment approved by the Pension Advisory Committee would permit members who are, for example, encountering performance difficulties to elect an enhanced early retirement initiated by the University, or it may be that when position reductions are going to occur members who qualify for early retirement might be approached by the University to consider separation, and this would avoid the lay-off of another member who does not have the advantage of enhanced early retirement. The intent of this amendment is quite specific, and it is not to open the Plan to additional voluntary elections of early retirement which should have been made by January 10, 1997.

b) Housekeeping Amendments per Federal and Provincial Regulators

As a result of the approval process for plan amendments, both the Provincial and Federal regulators have requested changes, for clarification, to some of the Dalhousie Pension Plan rules.

Both of these amendments have been recommended by the Actuary and Employee groups and are attached.

g:amendapp.brd

EXCERPTS FROM MINUTES OF SENATE MEETING - July 28, 1997

97:112.

Program Modification: Master of Public Administration (Management)

Mr. Stuttard introduced a motion from SABPC:

That the proposed Master of Public Administration (Management) program be approved.

Ms. McIntyre observed that both this program, as well as the proposed Master of Engineering (Internetworking), would involve projected student numbers which were based on oral agreements and other expressions of interest. Experience in Health Professions with such commitments had sometimes been negative. In particular, one program with a promise of over 20 students from another province had to be cancelled when only 8 students actually came forward. For specialized programs aimed at mature students, proposers had to be concerned about the impact of competing obligations on potential students. Mr. Rutherford responded that this proposal had received careful consideration from both the Curriculum Committee and Faculty Council in Graduate Studies. Both groups unanimously approved the proposal after discussion of the very issue Ms. McIntyre was raising. Mr. Rosson added that the Faculty of Management would only bring a proposal forward after very careful research. They had secured very firm assurances from the provincial government about enrolments. The calculations included in the proposal were very conservative, and represented the very best estimates available. Further, the program involved very little risk because it required no additional faculty and little extra funding. The program would also be very beneficial for the School in question.

The motion CARRIED unopposed, with Mr. Cameron abstaining.

97:113.

New Program: Master of Engineering (Internetworking)

On behalf of SAPBC, Mr. Stuttard moved:

That the proposed program Master of Engineering (Internetworking) be approved with the following conditions: (1) the program would be exempt from ERBA; (2) the entire amount raised in fee revenues, save 5 percent retained for university administration, will be devoted to the new program; (3) a permanent transfer of \$5,000 will be made to the DalTech library in 1997/1998, with a further transfer of \$5,000 in 1999/2000; and (4) vigorous fundraising activities will be undertaken by participating units.

Ms. Scassa asked what was the rationale for charging differential fees to foreign students in full cost-recovery programs. Mr. Stuttard invited Mr. Christie to respond. Mr. Christie said that he was not clear whether the policy had been formally articulated and did seem redundant. The Master of Business Administration (Financial Services) program also had differential fees but, to date, had no foreign students. In any case, the University should be charging foreign student fees to recover amounts that the government would deduct from grants. Otherwise, in effect, foreign students would be subsidized. Mr. Christie suggested that explicit consideration should be given to this matter before any foreign students were charged. He personally would be comfortable with a decision to waive differential fees after the program was fully implemented because there would then be sufficient revenue to do so.

Mr. Traves commented that the question was very useful and would be referred to BAC. There was no hurry to deal with this issue because BAC could bring in a recommendation for next year's budget. Mr. Traves indicated that this discussion touched at least two other important issues - full cost-recovery programming, and the market potential of carefully-designed specialized programs. Units might wish to consider this type of programming as a method to generate surplus revenue for other activities.

Ms. McIntyre inquired whether the 5 percent deduction for university administration represented a new standard annual levy for full cost-recovery programs. Mr. Christie replied that the MBA (Financial Services), which is setting the precedent for such programs, included this deduction.

The motion was CARRIED without dissent. Mr. Cameron again abstained.

The meeting adjourned at 4:40 p.m.