

Item: Board of Governors Minutes, June 2007
Call Number: UA-1

Additional Notes:

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BOARD OF GOVERNORS

Approved Minutes of the Meeting held on Tuesday, June 19, 2007 University Hall, Macdonald Building

MEMBERS PRESENT: Cathy MacNutt (Acting Chair), Jay Abbass, Jamie Baillie, Elizabeth Beale, Bill Black, Lorne Clarke, Richard Goldbloom (Chancellor), Richard Evans, Lynn Irving, Nancy MacCready-Williams, Sunny Marche, Don Mills, Robert Radchuck, David Russell, Alasdair Sinclair, Chris Smith, Jim Spatz, Mike Tipping, Bruce Towler, Tom Traves, Jim Wilson, Shannon Zimmerman and Susan Brousseau (University Secretary)

REGRETS: Robert Chisholm, James Cowan, David Craig, Mo El-Hawary

ASSOCIATE BOARD MEMBERS: Cynthia Davis, James Palmer

NON-MEMBERS: Chris Arsenault, Carl Breckenridge, Ken Burt, Darryl Cochrane, Karen Crombie, Floyd Dykeman, Patrick Moriarty, Ian Nason, Bonnie Neuman, Jamie O'Neil, Doug Reid, Mike Roughneen, Marilyn Smulders, Jim Vibert, Susan Zinck

1. Approval of the Agenda

Moved by J. Baillie, seconded by S. Marche:

THAT the agenda be approved as distributed.

The motion was CARRIED.

2. Approval of the Minutes of the Meeting held on April 24, 2007

Moved by B. Towler, seconded by L. Clarke:

THAT the minutes of the meeting held on April 24, 2007 meeting be approved as distributed.

The motion was CARRIED.

3. Chair's Report

In the absence of Board Chair James Cowan, Vice-Chair Cathy MacNutt served as Chair for the meeting. Ms. MacNutt welcomed new student Board members, D. Russell, M. Tipping and S. Zimmerman, to their first meeting. She also welcomed C. Davis and J. Palmer, Associate Board members, and congratulated Ms. Davis on her recent honorary degree from Dalhousie, awarded at the recent spring convocation.

Ms. MacNutt conveyed the thanks of J. Cowan to all members for their work over the past year, and particularly their valuable participation on the various committees of the Board. She acknowledged the contributions of retiring Board members, D. Craig (Alumni member since 2005), M. El-Hawary (Chair of Senate since 2001), and A. Sinclair (Order-in-Council member since 1998), and presented a gift to A. Sinclair (the only retiring member in attendance) on behalf of the Board.

Ms. MacNutt also offered congratulations to J. Spatz on his entry into the Nova Scotia Business Hall of Fame with his father, Simon. Lastly, she directed members to the 2007-08 Board meeting schedule included in the agenda package and encouraged members to attend the Board Orientation and Retreat scheduled for September 17th.

4. President's Report

A written President's Report was included in the agenda package. President Traves echoed Ms. MacNutt's comments regarding the importance of the Board Orientation and Retreat and noted that he plans to share his President's Strategic Directions Report at that time. This document will likely form the basis of much of the Board's long-term planning for the University in the coming months.

The President provided an update on his last report to the Board regarding discussions with the provincial government, noting that the University has now received a commitment that the base allocation to be used for planning purposes for the next Memorandum of Understanding (MOU) with the universities will be \$258 million (up from \$223 million). This is reassuring given our concerns over the uncertain characterization of recent funding announcements made by the government and whether these items would translate into increased base budget funding or continue to be characterized as "soft" funding. This announcement confirms that the only item remaining outside of base budget grant is the bursary funding for Nova Scotian students announced earlier this spring. Dr. Traves noted that the Minister of Education was instrumental in ensuring that this commitment was instituted.

T. Traves remarked that he looks forward to the coming year with tremendous optimism: Dalhousie's enrolment indicators are strong and, overall, we are about 20% ahead of last year's numbers for new students to the University; there has been tremendous success with research funding; and the remainder of funding needed for the Life Sciences Research Institute facility should be secured in the near future. He also noted that the University is looking at a possible new venture with InNova Corp to provide incubator space next to the planned LSRI facility. If this proceeds, it will be another important addition to the research infrastructure on campus. In closing, Dr. Traves commented that there is much reason for optimism on a number of fronts and there is a real sense of energy and renewal on campus as the new academic year approaches.

5. Dalhousie Student Union President's Report

A written DSU President's Report was distributed at the meeting. In his report, M. Tipping commented on several topics including planning for the Orientation Week induction ceremony, the creation of a new Board of Operations for the DSU, the Alliance of Nova Scotia Student Associations' (ANSSA) participation in negotiations with the provincial government for a new Memorandum of Understanding, and the Canadian Alliance of Student Associations' (CASA) focus in the upcoming year on advocating for renewal or replacement of the Canadian Millenium Scholarship Foundation's needs-based scholarships.

Items for Decision

6. Financial Matters

6.1 2006-07 Budget Report

Operations Committee Chair Jim Spatz commented briefly on the 2006-07 budget, noting that the University ended the year with a surplus of \$527,000. The planned carryforward of \$960,000 in previous surpluses to balance the 2006-07 budget was not needed and there is now roughly \$1.5 million in surpluses available for future needs.

In response to a question respecting endowment spending and the fact that it seems to be going down despite positive performance, it was noted that the University, as a result of a study carried out several years ago, established a policy on endowment spending that determined that spending should be 4.75% of market value (rolled back from 5%). The intent of this policy is to ensure stable spending over time.

6.2 2006-07 Audited Financial Statements

Audit Committee Chair Bruce Towler briefly reported on the process that the Audit Committee undertakes annually with regard to the annual audited statements. The Committee satisfied itself that audit was carried out appropriately and that there are no outstanding issues.

Moved by B. Towler, seconded by R. Radchuck:

THAT, based 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, 2007.

The motion was CARRIED.

6.3 Appointment of Auditors for 2007-08

Audit Committee Chair Bruce Towler reported that the Board developed criteria several years ago by which the external auditors are assessed on an annual basis by the Audit Committee. The Committee reviewed the criteria at its last meeting and were satisfied that the incumbent auditor, KPMG, met all of the criteria.

Moved by B. Towler, seconded by E. Beale:

THAT, based on the recommendation of the Audit Committee, the Board of Governors approve the reappointment of KPMG Chartered Accountants as auditors of the University for the 2007-08 year.

The motion was CARRIED.

6.4 2007-08 Budget Approval

Operations Committee Chair Jim Spatz noted that the proposed 2007-08 Operating Budget is, once again, a balanced budget. He commented briefly on several highlights of the budget document including the components of the government funding increase, the projected enrolment decline of 125 students, efficiency cuts mandated by the MOU with the Province, and the \$3.9 million directed to the strategic initiatives (including new initiatives for recruitment and fund-raising).

During the discussion that followed, a question was raised about a potential windfall if enrolment numbers are better than predicted, and how this might be directed. In response, T. Traves noted that this issue has been considered and that there are many possibilities

including a variety of infrastructure needs and also new projects on the academic side. If that "good news" situation arises, it will be reflected in the proposals that are brought forward for consideration in next year's budget.

Questions also focused on the determination of the ratio of spending on scholarships versus bursaries (where this is not controlled by endowment terms), and the potential for a mid-year correction if there is extra revenue this coming year.

Moved by J. Spatz, seconded by E. Beale:

THAT, based on the recommendation of the Operations Committee, the Board of Governors approve the 2007-2008 Operating budget with revenues and expenditures each of \$251,961,000.

The motion was CARRIED.

7. Governance Matters

7.1 Board of Governors Appointments

C. MacNutt briefly reviewed the slate of nominations and appointments outlined in the agenda materials.

Moved by C. MacNutt, seconded by R. Goldbloom:

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the nomination of Bill Black, Robert Chisholm, Jim Spatz and Bruce Towler for recommendation to the Governor-in-Council for reappointment to the Board of Governors of Dalhousie University for a three-year term from July 1, 2007 to June 30, 2010.

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the nomination of Lawrence Stordy for recommendation to the Governor-in-Council for appointment to the Board of Governors of Dalhousie University for a three-year term from July 1, 2007 to June 30, 2010.

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the reappointment of Richard Evans for a further two-year term, from July 1, 2007 to June 30, 2009, to the Board of Governors of Dalhousie University.

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the reappointment of Chris Smith for a further one-year term, from July 1, 2007 to June 30, 2008, to the Board of Governors of Dalhousie University.

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the appointment of Level Chan for a one-year term, from July 1, 2007 to June 30, 2008, to the Board of Governors of Dalhousie University.

The motions were CARRIED.

7.2 Appointment of Executive Officers and Committee Members

Moved by A. Sinclair, seconded by J. Spatz:

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the appointment of the following Officers of the Board of Governors of Dalhousie University for a one-year term from July 1, 2007 to June 30, 2008:

Chair	James Cowan
Vice-Chair	Cathy MacNutt
Honorary Secretary	Don Mills
Honorary Treasurer	Bruce Towler
President	Tom Traves
Member-at Large	Jim Spatz
Member-at-Large	Bill Black

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the appointment of the following Chairs of the Board Standing Committees for a one-year term from July 1, 2007 to June 30, 2008:

Academic Affairs and Research Committee	Bill Black
Audit Committee	Bruce Towler
Executive Committee	James Cowan
Governance Committee	Cathy MacNutt
Human Resources Committee	Lorne Clarke
Investment Committee	Robert Radchuck
Operations Committee	Jim Spatz
Steering Committee	James Cowan
Student Experience Committee	Robert Chisholm

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the appointment of members to the Board Standing Committees for a one-year term from July 1, 2007 to June 30, 2008 as presented on the attached list dated June 19, 2007.

THAT, based on the recommendation of the Governance Committee, the Board of Governors approve the appointment of Robert Radchuck to the Pension Trust Fund and the Retirees Trust Fund for the term July 1, 2007 to June 30, 2008.

The motions were CARRIED.

7.3 Appointment of Secretary to the Board

Moved by T.Traves, seconded by L. Clarke:

THAT the Board of Governors approve the appointment of Susan Brousseau, University Secretary, as Secretary to the Board of Governors.

7.4 Appointment of Ombudsperson

Moved by T. Traves, seconded by S. Marche:

THAT based on the recommendation of the Ombudsperson Advisory Committee, the Board of Governors approve the appointment of Mr. Daniel Huffaker as Ombudsperson for 2007-08.

The motions were CARRIED.

Items for Information

8. Board Standing Committees: Annual Reports

C. MacNutt noted that annual reports for the standing committees are included in the agenda package and members are invited and encouraged to peruse those. T. Traves expressed his thanks and appreciation to the committees' Board and external members for the important work that they contribute to the governance of the University.

L. Clarke, Chair of the Human Resources Committee, noted on behalf of that Committee the recent settlement of the CUPE contract negotiations. He also noted that the Committee had received the annual reports on grievance activity and that the University's experience has been very good given the number of employees and bargaining units involved. Lastly, he noted the recent retirements of Bryan Mason, former Vice-President Finance and Administration, and Michael Roughneen, Assistant Vice-President, Personnel Services, and acknowledged the significant contributions that both have made to the work of the Committee and the University.

9. Pension Valuation

L. Clarke, Chair of the Human Resources Committee, updated Board members on the pension plan valuation carried out as of June 30, 2006, which indicates that there is no solvency problem and there is, in fact, a solvency valuation surplus of \$3 million. This favourable valuation means that the University can reduce its contributions from 11.27% to 10.13% effective June 30, 2006.

Moved by L. Clarke, seconded by E. Beale:

THAT the Pension Plan valuation at June 30, 2006 be filed with the Superintendent of Pensions by June 29, 2007.

The motion was CARRIED.

10. Coburg Tower Project

J. Spatz, Chair of the Operations Committee, briefly reviewed the history of this project and provided an update on developments since the last Board meeting. He noted that there have been three escalations in the budget price since the project's inception about three years ago; this has led to a re-consideration of whether the proposed plan is still a viable one. As a result of recent discussions at the Operations Committee, staff is considering a number of other options that would potentially meet the needs of the end-users and will make effective use of the site.

K. Burt, Vice-President Finance and Administration, provided additional information on the recent developments, noting that the original plan presented to the Board would require an additional \$1.5 million in order to complete it, and that the total cost of the project is now approaching the cost of a new building. Staff have identified seven options for consideration, but none of these look particularly promising with respect to the use of cash and the use of the site. As a result, staff and the Capital Planning Committee will continue to consider other options. A larger issue to be considered in these discussions is that the current site and adjoining land would give the University an 18000 square foot "footprint" that could accommodate a building in the order of 75,000 -80,000 square feet. There is potential for a building that would permit the University to address some of the long-term space issues on campus. University staff will continue to investigate the options and financing possibilities and will come back to the Board at a later date with a recommendation. Other significant issues to be considered are the development of a contingency plan for the Dalhousie College of Continuing Education whose lease expires in August 2008, and the discussion of an extension of the CFI grant of \$2.8 million awarded to the Faculty of Computer Science (which was to be used to help fund the originally planned refurbishment of Coburg Tower).

In the discussion that followed, questions and comments focused on the safety of the current building and whether it should be removed immediately, and on the longer term strategy of the University around infrastructure and building development. On the latter point, T. Traves noted that one of the components of the strategic plan he will bring forward in the fall is the development of a new master campus plan; he agreed that it is necessary to see these projects in context of a larger vision.

11. Fund-raising

F. Dykeman, Vice-President External, made a presentation on the External Relations function at Dalhousie, the strategic plan in this area, and an overview of the capital campaign plan. He outlined External Relations' new organizational structure and its operating model - "Inform, Involve and Invest" - and highlighted the planned strategies in each of these three key areas.

In the area of campaign planning, he reported that the proposed campaign goal is \$200 million, although more will be known in the next year as to whether this is a realistic goal. He reviewed the number and level of gifts that will be required in order to reach this goal. Currently, the focus is on database audits and other preparatory activities. By this time next year, the goals are to be 100% focused on the campaign, actively engaging volunteer leadership and implementing the various PR and alumni engagement management plans.

In terms of fund-raising accomplishments in 2006-07, Mr. Dykeman reported that the University brought in roughly \$14.7 million and received \$1.3 million in new pledges. The Annual Fund exceeded \$2.1 million, the first time that the campaign has passed the \$2 million mark.

Discussion focused on involving students as future alumni at a much earlier stage, engaging alumni at a greater distance from Dalhousie, the importance of faculty participation in messaging, and thinking about focal points that can bring students together while they are here so that they develop a strong alumni connection with the University.

The remainder of the Board meeting was held *in camera*. During this session the Board approved a motion to ratify the Collective Agreement between the Dalhousie University Board of Governors and the Canadian Union of Public Employees (Local 3912) for the period September 1, 2006 to and including August 31, 2009.

The meeting adjourned at 6:15 p.m.