

Item: Board of Governors Minutes, December 2009
Call Number: UA-1

Additional Notes:

This document is a compilation of Board of Governors minutes, staff matters and miscellaneous documents for December 2009. The documents have been ordered chronologically and made OCR for ease of searching. The original documents and additional documents for this year which have not yet been digitized can be found in the Dalhousie University Board of Governors fonds (UA-1) at the Dalhousie University Archives and Special Collections.

The original materials and additional materials which have not been digitized can be found in the Dalhousie University Archives and Special Collections using the call number referenced above.

In most cases, copyright is held by Dalhousie University. Some materials may be in the public domain or have copyright held by another party. It is your responsibility to ensure that you use all library materials in accordance with the Copyright Act of Canada. Please contact the Copyright Office if you have questions about copyright, fair dealing, and the public domain.



BOARD OF GOVERNORS

Approved Minutes of the Meeting held on Tuesday, December 1, 2009 (Open Session) University Hall, Macdonald Building

MEMBERS PRESENT: Jim Spatz (Chair), Michelle Awad, Jamie Baillie, William (Bill) Black, Robert Chisholm, Janet Conrad, Wadih Fares, Lloyd Fraser, Fred Fountain, Adam Harris, Lynn Irving, Nancy McCready-Williams, George McLellan, Chris Smith, Stan Spavold, Lawrence Stordy, Gail Tomblin Murphy, Bruce Towler, Tom Traves, Jim Wilson, Shannon Zimmerman, and Susan Brousseau (University Secretary)

REGRETS: Jay Abbass, Nancy Barkhouse, Andrew Bennett, Sarah MacDonald, Jennifer Smith

NON-MEMBERS: Ken Burt, Darrell Cochrane, Martha Crago, Floyd Dykeman, Jeff Lamb, Terry Mitchell, Ian Nason, Bonnie Neuman, Susan Robertson, Alan Shaver, Katherine Sheehan, Colin Spinney, Margaret Sterns, Jim Vibert, Gillian Wood, and Katie Smith (University Secretariat, Minute Taker)

1. Approval of the Agenda

J. Spatz proposed that Item 9.1 be moved immediately before the President's Report (Item 5).

Moved by R. Chisholm, seconded by L. Stordy:

THAT the agenda be approved as amended.

The motion CARRIED.

2. Approval of Minutes of the Meeting held on October 20, 2009.

Moved by W. Fares, seconded by L. Fraser:

THAT the minutes of the meeting held on October 20, 2009 be approved as circulated.

The motion CARRIED.

3. Business Arising from the Minutes

J. Spatz noted that the Board, at the October meeting, indicated that it would like to receive regular updates regarding progress on the Faculty of Medicine accreditation process. Dean Marrie has indicated that he will have received the reports of the 20 working groups in the New Year and will be in a position to provide a fuller report to the Board at its meeting in February.

4. Chair's Report

J. Spatz briefly reported on the resolution approved by the Executive Committee respecting funding arrangements with the Government of Nova Scotia in relation to the Knowledge Infrastructure Program (KIP) project. He noted that the resolution and background information are included in the Board agenda package. The resolution approved is as follows:

BE IT RESOLVED THAT the Executive Committee on behalf of the Board of Governors approve the agreement (effective date of April 30, 2009) with the Province of Nova Scotia in relation to funding provided by the Government of Canada under the Knowledge Infrastructure Program (“KIP”).

Dr. Spatz also extended congratulations to Fred Fountain who recently received the 2009 Canadian Red Cross Humanitarian Award for Nova Scotia.

9.1. Fund-raising/Capital Campaign Update

F. Dykeman, Vice-President External, noted that his written report is in the materials circulated to Board members. He reported that the University has already raised about \$127 million towards its capital campaign goal of \$250 million. The campaign is currently in the leadership phase and the goal is to raise \$160 million before launching the public phase; it is his hope that this goal will be reached by the fall of 2010.

5. President’s Report

T. Traves noted that his written report is in the agenda package circulated to Board members and offered brief comments on three items:

- Dalhousie pension plan: The University is continuing to work on this issue on a number of fronts. The provincial government has invited Dalhousie to make a proposal regarding the impact of the solvency testing requirement. Conversations are continuing with the unions and employee groups and this dialogue is moving forward in a positive way, although there are no substantive recommendations to report at this point. The next pension valuation is due at the end of June 2010; if there is no change in the market, current solvency rules and plan design before that date, the University is looking at a \$17 million deficit which could have very significant consequences for the annual operating budget. This number could drop to about \$7 million if some relief is achieved on the solvency issue. Ultimately, and regardless of any changes to solvency rules, it is critical for the University’s financial well-being that problems with plan structure, design and governance be addressed for the long term.
- Strategic Plan development: The discussion paper prepared by the President has been distributed widely across the University. Initiatives to seek community input include a series of 13 face-to-face round table discussions hosted by the Vice-Presidents (attended by a total of approximately 400 participants), and a number of online blog discussions concerning some of the 13 strategic questions posed in the discussion paper. A draft of the Strategic Plan will be provided to the Board in the New Year.
- H1N1 Inoculations programs: The University has proceeded with its H1N1 inoculation program for students and employees, now that the vaccine is available to the wider community. The turn-out has been strong and line-ups have been largely non-existent. The vaccine has been supplied to Dalhousie free of charge by the provincial government (public

health); costs to the University essentially relate to hiring nurses to administer the vaccinations (approximately \$40,000-\$50,000). To date, reports of flu-like illness and absenteeism on campus have not been out of the normal range for what would be experienced during an average flu season.

6. Dalhousie Student Union President's Report

S. Zimmerman commented briefly on her written report and noted in particular the National Student Survey which student unions, associations and post-secondary lobby groups have undertaken to gain an understanding of financial issues that students face in pursuing postsecondary education. She also highlighted the Dalhousie Sexton Engineering Undergraduate Society and their work on a recent fund-raiser, "Pulling for the Kids."

7. Items for Decision

7.1 Facilities Renewal Budget 2010-11

R. Chisholm noted that the Board is asked to approve a list of facilities renewal projects, each estimated to cost more than \$250,000, in advance of approval of the 2010-11 operating budget. The Operations Committee has reviewed this list and is recommending approval to the Board. Early approval of these projects will allow planning for the project work to commence in a timely fashion.

L. Fraser noted that there appears to be an error in the date indicated in the note immediately following the list of projects on page 2 of the materials circulated: "... which is less than 75% of the 2010-11 Facilities Renewal budget ..." should read "...which is less than 75% of the **2009-10** Facilities Renewal budget ..."

As a point of clarification, Ken Burt, Vice-President Finance and Administration, noted that the Renewal Contingency item is included simply to make Board members aware that this contingency has been set aside and that it exceeds the \$250K threshold.

Moved by R. Chisholm, seconded by M. Awad:

THAT the Board of Governors, on the recommendation of the Operations Committee, approve the funding for the proposed list of Facilities Renewal Projects greater than \$250,000 for 2010-11.

The motion CARRIED.

7.2 KIP Project Spending Authority

R. Chisholm introduced the motion related to the approval of an expenditure for the Life Sciences Retrofit project under the Knowledge Infrastructure Program (KIP). The Operations Committee considered this matter at their November 26, 2009 meeting and approved a motion recommending this expenditure to the Board.

K. Burt and Jeff Lamb, Assistant Vice-President Facilities Management, addressed several questions from Board members related to the required completion date and the likelihood of meeting the deadline of March 31, 2011. Presently, the schedule is on-target, but timing is critical at

this point in terms of ordering materials, processing contracts and proceeding with other elements of the project. There is some sense that the federal government is recognizing that this deadline is not going to be met by many institutions across the country and that a “claw-back” of the federal money, while a risk, is not certain to happen. Regardless of this situation, Dalhousie is doing its best to move forward on the schedule established as it wants to see the work completed as soon as reasonably possible.

Moved by R. Chisholm, seconded by J. Spatz:

THAT the Board of Governors, on the recommendation of the Operations Committee, approve the expenditure of \$11 million of the \$27 million budget for the Knowledge Infrastructure Program project to implement urgent elements of the Life Sciences Centre Renewal work.

The motion CARRIED.

7.3 Board By-Law Amendments

7.3.1 Appointment of Chair and Chancellor

B. Towler outlined the background to this item as set out in the materials circulated to members.

Moved by B. Towler, second by L. Stordy:

THAT the Board of Governors, on the recommendation of the Governance Committee, approve the revisions to the Board of Governors By-laws as presented. [Attached to the official minutes as Appendix A]

The motion CARRIED.

7.3.2 Consent Agenda

B. Towler briefly outlined the benefits of introducing a consent agenda to the Board meeting format.

Moved by B. Towler, second by J. Baillie:

THAT the Board of Governors, on the recommendation of the Governance Committee, approve the revisions to the Board of Governors By-laws as presented. [Attached to the official minutes as Appendix B]

The motion CARRIED.

7.4 Appointment to the Board of the Halifax Student Housing Society

B. Towler reported that the Board is responsible for appointing the three Dalhousie representatives on the Board of the Halifax Student Housing Society which operates Peter Green Hall and the Peter Green Hall Children’s Centre. There is a need to replace one of Dalhousie’s representatives on this Board. The proposed new Dalhousie representative is Mike Drane, Manager of Purchasing in Financial Services.

Moved by B. Towler, second by N. MacCready-Williams:

THAT based on the recommendation of the Governance Committee, the Board of Governors approve the appointment of Mr. Mike Drane to replace Ms. Susan Robertson as a representative on the Board of Directors of the Halifax Student Housing Society, which operates Peter Green Hall.

The motion CARRIED.

8. Items for Presentation/Discussion

8.1 Campus Master Plan

K. Burt gave a presentation to the Board on the Campus Master Plan. There have been three phases to the campus planning process: Phase 1 consisted of consultation and reconnaissance, which occurred from August 2008 – April 2009; Phase 2 was the conceptual planning and data analysis stage, which occurred April – October 2009; and Phase 3 is the implementation planning work, which will occur from November 2009 – February 2010.

Mr. Burt reported that the next steps involve providing feedback to campus planners on the Conceptual Plan Report #3, preparation of the draft Implementation Plan by IBI Group, and the beginning of conceptual planning for the projects identified as having the highest priority.

Mr. Burt and Dr. Traves addressed a number of questions on several key issues, including the proposal for an active transportation corridor along University Avenue, the plans for the Dalplex facility, the proposed open space ratio under the Plan and how this compares to data on intensity at other university campuses, and the potential impact on the Plan of stable or declining enrolment numbers. Dr. Traves noted that the campus master plan is fundamentally about identifying Dalhousie's capacity; any development will evolve as the University's needs emerge and as financial capacity permits. A master plan allows the University to have a larger framework in place against which to do annual or longer planning as circumstances (for example, enrolment growth) develop. He noted that it will be important for the community to appreciate the distinction between potential projects and real plans that come forward as proposals over time.

8.2 Future Capital Project Financing

K. Burt circulated a revised version of the table included in the agenda package and noted two corrections to the original numbers. He noted that the next part of the campus master plan process is about how the University operationalizes the plan and begins to move forward with the projects identified as priorities. He reviewed the tables provided to the Board which include 24 projects totaling just under \$700 million; these represent projects that are in progress, projects for which detailed planning has begun, and projects which are at the preliminary or conceptual planning stages.

T. Traves noted that the list represents a lot of possibilities; for some of these projects the government funding or private fund-raising prospects are very positive, while others would require a greater commitment of funding from the University through debt-financing. The proposal, as presented, lays out some of the possibilities for moving these projects forward. He also noted that some of these projects are not currently part of the campus master plan priorities, but they are

opportunities for the University because of other potential funding sources or prospects. Some items on the list (the Dalplex, for example) are major priorities, but the University still needs to determine a plan for funding those projects. Other projects clearly represent more long-term, “pie in the sky” thinking that would only go forward if the University was in a strong financial position at some point down the road.

Discussion followed with questions primarily around the financing aspects of the proposal. Dr. Traves noted that the University is committed to very prudent financial planning around these projects. This proposal really represents notional thinking at this point; when individual projects are ready to come forward for consideration, substantially more information will be provided to the Board to inform its decision-making. He noted that the projects which are considered immediate priorities (particularly those listed in the planning phase - #5-9 in the table), are likely to come back to the Board for consideration and approval within the next year or two.

8.3 Budget Advisory Committee – 2010-11 Budget Development

K. Burt referred members to the contextual report in the agenda package and reported briefly on the process for the development of the 2010-2011 operating budget. He noted that the process has changed somewhat this year to be more strategically aligned and to provide the Board and the internal community with an opportunity to comment at an early stage on the issues that are before the University in the development of the budget. He noted that there is a strong link in this year’s document to the questions that are also part of the current strategic focus process.

Mr. Burt briefly highlighted the key issues and concerns outlined on page i of the document, including government funding and tuition fees, enrolment stability, the impact of the investment market (i.e. impact on short term interest rates and endowment spending), pension plan funding, the impact of the removal of mandatory retirement, and strategic initiatives investment.

In the discussion that followed there were a number of comments and questions related to the pension plan deficit and the University’s strategies for dealing with this significant issue. It was also noted that it would be useful if the report presented the “other side of the equation” – i.e, to hold up for examination areas where perhaps the University is spending more money than it needs to; a series of questions of this nature should also be posed if the intention is to do long-range thinking.

9. Items for Information

9.1 Fund-raising/Capital Campaign Update

Moved to item 5 above.

9.2 Board Standing Committee Reports

J. Spatz noted that reports for committees that have met since the last Board meeting are in the agenda package. S. Spavold reported briefly on discussions of the ad hoc pension sub-committee. He noted that it is taking some time for sub-committee members to build a base of information around the concepts, but the process seems to be working effectively right now and the members are engaged. He would recommend, from a Board perspective that the process be allowed to proceed along its natural course; if at some stage the discussions stall, it would be time then to look at other options and strategies. It is clear that the sub-committee will not report in December 2009 as originally planned, but the process must produce some results before the valuation

required on June 30, 2010. Discussion of the current and potential strategies for dealing with the pension issue followed.

IN CAMERA SESSION

The Board moved *in camera* for the remainder of the meeting.

Adjournment

The meeting adjourned at 6:15 p.m.