

**Cape Breton University
Board of Governors
Public Meeting**

**Friday, October 26, 2012
Following Prologue
CE-339**

1 – 5 Opening Information/Discussion

1 Roll Call

Present:

Dr. John Harker (President), Dr. Robert Bailey (Secretary), Dr. Diane Janes, Mr. Chester Pyne, Ms. Wendy Wadden, Dr. Mary Keating, Ms. Michelle Lahey, Mr. Stewart McCann, Ms. Alana Lawrence, Ms. Norma Boyd, Dr. Eddie Davis, Mr. Kenneth Crawford, Mr. Rany Ibrahim, Ms. Daphne Hutt-MacLeod, Mr. Tony Mozvik, Mr. Steve Wadden, Ms. Anita Delazzer, Dr. Rex Dunn (Vice Chair), Dr. Hayes MacNeil (Chair), Mr. John Malcom, Capt. Brian LeBlanc, Ms. Carol Ripley, Mr. Roland Thornhill, Mr. Ambrose White, Mr. Gordon MacInnis (Treasurer), Mr. Merrill Buchanan, Ms. Marlene Usher

Regrets:

Ms. Mary Suzanne MacEachern, Ms. Connie Boone, Mr. Craig MacMullin, Mr. Patrick Lahey, Mr. John Paul, Mr. Kirk Purdy,

Absent:

Mr. Leo MacIntosh

The Chair declared quorum and called the meeting to order at 9:30 am.

2 Minutes – April 27, 2012

It was moved by Ms. Wadden, seconded by Ms. Ripley, the minutes from the June 22, 2012 meeting be approved. **Motion carried.**

3 Business Arising

3.1 COMFIT (CBU Wind Farm) Project Update – For Information

Mr. MacInnis referred to a memorandum circulated with the meeting package, in follow up to a request at the June meeting of the Board. The memo detailed the status of the project with regards to the governance structure, technical status and financial position to this point. The project's plan and business case are anticipated to be finalized in late November which will position the Board to make a final decision on whether to proceed with the project, and in what form, at the December meeting. If at that time, approval is granted, the project would proceed with a target completion date and connection to the power grid in December of 2013.

A letter from LaFosse MacLeod also accompanied the memo detailing the limited partnership structure and how this will work so that it does not jeopardize the charitable status of CBU. Essentially this structure must consist of a trust of persons that are not CBU staff or Board members.

On the question if the CBU campus will be drawing electricity directly from the power, Mr. MacInnis advised that the set up of the COMFIT project is designed to place power on the grid and there is no off grid power structure consumption planned.

Mr. MacInnis also noted that the power purchase agreement with Nova Scotia Power has an expectation of 20 years under the COMFIT project with a standard revenue rate of 13.1¢ \ kWh. Receipt of the Power Purchase Agreement is considered a prerequisite before significant capital expenditures are considered.

4 CEO/CAO

4.1 Report of the President

President Harker referred to a report circulated at the meeting with the following highlights:

- Enrolment figures, as reported to the Board earlier in the month, are positive but not without their challenges in demographics.
- Successful recruitment in the international and domestic high school areas continue.
- Focus needs to be put on highlighting what CBU has done and can do well, not only internationally but within Canada as well.
- The commitments to the renovations of labs in the Arsenault Britten building and the proposed renovations for the Marvin Harvey and Campus Centre buildings must to be addressed.
- MPHEC is currently examining proposals for a new BACS degree relating to the business aspects of the music industry.
- A 3% operating grant funding reduction has been imposed by Government, which continues to unrealistically hold out an Innovation Fund as a means for Universities to recoup operating grant revenue declines.
- Under CBU's continued relationship with the Gaelic College, a Special Convocation was held on October 13th where Eveline Dunbar MacLeod was presented with an honorary degree.
- Brian LeBlanc, the new Executive Director of the Canadian Coast Guard College, was welcomed and President Harker looks forward to further collaboration between CBU and the CCGC.

On the question of the capital improvement costs, President Harker advised that \$1 million has been committed to the lab renovations and that it is time to action this promise.

On the topic of faculty\student exchanges, Dr. Keating spoke to the complications and implications of these exchanges. President Harker agreed and assured that this is an undertaking which has been closely examined and understood. He believes this is an essential step in showcasing the capabilities of CBU.

On the question of a suggested next step for leveraging successes, President Harker replied this is a primary function of his position, his advisors and colleagues. These plans are constantly in motion and he expressed the importance of the Board wanting and demanding results.

On questions of the Innovation Fund, if there is a trend or if the quality of the submissions is the deciding factor, President Harker replied this is a Government decision and one that is not easily deciphered.

On a question of the O'Neill report, President Harker replied that, for some, the report is still an active underlying principle.

4.2 Report of Senate

Dr. Diane Janes provided a verbal report the Board on behalf of Senate from the October 19th meeting with the following highlights:

- 289 graduands were approved for Convocation
- An enrolment report noted an overall increase of 5.56%
- Shawn Bethke will be the new Director of Library Services effective November 1, 2012
- Stephen Augustine will be the new Principal of Unama'ki College effective January 1, 2013
- CBU's Research Office has worked together with two external candidates who submitted applications for Canada Research Chairs (Tier 2)
- Online course evaluations have been put on hold until technical issues have been resolved; paper evaluations will be used as an interim solution.
- The Students' Union held a very successful MP discussion and equally successful mayoralty debate. Unfortunately, their request to have a municipal polling station on campus was denied by the CBRM. They will also be hosting a town hall meeting in November on classroom efficiencies
- MPHEC has passed CBU's request for a concentration in French
- The Purdy Crawford Chair will host and participate in several events in October including a National workshop

4.3 Special Announcements, Questions – N/A

5 Treasurer's Report

Mr. MacInnis referred to the Financial Statements circulated with the meeting package noting this is a pivotal indicator of the possible financial outcome for the 2012/13 year. Highlights from this report included:

Items for Decision:

- None

Key Points Discussed:

- Tuition and foreign differential fee revenues for the 2012/13 Fall/Winter academic terms are currently expected to exceed budget by a minimum of \$1,800,000 with additional January 2013 enrolment yet to occur. The 2012/13 operating budget assumed at 1.8% decline in domestic enrolment, non-Saudi sponsored visa student enrolment at 2011/12 levels, and 15% of revenue generated by Saudi sponsored students in 2011/12. Actual enrolment of Saudi sponsored student is now approaching 400 students which, subject to January 2013 enrolment trends, has served to buffer a slightly higher than expected decline in non-Saudi student enrolment levels.
- Student receivable balance has increased due to a \$3.5 million invoice to the Saudi Cultural Bureau for sponsored students being outstanding as of the reporting period.
- CBU's cash position remains healthy although at a reduced level from the previous year due to bridge financing requirements for capital projects.

- Global expenditures are within budgeted targets.

Other Activities:

- Construction activity on campus continues at a rapid pace with the road/parking/landscaping projects nearing completion.
- A detailed capital plan with implementation schedule is being developed. The plan will focus upon lab upgrades and office renovations as priorities.
- Work on the CBU Wind Farm COMFIT program continues with a final recommendation regarding the project expected to be tabled at the December 2012 Board meeting.
- Exploratory work is underway concerning two potential projects which will serve to reduce CBU's long term energy costs and move the institution closer to its goal of energy self sufficiency.
- The CBU plant has been modified to begin burning wood pellets effective the 2012/13 heating season.
- The President's Greening and Sustainability Task Force has commenced its work.
- Letters of intent for four projects (Restructuring Initiative, CBU Wind Farm, Conversion to Clean Energy, and development of an ERP solution for use by the university system) have been submitted to the provincial Innovation Fund for universities. Full project proposals for the LOI's accepted will be submitted by November 30, 2012.

On the questions surrounding the SOFI loan, Mr. MacInnis detailed this relates to funding received under the Strategic Opportunities Fund Initiative (SOFI) program toward the CSEE capital cost. The CSEE business plan calls for the SOFI loan to be repaid in March of 2015 through fundraising proceeds. At present no significant capital donations have been received. There may be a Government extension to the repayment deadline, but there is no indications that SOFI loans will be forgiven. Mr. MacInnis referred to the fundraising reserve set up last year and noted the question of enhancing the reserve should be considered at year end to buffer any financial risks associated with the fundraising goals.

With regard to revenue, Mr. MacInnis brought to the attention of the Board a projected \$1.6-\$1.7 million surplus tuition revenue position. This is due largely in part to the enrolment numbers from the Saudi Arabia Sponsorship Program and if these numbers were to be removed the numbers it would be much less favorable and would be short of budget at this point.

Government received 36-37 applications under the Innovation Fund with a closing date for Letters of Intent being the second week of October. Government has \$13.4 million dollars to distribute under this fund and must do so this year or they will lose it. CBU has submitted 4 requests under this program and if LOIs are accepted a more detailed submission will be requested with a November 30th deadline and expected awards by the end of December.

On the question of a detailed capital plan for the renovations of the lab and teaching\student spaces, Mr. MacInnis replied this implementation and financial plan should be developed within the month.

With regards to the parking, Mr. MacInnis advised that parking is not at a premium. A detailed parking study was performed and the results showed that sufficient parking is available but that preferred parking spaces are limited. With the roads\parking upgrades new parking spaces were created.

With regard to the Saudi Bureau payment schedule, Mr. MacInnis advised that payment was received in late fall of 2011. Efforts to smooth the process and define time lines will continue. President

Harker also noted that the King Abdullah Scholarships Program has been extended until 2020, an addition of a few years.

On the question of the percentage of those on academic probation\warning from the Saudi Arabian population, Dr. Bailey reported that he, a group of Deans and representatives from ICEAP recently visited the Saudi Cultural Bureau in Ottawa to discuss success rates. All groups are actively engaging students and resources to ensure the Saudi population, as well as any other sub-populations, have a positive student experience and to optimize their chances of success.

6 Committee Reports

6.1 Executive Committee

Chair, Hayes MacNeil, reported that the executive committee met earlier this morning due to the power outage of yesterday. All items discussed at the meeting were covered already during this meeting or will be discussed as agenda items.

6.2 Investment Committee

As interim Chair, Mr. MacInnis, reported verbally that the committee met on Thursday, October 25th where Mr. Steve Wadden accepted the Chair position of the committee. As reported in the Treasurer's Report, the endowment funds are in good standing. The second quarter performance statements offered by MERCER were also reviewed and both investment managers continue to be rated in the highest category. The annual report will be reviewed and presented to the Board in the spring of 2013.

7 Items Requiring Action \ Decision – N/A

8 New Business

8.1 Report of the Nominating Committee (Presidential Search Process)

Presidential Search Committee Chair, Mr. Roland Thornhill, reported that the committee had advertised extensively both nationally and internationally. From these advertisements, the committee received 53 applications, which speaks to the recognition and growing reputation of CBU. The committee has shortened that list to 6 applicants and will commence an intensive off campus interview process during the month of November. In reply to a letter received from Senate on the process, Mr. Thornhill remarked that the comments are duly noted but feels that at this time, changes to the process would interfere with the time lines set out for completion. Upon conclusion of the process, the committee will however, report to the Board on any changes or improvements that could be made for any future searches.

On the question of when the process is expected to be complete, Mr. Thornhill replied that the result of the interviews will dictate if further interviews are required and thus the timeline for completion. If this happens a recommendation will be presented upon the completion of those interviews.

8.2 Overview of the CBU Foundation

Mr. MacInnis advise this is a follow up item from the June meeting of the Board to answer questions on the relationship between CBU, the CBU Foundation and LearnCorp International. In a Power Point presentation, Mr. MacInnis gave a detailed overview of the structure and governance the CBU Foundation. Upon conclusion of the presentation, Mr. MacInnis offered the following recommendations:

1. CBU Representation (2 members) be limited to external Board of Governors member only
 - Board of Governors to nominate representative for consideration of Governor in Council
 - Concurrent with new GIC appointments, G. MacInnis resign from Foundation Board
2. CBU provide appropriate administrative support to the Foundation
3. CBU Foundation Board be encouraged to appoint an external Board of Governors member to the vacant LearnCorp Board of Directors seat
4. CBU Foundation be encouraged to follow term appointment guidelines (3 year maximum appointments, no more than 6 consecutive years) for LearnCorp International membership
5. CBU initiate a review of governance model to ensure continued compliance with CRA expectations

On the question of the review in recommendation five, it was suggest this be conducted by an external agency that would bring a legal and taxation perspective. On the question of what the policy areas are under the governance structure of the LCI Board, Mr. MacInnis replied this board and the CBU Foundation board have been largely inactive although the LearnCorp board is, as of late, becoming more engaged as LCI strategic planning activities are ongoing. **It was moved**, by Dr. Keating, seconded by Mr. Thornhill, to accept the recommendations as presented. **Motion carried.**

9 Presentations – N/A

10 Date of Next Meeting

Next Regular Meeting – Friday, December 7, 2012.

11 Adjournment

It was moved by Ms. Wadden to adjourn at 11:24 am.



Dr. Robert Bailey, Secretary to the Board