

Cape Breton University
Board of Governors
Public Meeting

Friday, April 19, 2013
Following Prologue
CE-339

1 – 5 Opening Information/Discussion

Congratulations were offered to the 2013/14 Students' Union executive, taking office effective May 1st: Mr. Matt Latimer, (SU President), Mr. Brennan Boudreau (SU Vice President), Ms. Patricia McCann (SU Director of Finance & Operations) and Mr. Andrew Skinner (SU Director of Communications).

1 Roll Call

Present:

Dr. David Wheeler (President), Dr. Robert Bailey (Secretary), Dr. Diane Janes, Mr. Chester Pyne, Ms. Wendy Wadden, Dr. Mary Keating, Ms. Michelle Lahey, Ms. Alana Lawrence, Ms. Connie Boone, Ms. Norma Boyd, Dr. Eddie Davis, Mr. Ken Crawford, Mr. Rany Ibrahim, Ms. Daphne Hutt-MacLeod, Mr. Tony Mozvik, Mr. Steve Wadden, Ms. Anita DeLazzer, Dr. Rex Dunn (Vice-Chair), Mr. John Malcom, Ms. Carol Ripley, Mr. Roland Thornhill, Mr. Gordon MacInnis (Treasurer) Mr. Merrill Buchanan (via teleconference), Ms. Marlene Usher

Regrets:

Mr. Stewart McCann, Ms. Mary Suzanne MacEachern, Mr. Leo MacIntosh, Dr. Hayes MacNeil (Chair), Mr. Brian LeBlanc, Mr. John Paul, Mr. Ambrose White

Absent:

Mr. Patrick Lahey, Mr. Kirk Purdy

2 Minutes

2.1 - It was moved by Dr. Janes, seconded by Mr. Ibrahim, to approve the minutes of February 22, 2013 with the removal of "*in camera*". **Motion carried.**

3 Business Arising

3.1 SOFI Loan & Harriss Endowment

Mr. MacInnis referred to the memorandum circulated with the meeting package, detailing the matter that was tabled during the previous Board meeting. This item is being brought forward again with a revision to the second recommendation suggested during the February meeting.

The recommendations presented are designed to assist with risk mitigation should the SOFI loan be called in March 2015. Background documents on the SOFI loan were also included as requested by members.

It was moved by Mr. MacInnis, seconded by Ms. Lahey, to adopt the recommendations:

R1: CBU consider a further deposit of \$500,000 to the Fundraising Reserve as part of fiscal 2012/13 year-end procedures should sufficient fiscal capacity exist to enable a further allocation to the reserve.

R2: CBU defer decision regarding allocation of present and further earnings of the Harriss endowment until March of 2015 earliest.

On the question of the status of fundraising for the VCSEE to date, Mr. MacInnis replied that there has been approximately \$2 million raised and used for operational purposes. A further \$0.7 million raised for capital purposes. In regard to future prospects, President Wheeler replied that a new fundraising strategy is in development and he is confident in its outcome. **Motion carried.**

4 CEO/CAO

4.1 Report of the President

President Wheeler gave thanks to the Board, the Selection Committee, the Senior Team, and the HR team who have all made his transition a seamless, warm and welcoming experience. In a verbal report President Wheeler highlighted particular areas of priority to be addressed in the coming months:

- The senior team will remain unchanged with some changes to their roles and responsibilities as detailed in the message sent to the Board earlier in the month.
- Attention will be given to the academic voice with a focus of bringing more academic discussions before the Board.
- The international markets where CBU has been successful will be built upon with exploration in other jurisdictions to create resilience and assist in risk minimization.
- Academic programs will be reviewed to foster growth in areas that have that potential and to revitalize those that may not.
- A written report from the President, in advance of the meeting, will be circulated should Board members feel it would be useful.

Supportive comments on the academic voice and a written report to the Board were offered and members look forward to both of these items.

In reply to a comment on the clear meaning of internationalization, President Wheeler described some of the many dimensions included international research collaborations, academic staff and student exchanges, support for international students, and delivery overseas, along with a well balanced student recruitment strategy.

With regard to the comments of academic program growth, President Wheeler offered that this included both growth in quality of the program, as well as merical growth where the opportunity exists.

President Wheeler was asked for his opinion and thoughts on the MacLean's survey to which he replied that rankings cannot be ignored regardless of how one feels toward the integrity of the data collected. The key to these rankings, President Wheeler believes, is to focus on the individual ranks and not the overall ranking due to the size and location of CBU. Although rankings are important to gauge external views, they should not determine or affect the core values of CBU. Dr. Bailey echoed

the thoughts surrounding rankings, adding that taking an analytical look at the rankings, taking only data from areas that can build on the strategy of CBU, would be most constructive.

In reply to the question on a roll out of an overall strategic or organizational plan for the University, President Wheeler advised that in the coming weeks a strategic plan development process will continue to evolve. It was suggested that a follow up item be added to the agenda for the next meeting to inform members of developments to that point.

4.2 Report of Senate

Dr. Mary Keating provided a verbal report to the Board on behalf of Senate from the April 5th meeting with the following highlights:

- Approved changes to the Bachelor of Technology Nautical Science
- Several Biology courses were approved to strengthen the environmental aspects
- Integrity in Research Scholarship Policy was passed
- Members attended the MPHEC Forum on quality assurance and will be comparing that to CBU's policies on QA

Dr. Keating informed members on the four year BACS in music program passed by MPHEC, explaining it deals with the business aspects of the music industry and will be offered in September. Ms. Boyd commented that she sees a growing recognition for the arts in the community and is quite pleased to see this fitting addition to CBU.

In response to a question regarding the Integrity in Research Scholarship Policy, Dr. Bailey replied this is a new policy to CBU and was started in response to a directive from the Tri-Council. The oversight and execution of the policy are centered in the Research Office. In reply to a request that the Board be informed of any violations of this policy, President Wheeler added this could be part of the academic voice reporting process in development.

4.3 Special Announcements, Questions – N/A

5 Treasurer's Report

Mr. MacInnis referred to the Financial Statements circulated with the meeting package. The following key items were highlighted and discussed:

Items for informational decision:

- 2013/14 Operating Fund Budget Proposal

Key Points Discussed:

- Cash flow position remains healthy and short term cash management strategy continues to provide a reasonable return on excess cash balance.
- Student receivable levels have increased by \$0.6 million due to an increase in the balance owing from the Saudi Arabia Cultural Bureau as of the reporting period. Approximately \$1.9 million of the \$2.1 million owing from the Bureau was collected subsequent to the reporting period.

- The receivable from the Province of Nova Scotia relates to the balance owing for the Nova Scotia Tuition Bursary program. These monies are typically issued by the Province in the fall however, this year they were disbursed in March. Receivables from Cairo continue at a slow pace due to the turmoil in that country at this time.
- Tuition revenue related to spring/summer, the MBA program, and fall/winter 2012/13 have reported strong results with an estimated \$3.0 million favourable year end variance. This positive variance is entirely attributable to the presence, in significant numbers, of Saudi sponsored students which has served to buffer a higher than expected decline in non-Saudi student enrolment.
- Investment earnings continue to be positive.
- Over expenditures are reported in scholarship disbursements due to an increase in renewal conditions being met by scholarship recipients.
- Facilities management costs are higher than anticipated due to a conversion to bio-mass as a primary heating source, increased campus cleaning costs as the building footprint expands and an unusually high level of maintenance activity.
- Options are under consideration pertaining to use of the remaining 2012/13 projected surplus. Tentative suggestions, pending finalization of year end review, with notional targeted allocations, include a deposit to the Fundraising Reserve (\$500,000), an increase to the international enrolment reserve (\$1,000,000), funding of an enrolment enhancement/diversification strategy (\$500,000), and deposit to the special projects reserve for capital investments (\$1,000,000).
- In accordance with Board policy, an increase of approximately \$1.0 million will be required in the International Student Enrolment Reserve as of year-end to maintain the reserve at 100% of the international differential fee recorded for the 2013/13.

In response to the approximate cost of the renovations to Campus Centre, Mr. MacInnis replied that it is expected to cost \$2.0 - \$2.5 million including extensive upgrades to the exterior facade and windows. The lab renovation project is currently in the planning stages.

On the question of branding and internationalization, President Wheeler advised in the coming weeks position papers will be produced and shared with the Board as they become available.

On the question of the number of students currently enrolled at CBU, Mr MacInnis replied there are approximately 3400 students including just under 1,000 international students. With regard to government funding, Mr. MacInnis detailed a government policy stating only 15% of international students may be included in numbers for funding; CBU exceeds this number. At this point in time, government has not enforced this policy but it has often been discussed during funding formula meetings.

On the question of the SAP pilot project, Mr. MacInnis replied this was a submission under the Innovation Fund that was recently approved. The vision is for CBU to pilot an ERP solution to be used by the university sector of Nova Scotia.

6 Committee Reports

6.1 Executive Committee

Vice Chair, Dr. Rex Dunn, reported that the Executive Committee met on April 18th and all items discussed have been, or will be, covered on the Prologue or Public agendas. Dr. Dunn reported that one topic the Executive Committee felt strongly about was that they be given more insight to the

academic aspects of the University. To build on the large annual report circulated each June, members requested a periodic presentation to highlight or focus on specific accomplishments.

6.1 Investment Committee

Investment Committee Chair, Mr. Steve Wadden, referred to the report circulated during the meeting. This report was tabled for discussion during the June meeting. The report details the fund holdings surpassing \$24 million and an impressive growth due to the pulse of the stock market at this time. A more detailed report will be presented to the Board during the June meeting.

7 Items Requiring Action \ Decision

7.1 2013/2014 Proposed Budget

Mr. MacInnis referred to a copy of the proposed 2013/2014 operating budget circulated with the meeting package. In a PowerPoint presentation, Mr. MacInnis provided detail to the following bullets in the budget proposal:

- Operating grant decrease by 3% for 2013/2014.
- Continue to operate in a regulated tuition environment including a 3% cap on domestic tuition and no limit on international fees.
- Nursing funding has been locked in until 2016.
- Domestic enrolment trends continue to decline in Nova Scotia.
- Reliance on the continued growth of international enrolments enforces concerns in terms of sustainability of this market.
- System wide university grants are forecasted to freeze or increase to the maximum of 1% effective 2014/2015.
- Bi-lateral discussions to begin over next few months with individual universities.
- The 2011 MOU established a Partnership Board which continues to operate at a slow-moving pace.
- Academic Plan continues as an annual exercise.
- Projected 2014 to 2016 sector funding capacities and fiscal realities.
- The importance of risk management strategies for international enrolments.
- Collective agreements expiring in 2013 necessitates assumptions.
- Introduction of a short term strategy to increase reliance of the KSA sponsorship program, stressing the associated financial risk.
- Unconditional expenditures classified as teaching and teaching support and administrative areas.
- Historical and projected enrolment and demographic trends for domestic, first nations, national, and international students.
- Strategic investments are being made with the positive tuition revenue including increasing facility standards, internationalization, branding, and increasing the fundraising reserve.
- Parameters of the proposed increase with regards to fees and tuition.
- Current cost structure is not sustainable unless enrolment is increased, through recruitment and retention, or by the generation of alternative revenues.

With regard to the First Nations populations, Mr. MacInnis replied these numbers are tracked within Cape Breton and within Nova Scotia. A chart detailing these numbers will be built in to the next budget presentation.

On the question of pooling resources within CBU to scenario plan for possible enrolment strategies, Mr. MacInnis and President Wheeler advised that over the coming months concentrated efforts will be focused on the branding and internationalization of CBU. In these efforts, stronger community links will be built to ensure CBU and all it represents is embraced and championed both internally and externally.

It was moved by Mr. MacInnis, seconded by Mr. Thornhill, for the approval of the proposed 2013/2014 operating budget for CBU, as presented, in the amount of \$44,117,447.

Ms. Lahey, CBU Students' Union President, thanked Mr. MacInnis for the detailed presentation, however expressed her disappointment in the proposed tuition increase from the perspective of the Students' Union.

With regard to the 3% increase, Mr. MacInnis advised that through a survey, it appears that universities across the Province will be imposing the same increase.

Mr. MacInnis replied to concerns of inaccessible community services for students and advised that these services, residential and other student concerns will be part of the internationalization process discussions.

Motion Carried. Nays: 2

7.2 Resolution – Signing Authority

It was moved by Dr. Davis, seconded by Ms. Ripley, that signing authority be updated and changed to give new President and Vice-Chancellor, Dr. David Wheeler signing authority as detailed in the circulated document. **Motion carried.**

8 New Business – N/A

8.1 Governance Structure

Dr. Dunn referred to documents circulated with the meeting package and in the interest of time, **it was moved** by Ms. Wadden, seconded by Mr. Thornhill, that this item be tabled until the June meeting. **Motion carried.**

9 Presentations

The Vice-Chair, on behalf of the Board, recognized retiring Students' Union representatives, Ms. Michelle Lahey, Ms. Alana Lawrence, Mr. Stewart McCann and Ms. Mary Suzanne MacEachern and presented them with a parting gift. He thanked them for their work on behalf of the Students' Union and contributions as members of the Board of Governors.

10 Date of Next Meeting

The next meeting will be Friday, June 21st, 2013.

11 Adjournment

It was moved by Dr. Janes to adjourn the meeting at 12:13 pm.



Dr. Robert Bailey, Secretary to the Board