

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

**Friday, July 8, 2016  
Following Prologue  
CE-339**

**1 – 5 Opening Information/Discussion**

**1. Roll Call**

**Present:**

Mr. Ambrose White (Chair), Mr. Roland Thornhill (Vice Chair), Dr. David Wheeler (President), Mr. Gordon MacInnis (Treasurer), Dr. Dale Keefe (Secretary), Mr. Pat Bates, Ms. Carol Beaton, Mr. Taylor Burton, Dr. Eddie Davis, Dr. Ann Francis D'Intino, Mr. Bob Fowler, Mr. Rany Ibrahim, Mr. Roy Karam, Mr. Terry Kelly, Mr. Clayton Locke, Mr. Brandon MacDonald, Mr. Keith MacDonald, Mr. Darryl Poirier, Mr. Robert Sampson, Mr. Michael Sandalis, Mr. Mark Shannon, Mr. Steve Wadden, Ms. Wendy Wadden, Mr. Howard Windsor

**Regrets:**

Ms. Judy Bailey, Ms. Eleanor Bernard, Ms. Caremlita Chechetto-Shea, Ms. Millie Colbourne, Mr. Brian LeBlanc, Dr. Andrew Molloy, Ms. Carol Ripley, Mr. Matt Shallo

**Absent:**

Mr. Darren Desmond, Ms. Daphne Hutt-MacLeod

The Chair declared quorum and called the meeting to order.

A moment of silence was observed to acknowledge the passing of a long-time friend and supporter of Cape Breton University, Darryl Flynn.

**2 Minutes**

**2.1 - It was moved** by Mr. Ibrahim, seconded by Mr. Karam, to approve the public minutes of April 22, 2016 with the noted amendment to the voting results of 7.1. **Motion carried.**

**3 Business Arising**

**3.1 Report of the CBU/CBUFA Working Group**

Mr. MacInnis extended apologies for the delay of the circulation of the report explaining that due to the timing of the recruitment review, the working group could not be complete their report any earlier. The mandate of the committee was reiterated and a brief overview of it report was provided for members. With no questions or comments at this time, **it was moved** by Mr. Fowler, seconded by Dr. Davis to receive the report as presented. **Motion carried.**

#### **4 CEO/CAO**

##### **4.1 Report of the President**

President Wheeler highlighted some points of his circulated report and welcomed comments or questions. In a PowerPoint presentation Dr. Keefe then provided members with an analysis of the Marketing and Recruitment review provided by Academia which was circulated with the CBU/CBUFA Working Group report. A recurring theme from the report was identified as the need for the integration of marketing, recruitment, admissions and retention departments. The status of current application, enrolment numbers and retention efforts were also presented. The progression of the enrolment services review and the resulting improvement process was detailed along with the upcoming changes.

On the question of benchmarking data, Mr. MacInnis replied that KPMG is working on this data collection. On the question of how the return on investment with respect to Marketing and Recruitment would be measured, Dr. Keefe referred to data that is being tracked but explained that a number of years would be needed to identify trends or anomalies in the market.

##### **4.3 Report of Senate**

Referring to Senate report circulated earlier in the week, Ms. Wadden welcomed any comments or questions. She drew particular attention to the presentation from Ms. Anderson and expressed appreciation for the development of a comprehensive database of articulation agreements that all CBU employees can access.

##### **4.4 Special Announcements, Questions – N/A**

#### **5 Treasurer's Report**

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

- Pending the adoption of an operating budget, a \$1.3 budget shortfall has been built in to the statements.
- The student receivable and deferred revenue balance reflect the changes in CBU's registration process whereby students were, for the first time, permitted to register for 2016/17 fall/winter terms in the spring of 2016. The amount owing from scholarship program students from Saudi Arabia is reflective of the declining enrolments of this cohort.
- The fundraising receivable balance for the Shannon School of Business building project is expected to be completely collected in the next year.
- Investments as of May 31, 2016 total \$27.7 million (book value \$33.1 million).
- Current year projects for capital assets relate to upgrades to the fire alarm panel to include a mass messaging functionality.
- The noted increase to current liabilities is related to the inclusion of the 2015 Voluntary Retirement Incentive Program.
- Revenue and expenditures are reporting as expected although it is very early in the reporting cycle.

On the question with regard to the student receivable Mr. MacInnis replied that this number is fluid until the close of registration.

## 6 Committee Reports

### 6.1 Executive Committee

Chair, Mr. Ambrose White reported that the Executive Committee met on June 25<sup>th</sup> and that all items discussed have been, or will be, covered on the Prologue or Public agendas.

### 6.2 Audit Committee

#### 6.2.1 Report of Meeting held July 7, 2016

Chair, Mr. Ambrose White, reported the Audit Committee met on July 7<sup>th</sup> where they were joined by MGM representative Mr. Darren Chiasson. Mr. White noted the continued appreciation expressed by MGM for Mr. MacInnis and the staff on the level of talent, professionalism, and cooperation they received during the audit process. He further reported that MGM issued a clean report with two recommendations that have been addressed by management to MGM's satisfaction.

#### 6.2.2 2015/15 Draft Audited Financial Statements

A copy of the draft audited financial statements was circulated electronically in advance of the meeting. Mr. MacInnis highlighted major revenue and expenditures in excess of \$100,000; key balance sheet points with regard to student receivables, long term debt, endowment funds, reserve funds, and special project funds. **It was moved** by Mr. Sampson, seconded by Mr. Ibrahim, to accept and approve the draft Audited Financial Statements for 2015/16 as presented. **Motion Carried.**

#### 6.2.3 Appointment of Auditors

Mr. White noted that the Audit Committee discussed the RFP process for auditors while taking in to consideration the exceptional service received from MGM over the last number of years. The committee agreed to recommend to the board that MGM be renewed for the 2016-2017 fiscal year. **It was moved** by Ms. Wadden, seconded by Mr. Bates, to renew MGM as CBU Auditors to June 30, 2017 at the agreed cost of \$28,500. **Motion Carried.**

### 6.3 Investment Committee

Mr. Wadden referred to the annual report as circulated during the meeting, drawing attention the recommendations as presented. **It was moved** by Mr. MacInnis, seconded by Mr. Shannon to receive and endorse the report and recommendations as presented. **Motion carried.**

## 7 Items Requiring Action \ Decision –

### 7.1 Disposition of Article 39 Action

Referring to the letter presented to members during the Prologue session and the discussion that followed, the floor was opened to members and invited guests with speaking privileges to provide comment, suggestions or to ask questions.

Mr. Pyne presented options he saw that he saw as available budget adjustments that would avoid further action under the Article 39 process and urged members that the situation is not absolute at this point.

President Wheeler broadly referred to the potential scenarios discussed during the Prologue session. He noted that the short-term decisions of today, must have a view of all the larger issues that will also need to be addressed in a collegial atmosphere with all members of the CBU community.

Ms. Wadden suggested that the funds set aside during the unexpected intake of the Saudi Arabian cohort should be exhausted before any faculty members that worked so incredibly hard to ensure these students were successful, are considered for lay-off.

Mr. Bates asked if CBU has been aligning itself with the sector as it might be described by those who analyze the sector to which President Wheeler replied that the analytical scans show the global and digital market trends that CBU has been working toward.

In consideration of the extremely important decisions that seem to be required of the Board, Mr. Wadden requested a clear direction of what is expected of the members today. Mr. White responded that members are being provided with the information today for their consideration and a decision at a future date yet to be determined.

Dr. Molloy suggested the only way to rectify the extremely low morale among faculty is to close the Article 39 process and to find other ways other than the lay-off of faculty to right-size the current budget deficit. He offered the view that this action will be detrimental to CBU and one, he believes, CBU will not recover from.

As Treasurer, Mr. MacInnis noted that currently CBU is working on a \$1.3 million shortfall and although positive results have been realized through the efforts of the working groups, they have not identified sufficient savings to alleviate the projected deficit and reach a balanced budget. The underlying issue, in his view, is the unsustainability of the university sector in Canada. The need for some response or action is necessary to ensure the long term financial health of Cape Breton University.

On behalf of the Students' Union, Mr. Karam offered support to faculty members noting their ongoing and continuous impact, motivation and support for students.

Many similar comments were offered that members were not prepared to render a decision at this time. After many concerns and comments were voiced, senior management was requested to present refined recommendations or scenarios, in a timely manner, on how the process should continue with a view of short-term and long-term conclusions.

**It was moved** by Mr. Wadden, seconded by Mr. Sampson that senior management provide members with more information by early September 2016, to enable them to render a decision under Article 39.9. **Motion carried.**

## 7.2 Board Policies

Referring to the Board policies that were presented to members during the March 2016 meeting, President Wheeler noted that no further feedback or suggestions were received. **It was moved** by Mr. Sampson, seconded by Mr. Bates to accept the board policies as presented. **Motion carried.**

**8 New Business – N/A**

**9 Presentations**

**9.1 CBU Logo**

In a PowerPoint presentation President Wheeler and Ms. Stacey Black provided members with an overview the development process of the proposed new logo. Many comments and suggestions were received from a presentation of an earlier version of the image to Senate and other groups. Ms. Black detailed the history and narrative of the revised image. In response to a comment that the image depicts CBU as an indigenous institution and how it will be perceived internationally, President Wheeler replied that not only indigenous elements exist in the logo and that how it is delivered as an institution is far more important than its appearance. **It was moved** by Mr. Sampson seconded by Mr. Shannon that the proposed logo as presented should advance to the next stage of market testing.

**Motion carried. Nays: 1**

**10 Date of Next Meeting**

Member will be canvassed to determine a suitable time for a follow-up meeting in September and the next regular meeting is scheduled for Friday, October 28, 2016; the day before the fall Convocation.

**11 Adjournment**

**It was moved** by Mr. Shannon to adjourn the meeting at 1:00 pm.

  
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Dr. Dale Keefe, Secretary to the Board