

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

**Friday, June 20, 2024
Following Public
CE339 – MS Teams**

1 – 5 Opening Information/Discussion

1. Roll Call

Present:

Ms. Denise Allen (Chair), Mr. David Dingwall (President), Mr. Gordon MacInnis (Treasurer), Dr. Rod Nicholls (Secretary), Dr. Sahand Ashtab (CBUFA President), Mr. Michael Claener, Ms. Melissa Dean, Dr. PJ Devereaux, Ms. Sarah Hines, Mr. Rany Ibrahim, Mr. Keith Maher, Ms. Tara Milburn, Mr. Ian Parker, Mr. Darrel Poirier, Ms. Nancy Samson, Mr. Bill Smith, Mr. Steve Wadden

Regrets:

Mr. Kirk MacRae (Vice Chair), Mr. Kendrick Douglas, Dr. David Gerbasi, Mr. Michael Henick, Mr. Adam Jamieson, Ms. Sandra Kanchuk, Ms. Kanchan Kumari, Dr. Janet Kuhnke, Mr. Brett MacDougall, Mr. Olabode Olaniran, Mr. Michael Sandalis, Ms. Harman Singh, Ms. Ann Sylliboy

The Chair declared quorum and called the meeting to order at 10:15 am.

Ms. Allen acknowledged that Cape Breton University is located in Unama'ki, the ancestral and unceded territory of the Mi'kmaq people, who is acknowledged as the past, present, and future caretakers of this land. Our relationship is based on a series of Peace and Friendship treaties between the Mi'kmaq Nation and the Crown, dating back to the early 18th century. We recognize that "We are All Treaty People."

Ms. Allen then introduced Mr. William (Bill) Smith as a new member appointed by the Minister's office. She noted that Mr. Smith has more than 45 years of experience and service as a member of the Royal Canadian Mounted Police. After retiring from the force in 2012 as the Assistant Commissioner and Commanding Officer of B-Division in Newfoundland and Labrador, he then served four years as Nova Scotia's Executive Director of Correctional Services before his appointment as ombudsman in 2016 and was reappointed for a second five-year term in May 2021. He also served on the Board of Directors of the Forum of Canadian Ombudsman as treasurer of the Canadian Council Parliamentary Ombudsman for a one-year term as its President.

Ms. Valerie Bobyk joined as a guest as her appointment has not yet been approved by the Governor in Council's office. **It was moved** by Mr. Claener, seconded by Mr. Maher, to approve speaking privileges for Ms. Bobyk for this meeting. **Motion carried.**

2. Minutes

2.1 - It was moved by Mr. Maher, seconded by Ms. Deane, to approve the minutes of April 26, 2024. **Motion carried.**

3 Business Arising

3.1 Signing Authority

In follow-up to a question raised at the April meeting, Ms. Allen referred to the circulated memorandum. University Counsel, Ms. Stephanie Myles, then detailed the memorandum as follows: CBU's Financial Policies and Procedures set limits on signing authority for purchases within the operating budget and related to research grants and special projects. Further to Section 10, the Budget Control, she noted that all purchases over \$25,000.00 must be authorized by the President or the Vice President, Finance & Operations and that Deans have signing authority for purchases up to \$10,000.00. Deans may delegate signing authority for operating budget expenses in their absence by filing the appropriate form with the finance office in advance, and delegation of signing authority for research matters must be approved by the Office of Research and Graduate Studies or the applicable Dean. The Board of Governors has oversight of the financial activities of CBU through its authority to approve the operating and capital budgets for CBU. As well, the Board regularly reviews financial reports and receives financial updates from Senior Management. The Audit Committee has oversight of financial reporting to ensure the reliability of financial reports and oversight of the independent audit process. The Audit Committee is also responsible for overseeing internal control and risk management systems and has recently enhanced this oversight through the Sub-Committee on Enterprise Risk Management, which met on June 10, 2024.

It was suggested that a session on the roles and responsibilities the Board has with respect to signing authority and restrictions be held at a future date.

4 Reports

4.1 Senate – No Report

4.2 Students' Union – No Report

4.3 Special Announcements, Questions – N/A

4.4 President

In addition to his circulated report, President Dingwall reported on the following:

- Funds have been received from the CBRM, which will assist with the Tartan Downs project, and CBU is awaiting a response from Minister Sean Fraser on any potential support for the project.
- The annual Grand Meeting for all staff and employees of CBU will be held at the Miners Forum in Glace Bay.

5 Treasurer's Report

5.1 Financial Statements

The Treasurer's Report was presented as circulated with the meeting package. Responding to comments and questions as they arose, Mr. MacInnis highlighted the following:

- CBU's cash position remains very healthy, thanks in large measure to the receipt of monies from provincial capital, special project funding as of March of 2024, and the prepayment of tuition by international students. Excess cash remains invested in a laddered GIC structure to optimize interest earnings to support general operations and act as an additional funding source for the 2023 Capital Program. Cash balances are expected to have peaked with the execution of the capital program, resulting in declining cash balances as the 2024/25 fiscal year unfolds. As a reminder, CBU does not practice a segregated cash policy such that the availability of cash is not reflective of surplus funds available for other core budgeted operations.
- The prepaid student deposit balance has declined as a result of declined enrolment for the fall/winter 2024/25 term as of the reporting date and the fact that returning students are less likely to maintain a credit balance at this point of their studies.
- At this time, it appears unlikely that fall enrolment targets will be met. Whether this is reflective of a one-term delay in the commencement of studies at CBU due to visa processing delays or an indicator of a more permanent weakened demand due to IRCC policies remains to be seen.
- Investments held for endowment and special purposes as of May 31, 2024, totals \$64.3 million (May 31, 2023, \$57.0 million). The increase is attributable to the ongoing fundraising efforts and market performance. The market value of investments held by CBU as of May 31, 2024, is \$64.6 million, reflecting improved financial market conditions.
- Prepaid student deposits reflect a combination of monies paid by accepted students who may be awaiting student visas and payments for registered students where initial deposits/payments exceed fees associated with their current level of registration.
- The decline in deferred tuition revenue is related to CBU's planned enrolment decline as per SEM projections, plus less activity to date regarding international enrolment due to IRCC's policy interventions.
- Government operating grant revenue represents a negative budget variance which reflects the new practice introduced in the 2024/25 bi-lateral agreement developed by province of Nova Scotia that incorporates a series of holdbacks on the monthly operating grant payments, pending CBU meeting certain targets set for the institution - primarily concerning residence capacity and enrolment levels in health-related programs.
- Reported expenditures are materially in line with what would be expected as part of CBU's normal business cycle.
- The Bookstore operations reflect the fact that the bookstore business model remains challenged for CBU's private sector partner, Follett Canada. Recent discussions with Follett suggest the bookstore model will remain unchanged for one additional academic cycle while other merchandising and book sales models are explored. This will come at a cost to CBU as an operational subsidy will be required for the 2024/25 fiscal period.

- Progress continues on the Forever CBU Campaign, with the targeted \$50 million approximately fifty percent realized.

6 Committee Reports

6.1 Executive Committee

The Chair, Mr. Allen, reported that the Executive Committee met on June 19th and most 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 on June 19, 2024

Mr. MacInnis reported that the Audit Committee met on June 19th and were joined by members of the CBU Finance Department and Mr. Darren Chiasson from MNP/LLP. Through Mr. Chiasson, the Committee reviewed the draft Audited Financial Statements and the Audit Finding Report. After a thorough review, the Committee passed a motion to present the statements, with their recommendation of acceptance, to the Board.

6.2.2 2023/24 Draft Audited Financial Statements

Referring to the draft Audited Financial Statements circulated with the meeting material, Ms. Allen called for a vote and **it was moved** by Mr. MacInnis, seconded by Mr. Claener, to accept and the Draft Audited Financial Statements for 2023/2024 as presented. **Motion carried.**

6.2.3 Appointment of Auditors

It was moved by Mr. MacInnis, seconded by Mr. Maher, that MNP/LLP be re-appointed as external auditors to report on the non-consolidated financial statements of Cape Breton University for the fiscal year ending March 31, 2025, with audit fees as committed by MNP/LLP in a letter dated June 23, 2022. **Motion carried.**

6.3 Investment Committee

Referring to the Annual Report circulated with the meeting package, Mr. MacInnis reported that the Investment Committee met on June 19th to review this report with Eckler, which included three recommendations. The committee agreed to these recommendations and to their inclusion in their report. **It was moved** by Mr. MacInnis, seconded by Mr. Parker, to accept the following recommendations as presented:

1. Although Eckler's assessment cites the underperformance of some fund managers, particularly in 2023, the apparent lack of alternatives on the Sun Life platform suggests that no immediate change in managers is recommended at this time.
2. In light of the limited breadth of managers available on the Sun Life platform, the committee recommends that a review of non-Sun Life options continue to be examined in 2023 as a potential new structure for the endowment holdings. A careful weighting of management fees, administrative burden, and potential incremental returns will be key considerations in determining the preferred direction for the endowment fund.
3. Should an approach which moves to direct manager engagement versus pooled funds be

the preferred direction following completion of the recommended review, CBU develop an ESG policy as a lens through which to evaluate managers to be engaged for the CBU endowment holdings.

Motion carried.

7 Items Requiring Action or Decision

7. Items Requiring Action or Decision

7.1 Code of Conduct & Conflict of Interest

Ms. Allen referred to the documents circulated with the meeting package, and Ms. Myles detailed them as an important acknowledgement of the Code of Ethics and Professional Conduct for the Board of CBU, which was adopted by the Board in 2000. Also included was a disclosure statement for disclosure of conflicts of interest, which is being brought forward as a best practice to ensure that members understand their obligations. Members were asked to return a signed copy to the Recording Secretary at their earliest convenience.

8 New Business – N/A

9 Presentations – N/A

9.1 Retiring Members

Mr. Darryl Poirier and Ms. Tara Milburn are completing their terms with the Board. Ms. Allen acknowledged their stewardship as Board members and thanked them for their considerable dedication, time, and commitment to the CBU Board of Governors and presented them with parting gifts.

10 Open Session – N/A

11 Date of Next Meeting

The next meeting will be on Friday, October 25, 2024.

12 Adjournment

It was moved by Mr. Poirier, seconded by Ms. Deane, to adjourn the meeting at 11:15 am.
Motion carried.

Dr. Rod Nicholls
Secretary to the Board