

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

Friday, October 20, 2023

Following Prologue

Board of Governors Conference Room – CE339 / MS Teams

1 – 5 Opening Information/Discussion

1. Roll Call

Present:

Mr. Robert Sampson (Chair), Ms. Denise Allen (Vice Chair), Mr. David Dingwall (President), Mr. Gordon MacInnis (Treasurer), Dr. Rod Nicholls (Secretary), Mr. Colton Burke, Mr. Sahilpreet Singh Chatha, Mr. Michael Claener, Ms. Melissa Deane, Dr. PJ Devereaux, Mr. Michael Henick, Ms. Sarah Hines, Dr. Janet Khunke, Mr. Brett MacDougall, Dr. Adango Miadonye, Mr. Keith Maher, Ms. Tara Milburn, Mr. Gideon Otoibhi, Mr. Ian Parker, Mr. Darryl Poirier, Ms. Harman Singh, Mr. Michael Sandalis, Ms. Sylliboy

Regrets:

Ms. Valerie Bobyk, Ms. Kate Brooks, Dr. David Gerbasi, Dr. Donnie Holland, Mr. Rany Ibrahim, Ms. Brandi Jean Lind, Mr. Kirk MacRae, Mr. Steve Wadden

The Chair declared quorum and called the meeting to order at 9:05 am.

Mr. Sampson then acknowledged that Cape Breton University is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People. This territory is covered by the "Treaties of Peace and Friendship" which Mi'kmaq and Wolastoqiyik (Maliseet) people first signed with the British Crown in 1726. The treaties did not deal with the surrender of lands and resources but, in fact, recognized Mi'kmaq and Wolastoqiyik (Maliseet) titles and established the rules for what was to be an ongoing relationship between nations.

Welcome new member Rod and 4 new

) title and established the rules for what was to be an ongoing relationship between nations.

2 Minutes

2.1 - It was moved by Mr. Poirier, seconded by Mr. Maher, to approve the Public Minutes of October 20, 2023. **Motion carried.**

3 Business Arising – N/A

4 Reports

4.1 Report of Senate

Mr. Henick reported that the Senate has met on DATE and DATE
Senate microcredentials ...

4.2 Report of the Students' Union

Mr. Singh Chatha referred to his report circulated during the meeting and highlighted the following:

He and Mr. Otoibhi attended Advocacy Week in Halifax with Student NS advocating important problems impacting students and met with a number of MLAs, different departments of the government and postsecondary stakeholders.

They met with Brain Comer and raised concerns regarding the MSI insurance policy.

A meeting was held with transit Cape Breton to discuss the potential implementation of a U-Pass program.

He listed the many events the Union has participated in over the last number of months, including Night at the Nest, the honours banquet, convocation and Turban Day.

4.3 Special Announcements, Questions – N/A

4.4 President's Report

President Dingwall welcomed any comments or questions on his circulated report, and in addition, reported on the following:

- Kraft Hockeyville events took place in early October and were very well-attended
- An EDI conference was held at the MTCC on October 2nd
- The University continues to diligently work on housing opportunities and options for its students

On the question of the unexpected enrolment numbers and how CBU is managing teaching capacity, Dr. MacKinnon responded that the Strategic Enrolment Plan (SEM) has been an integral part of this process, and part-time and one-year instructors have been hired to manage through the increase until such time that the SEM will level enrolment numbers. He also noted that the enrolment number is not actual students on campus, this number includes many students studying online.

President Dingwall added that under his guidance, along with Ms. Becky Chisholm, Mr. Doug Connors, and many others, tireless efforts have been made to ensure the increase of enrolment numbers this term is being mindfully managed with regard to housing options.

5 Treasurer's Report

5.1 Financial Report

The Treasurer's Report to October 21 was presented as circulated with the meeting package. Responding to comments and questions as they arose, Mr. MacInnis noted the following:

- CBU's cash position remains very healthy thanks to capital financing received from the Province of Nova Scotia, deposits from international students seeking to study at CBU, and

CBU reserve balances. The cash management strategy consists of a series of laddered GICs and favourable banking treasury agreements with the goal of optimizing interest earnings while maintaining the fluidity of cash flow.

- The student accounts receivable balance has increased and is related to record enrolment levels at CBU for fall 2023. A significant portion of the increase is related to winter 2024, the fees for which are not due until January 2024. In keeping with CBU policy, collection efforts for fall 2023 will intensify in October, with students still owing money as of October 31, having winter 2024 registration reversed and being unable to access grades for the fall term.
- The receivable from the Province of Nova Scotia includes accrued receivables owing regarding the CBU Nursing Program, the CBU Education Program, the Cultural Assets Grant, an Accessibility Grant in support of Unama'ki College activities, and the Nova Scotia Tuition Rebate Program. The increase in relation to the previous year's comparative figure reflects the scheduled increase in the nursing program subsidy, coinciding with the continued expansion of the program.
- The book value of investments held by CBU for endowment purposes totals \$58.2 million as of September 30, 2023 (market value - \$51.2 million), with a reported market value reflecting continued market volatility. The reported book value reflects ongoing fundraising efforts, deposits to endowments, and realized gains/income distribution on investments.
- Accounts payable and accrued liabilities represent an increase from the previous year's comparative figure. This increase is primarily related to the international medical plan premiums owing the carrier and a general increase in normalized payables related to increased capital spending.
- Prepaid student deposits reflect a combination of monies paid by accepted students who may be awaiting student visas to attend CBU and payments for registered students where initial deposits/payments exceed fees associated with their current level of registration. This prepayment of fees is a significant contributor to CBU's strong cash balance.
- Deferred revenue as of September 30th represents a decrease in comparison to the previous year's reported figure. This net decrease is primarily attributable to the transfer of all capital funding received from the Province of Nova Scotia related to the Special Purpose Fund and increased deferred tuition revenue reflecting increased enrolment levels for the 2023/24 academic cycle.
- Reported revenue is based upon enrolment for the fall term of 9,105 students; the budgeted number was 6,903, which explains the significant positive variance.
- Government grant revenue is largely predictable and consistent with the budget targets and is dominated by the unconditional operating grant.
- Revenues reported exceed budget targets. The two primary drivers for this positive variance are interest/commission earnings on bank balances and application fee revenue.
- Reported expenditures are materially in line with what would be expected as part of CBU's normal business cycle and approved 2023/24 operating budget.

On the question of pre-paid deposits, Mr. MacInnis confirmed these are not related to the pre-paid student deposits.

On the question of the endowment portfolio, Mr. MacInnis responded that Eckler has been exploring different strategies for investment platforms and structures that are in line with current policies.

5.2 Update on 2023 Major Capital Projects

Mr. MacInnis referred to the circulated update and answering comments and questions as they arose, noted the following:

In the spring of 2023, the Board of Governors approved a Capital Financing Strategy for major infrastructure projects scheduled for 2023-2026 at Cape Breton University.

The scope of the major projects includes:

1. Centre for Discovery & Innovation (major academic building)
2. Campus Health & Wellness (Canada Games/Health & Counselling Centre and new Dome)
3. Medical Sciences Building
4. Primary Care Clinic - Marconi building

This update provided the Board with current information as to the following metrics that impact the financial risk of the program:

1. Updated financial estimates related to the capital program as designs are completed and tendered pricing becomes available.
2. Updated financial estimates related to expanding the scope of the work to be conducted under the capital program.
3. A status report of the progress of the Capital Campaign is a key component of the financing strategy.

The following highlights of September 30, 2023 were reported:

1. Based on conceptual design and cost consultants' input, the current estimated spend on the capital program has increased by \$60.5 million. \$35 million of this increase is related to increased scope (size of CDI building), while the balance is attributable to expected cost escalation. As projects move to final design and tendered costs are known, project budgets will be updated accordingly.
 - The estimated cost of the Centre for Discovery & Innovation has increased by \$40 million and now stands at \$140 million. The vast majority of this increase (\$35 million) is related to an expansion of the building size from 85,000 sq. ft to 120,000 sq. ft. This, in turn, is based upon the detailed space planning exercise undertaken by the architects that concluded 120,000 sq. ft was the space required to house the Marshall Institute, Student Union offices, necessary classrooms for the post-baccalaureate program, and science labs for teaching/research. The remaining \$5 million increase is related to estimated construction costs provided by cost consultants.
 - The Campus Health & Wellness project budget has increased by \$4.5 million related to tendered costs for the project that is now in progress.
 - The Medical Sciences Building, still in preliminary design, estimated cost has increased to \$65 million due to construction costs and increased emphasis on SIM technologies to be incorporated into the new structure.
 - The Futures First Fundraising Campaign reports \$8.8 million received and an additional \$3.6 million pledged pursuant to CBU's fundraising campaign. Together, this represents 24.8% of the campaign's \$50 million goal.
2. CBU's strong financial performance for the 2022/23 fiscal year has resulted in a remaining balance of \$16.1 million in the Deferred Maintenance Reserve available to the capital program. Interest earnings on segregated cash/term deposits are expected to generate an additional \$12 million as a capital program funding source.

3. Results of operations for the 2023/24 fiscal period are expected to generate a surplus to be allocated to the capital program.

6 Committee Reports

6.1 Executive Committee

Mr. Sampson reported that the Executive Committee met on October 19th when the Committee approved the agenda items for the meetings today. All items discussed at that meeting have been covered by agenda items.

7 Items Requiring Action \ Decision – N/A

8 New Business – N/A

9 Presentations – N/A

10 Open Session

In follow-up to conversations that occurred during the Open Session of the Prologue session, President Dingwall provided updates to Mr. Ibrahim and Ms. Singh.

In conclusion, he noted that in November, Dr. Richard MacKinnon will complete his sixth-year term as Vice President Academic Provost. He added that Richard is credited with bringing the study of Folklore to life at CBU by building bridges and paving the path for CBU's Folklore undergraduate program. He detailed his many significant accomplishments and on behalf of the Board, thanked him for his excellent work and service of 40 years. Mr. Sampson then also expressed his thanks and appreciation to Dr. MacKinnon for his service as Vice President of Academic and Secretary to the Board of Governors and presented him with a gift of appreciation on behalf of the Board.

11 Date of Next Meeting

The next meeting will be on Friday, December 1, 2023.

12 Adjournment

It was moved by Mr. Poirier to adjourn the meeting at 12:05 pm. **Motion carried.**

Dr. Richard MacKinnon
Secretary to the Board