



UNIVERSITY
OF MANITOBA

**Minutes of the
OPEN Session of the Board of Governors
May 23, 2017**

Present: R. Zegalski, Chair
J. Leclerc, Secretary

J. Anderson	D. Barnard	J. Beddoes	S. Connelly	S. Demmings	R. Khatkar
A. Kilgour	K. Lee	J. Linden	J. MacKenzie	H. Maxted	R. Mohammed
M. Mollot	T. Nagra	C. Neumann	K. Osiowy	H. Sector	

Regrets: L. Hyde J. Lieberman K. Mirecki M. Silicz J. Taylor

Assessors Present: T. Kucera B. Stone

Officials Present: D. Collins S. Foster T. Hay D. Jayas J. Kearsey
J. Keselman J. Ristock K. Sobie

Guests: J. Danakas

1. ANNOUNCEMENTS

The Chair welcomed Carl Neumann, President of the GSA and Allison Kilgour, Vice-President (Advocacy) of UMSU, to their first Board meeting. He added that this is the last meeting for Tommy Kucera, UMFA Assessor, and Barry Stone, Support Staff Assessor, and thanked them both for their service on the Board. He noted also that this is Dr. Keselman's last Board meeting and thanked her for her service to the University and the Board of Governors.

Dr. Barnard said that he appreciates Dr. Keselman's willingness to step into her current role as Interim Vice-President (Administration). He added that she has willingly served the University for many years with vast experience and commitment to the University.

Dr. Barnard informed the Board that the Senate Committee on Honorary Degrees approved his recommendation that the boardroom that will soon be established on the first floor of the Administration Building be named the Dr. Joanne C. Keselman Conference Room in recognition of her remarkable and long-standing contribution to the University. He added that Dr. Keselman spent 23 years of her career in the Administration Building, as Associate Vice-President (Research), Vice-President (Research), Provost and Vice-President (Academic), and for the last number of months Interim Vice-President (Administration).

FOR ACTION

2. APPROVAL OF THE AGENDA

It was moved by Ms. Connelly and seconded by Dr. Mollot:
THAT the agenda for the May 23, 2017 meeting be approved as circulated.

CARRIED

3. MINUTES (Open) Session

3.1 Approval of the Minutes of the April 18, 2017 Open Session as circulated or amended

It was moved by Mr. Osiowy and seconded by Ms. Nagra:
THAT the minutes of the April 18, 2017 Open session be approved as circulated.

CARRIED

3.2 Business Arising

3.2.1 Bryce W. Douglas Chair in Finance

The Chair said that this matter was approved by the Board at the April 18 meeting. He explained that the Dean of the Asper School of Business has since advised that the name of the Chair was incorrect in the proposal to convert the Bryce Douglas Professorship in Corporate Finance to a Chair. He noted that, as indicated in the Dean's memo on page 11 of the meeting materials, the correct name is the "Bryce W. Douglas Chair in Finance." This note serves to correct the record.

4. FROM FINANCE, ADMINISTRATION, AND HUMAN RESOURCES

4.1 General Operating Budget for 2017-2018

4.1 Operating Budget

Dr. Barnard said that the University is in a position to invest in some key areas largely due to the Voluntary Retirement Incentive Program and the wage pause imposed by the provincial government. He stated that these key areas are academic programs, the student experience, research competitiveness, infrastructure, and Indigenous achievement.

Dr. Keselman reviewed the recommended resolution on page 16 of the meeting materials. She reminded the Board that the presentation at the March 21, 2017 meeting of the Board was intended to set the stage for today's presentation of the budget and enhance understanding transparency of the budget development process and the University's financial situation. She said that Tom Hay, Comptroller, Kathleen Sobie, Executive Director of Financial Planning, and Janice Ristock, Provost and Vice-President (Academic) would present the budget. Dr.

Keselman noted that Dr. Ristock is responsible for developing the recommended strategic allocations.

Dr. Keselman briefly summarized the University of Manitoba Budget Framework Document, noting the following:

- Drafting of the annual University of Manitoba operating budget begins in the fall with the development of planning parameters by the Budget Monitoring and Planning Committee (BMPC) using the best information available at the time as well as assumptions based on historical trends.
- The BMPC monitors and tracks developments and use of the strategic allocations made in previous years, develops and refines revenue and expenditures projections, and aligns these findings with needs identified through the Strategic Resource Planning (SRP) and allocation process.
- the Provost recommends allocations to the President
- After consulting with the President's Budget Advisory Committee (BAC) the President brings a final budget proposal to the Board of Governors for consideration.

Dr. Keselman reviewed the main assumptions used in developing the planning parameters, which include:

- the level of the operating grant anticipated from the provincial government;
- allowable increases for tuition;
- projected enrolment levels;
- significant university-wide costs such as salary and benefit requirements as negotiated or projected for open contracts;
- utilities; and
- additional mandatory pension contributions.

Dr. Keselman stated that budgetary units had been advised in the fall of 2016 to plan for a potential 3% budget reduction for 2017/2018. She said that budgetary units were advised in January to plan for a 1% reduction based on revised projections of revenue and expenses. She explained that the parameters have evolved since that time, based on changing circumstance and new information, resulting in a revised recommendation of 0% baseline reductions to budgetary units in 2017/2018. Dr. Keselman noted that the changes are detailed on page 17 of the meeting materials and they include:

- Provincial Bill 28 mandates a 0% general salary increase;
- Confirmation that the University's operating grant increase will be 0%;
- Additional mandatory pension contributions are \$4 million lower than expected; and
- Ongoing funding requirements of \$0.8 million for group insurance benefit changes which were conditionally approved by the Board on March 21, 2017.

Ms. Sobie provided an overview of operating funds available, as detailed on pages 18 and 26. She explained that baseline funding represents anticipated ongoing funding provided for continuing commitments such as salaries; and fiscal-only funding represents one-time funding

which provides a one-time cash allocation to the receiving unit. She noted that total available baseline funding is \$15,668,700 and after first claims of \$7,680,000 are deducted there is \$7,988,700 available for strategic allocation. She added that the total available fiscal-only funding is \$29,211,500, and noted that after first claims of \$3,800,000 are deducted there is \$25,411,500 remaining in fiscal-only funding available for strategic allocations.

Ms. Sobie stated that the total available funding is derived from increased revenues from tuition fees and investment income, and from budget reallocations, where existing funds not currently earmarked for a specific purpose are repurposed or realigned. She said that there are a number of significant sources contributing to the \$15,668,700 in total available baseline funds, including:

- Academic Position Management Process (APMP) of \$2.1 million;
- Additional mandatory pension contribution overestimated by \$3.6 million;
- Salary reserves of \$3.4 million no longer needed for salary increases due to Bill 28;
- Central operating reserve of \$3.1 million that had been held in contingency funds, and
- Utilities budget reduced by \$2.5 million.

Ms. Sobie said that the total available funds are \$15,668,700.00 with \$7.68 million being for strategic allocation. She said that there are a number of significant sources contributing to the \$29,211,500 in total available fiscal-only funds, including:

- Estimated royalties from the International College of Manitoba of \$3.5 million for 2017/2018 and \$3.1 million for 2016 that had been deferred to 2017-2018.
- International differential fee increase for 2017/2018 of \$1.9 million and revenue from 2014 to 2017 that had been held in operating reserve amounting to \$14.6 million.
- Institutional costs of research of \$1.3 million
- Budget-only allocations of \$4.8 million, representing unspent operating funds from 2016/2017

Dr. Keselman noted that a detailed list of budget allocations is provided in Attachment 3 on page 27. She said that the allocations reflect the University's principles and priorities of balancing investments in the academic mission and in the support functions and infrastructure and of advancing the University's mission of learning, discovery and engagement as reflected in the pillars of the University's strategic plan.

Dr. Ristock stated that she had heard throughout the feedback process of the ways that units have dealt with years of financial constraints, noting that vacancy management was one of the strategies used at the unit level. She added that there has some take-up of the voluntary retirement incentive program though participation varies across units leaving some units disproportionately affected. She added that some units have found it difficult to sustain academic programs with the resulting reduction in staffing complement.

Mr. Hay reviewed Attachment 4, which details the University's proposed General Operating Fund Budget for 2017/2018. He noted that the first page of the attachment shows General Funds, which include the General Operating Fund and the Specific Provisions Fund. He added



that this page also reflects the planning parameters, the allocations mentioned above, and, for comparative purposes, projections for 2016/2017 and actual results for 2015/2016. Mr. Hay explained that the General Operating Fund budget is consistent with historical results, however total expenses in 2017/2018 are budgeted to be higher mainly due to large strategic allocations to academic and administrative units.

Mr. Hay reviewed the Restricted and Endowment Funds, which include the Research and Special Fund, the Capital Fund, the Staff Benefits Fund, the Trust Fund and the Endowment fund. He added that the financial plan for Restricted and Endowment funds is subject to inherent variations, however it is anticipated that donation revenue will increase due to momentum in the Front and Centre campaign, the net investment income will return to historical norms. He said that the Capital Fund will increase this year as a result of revenue from the Government of Canada and Other Province of Manitoba Revenues in support for the Churchill Marine Observatory, the Stanley Pauley Engineering Building, and the Smartpark Innovation Hub.

It was moved by Dr. Barnard and seconded by Dr. Beddoes:

THAT the Board of Governors approve:

- **A tuition fee increase of 1.3% effective regular session 2017;**
- **A balanced General Operating Fund budget for the year ending March 31, 2018 based on revenues of \$648,143,829. Expenditures of \$597,871,972, and net fund transfers of \$50,271,857; and**
- **Financial plans for Restricted and Endowment Funds with revenue of \$318,153,752 for the year ending March 31, 2018.**

Referring to Attachment 3, Mr. Osiowy asked how the total strategic allocations of approximately \$33 million compare to what was allocated in the previous year. Dr. Keselman said that the fiscal-only allocations are very similar to last year, however, the baseline allocations are much higher. She said that last year the allocation was \$3.8 million and it is just under \$8 million this year.

Ms. Lee remarked that the total estimate of deferred maintenance is approximately \$300 million yet the proposed allocation for this year is only \$8,000,000 and asked how projects are chosen. Dr. Keselman said that the University is able to address only the most critical infrastructure projects each year. She added that the University also receives a capital allocation from the Province, however it cannot cover the large amount of deferred maintenance required. She said that the University is slowly working on addressing this issue.

Dr. Kucera commented that he had not expected a positive budget so he was pleased to note the emphasis on faculty and support staff renewal. Dr. Keselman noted that this year's allocations are double what was allocated in this area last year. Dr. Kucera noted that renewal and issues around workload have been of great concern to UMFA and said that these investments will be a very positive move in an otherwise dismal financial environment.

THE MOTION WAS CARRIED.

Mr. Mohammed asked what principles are provided to units when they are requested to budget for reductions in funding. Dr. Keselman responded, noting that letters are sent to Deans with some parameters for budget planning with emphasis on the University's strategic priorities. She added that there are also meetings with the deans to review their budget submissions and discuss the impact of any budget reductions and how they plan to strategic objectives.

Dr. Barnard observed that it is significant that the budget shows a great deal of forward motion in the desired direction and at the end of the year the adjustments are relatively minor on a broad scale.

4.2 Student Referenda

Mr. Kearsey explained that student referenda were initiated in 1987 by an engineering student who wanted to provide more student support to the University. He added that since the program began, approximately \$50 million has been contributed to the University through this program. He said that this programs helps to advance a culture of philanthropy. He added that in the past year the GSA and UMSU students had together contributed more than \$16 million to the Front and Centre Campaign.

It was moved by Ms. Nagra and seconded by Dr. Mollot:

THAT the Board of Governors approve the following contributions be assessed against students beginning in the fall of 2017:

<u>Unit</u>	<u>Contribution</u>	<u>Term</u>	<u>Requested by</u>
Agricultural and Food Sciences (degree students)	\$4.40/credit hour	4 years	Dean Wittenberg
Agricultural and Food Sciences (diploma students)	\$2.87/credit hour	4 years	Dean Wittenberg
Education	\$3.70/credit hour	3 years	Dean Mandzuk
Engineering (all students)	\$3.50/credit hour	3 years	Dean Beddoes
Engineering (full time students)	\$37.50/term	3 years	Dean Beddoes
Medicine	\$50.00/term	4 years	Dean Post/
Music	\$2.00/credit hour	1 year	Dean Dawe
Pharmacy	\$80.00/term	2 years	Interim Dean Gu
Occupational Therapy	\$125.00/term	3 years	Dean Urbanowski
Physical Therapy	\$125.00/term	3 years	Dean Urbanowski
Respiratory Therapy	\$175.00/term	3 years	Dean Urbanowski
Science	\$7.00/credit hour	2 years	Dean Baum
Social Work	\$1.66/credit hour	3 years	Dean Mulvale
CARRIED			



4.3 Residence Room and Meal Plan Rates

Mr. Hay explained that this is an annual submission requesting Board of Governors approval of the rates for residence students for the coming year. He noted that the submission had been prepared by Barry Stone, Director of Student Residences. Mr. Hay explained that the University has four residences; two of which were built in 1963, one, the Arthur V. Mauro Residence was built in 2003, and the Pembina Hall Residence was built in 2011. He added that the residences run at full capacity and typically have a waiting list of 300 students.

Mr. Hay explained that it is a challenge is to maintain financial viability due to the debt incurred to build the new residences and the amount of maintenance required on the older buildings. He noted that approval is being sought for a 5% increase for residence rates and an increase in meal plan rates of 3% for Mary Speechly Hall and Pembina Hall, and a 2% increase to the University College Food Bucks plan.

It was moved by Dr. Beddoes and seconded by Chancellor Selter:

THAT the Board of Governors approve:

a) Residence Room rates (per term) for 2017/18 of:

Pembina Hall Residence: \$3,573

Arthur Mauro Residence: \$3,821

Mary Speechly Hall Residence: \$2,729 (single); \$1,743 (double)

University College Residence: \$2,779 (single); \$1,776 (double)

Extended Stay Fee (holiday break) - \$105

b) Meal plan rates (per term) for 2017-18 of:

10 Meals per Week plus \$250 FoodBucks: \$2,475

15 Meals per Week plus \$250 FoodBucks: \$2,665

7-Day Unlimited plus \$100 FoodBucks: \$2,745

UC FoodBucks Plan: \$1,500 FoodBucks

UC Flex Plan (\$750 FoodBucks plus 100 meals at Fresh Food Company): \$1,910

CARRIED

Mr. Demmings asked if a review had been done of accommodations available around the University as it seems that demand is high and the vacancy rate is low. Mr. Hay explained that the goal is to be able to address the need for more facilities and the five-year plan of gradual increases will make it possible to look at a strategy about how to address this.

5. FROM SENATE

5.1 Proposal to Establish a Pharm.D. Program

Dr. Barnard commented that he had nothing to add as the proposal was self-explanatory and straightforward.

Dr. Mollot asked if the first class would be in 2019 and if current pharmacists will need to upgrade to the Pharm.D. Dr. Collins said that there would be no need to upgrade though there may be some pharmacists who wish to do so. He added that the College of Pharmacy may look at developing an upgrade program in a few years.

It was moved by Dr. Barnard and seconded by Ms. Nagra:

THAT the Board of Governors approve a proposal for a Doctor of Pharmacy (Pharm.D) degree, College of Pharmacy, Rady Faculty of Health Sciences [as recommended by Senate, May 17, 2017].

CARRIED

FOR INFORMATION

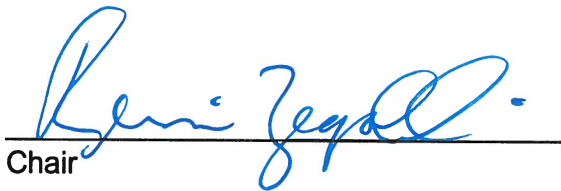
6. Report from the President


Dr. Barnard said that the first of the Convocation ceremonies had been held for the Agriculture Diploma graduates and then the Convocation ceremony in Medicine, which was the for the first graduating class of the newly named Rady Faculty of Health Sciences and the Max Rady College of Medicine. He added that Her Excellency Sharon Johnston, the honorary degree recipient at the ceremony, delivered a lively address that was well-received by the graduating students.

MOTION TO MOVE TO CLOSED AND CONFIDENTIAL

It was moved by Mr. Osiowy and seconded by Dr. Anderson:
THAT the meeting move into Closed and Confidential Session.

CARRIED


Chair


University Secretary

