



UNIVERSITY  
OF MANITOBA

**Minutes of the  
OPEN Session of the Board of Governors  
June 27, 2017**

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**Present:** J. Lieberman, Chair  
J. Leclerc, Secretary

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

**Assessors Present:** S. Woloschuk

**Officials Present:** S. Foster T. Hay G. Juliano G. Pasioka J. Ristock  
L. Zapshala-Kelln

**Regrets:** J. Taylor **Officials Sending Regrets:** D. Jayas J. Kearsey

**1. ANNOUNCEMENTS**

The Chair thanked Board members for their support and for their commitment to the University and said he was looking forward to the year ahead. He welcomed to the Board Sandra Woloschuk as the newly elected Support Staff Assessor replacing Barry Stone; Jerome Knysh, newly elected by the alumni replacing Rennie Zegalski; and Lynn Zapshala-Kelln to her first Board meeting since her appointment as Vice-President (Administration).

**FOR ACTION**

**2. APPROVAL OF THE AGENDA**

It was moved by Ms. Connelly and seconded by Mr. Demmings:  
**THAT the agenda for the June 27, 2017 meeting be approved as circulated.**

**CARRIED**

**3. MINUTES (Open) Session**

**3.1 Approval of the Minutes of the May 23, 2017 Open Session as circulated or amended**

It was moved by Ms. Linden and seconded by Mr. Osiowy:  
**THAT the minutes of the May 23, 2017 Open session be approved as circulated.**

**CARRIED**

### 3.2 Business Arising

#### 3.2.1 Tuition Fees

The Chair stated that in presenting the budget at the last Board meeting, the general increase to tuition fees was included, however the increase to other institution-wide or general course-related fees was not included. He asked Ms. Zapshala-Kelln to speak to this.

Ms. Zapshala-Kelln explained that the fees include the suite of student service fees (Registration, Library and Student Services Fees), the Technology Services Fee, the Sport and Recreation Fee, and general Laboratory Fees. She said that all such fees are proposed to increase by 1.3 percent, the same amount that tuition fees were increased. She noted that this will result in a \$190,000.00 increase to revenue.

Ms. Zapshala-Kelln said that it is also recommended that the Student Services Fee be increased from \$35.06 per year to \$41.36, with the funds intended to support the University of Manitoba degree audit system. She noted that the University has consulted the Province on this proposed increase and the province has indicated its support. Ms. Zapshala-Kelln said that recommendations on course-related fees that require Board approval will be included in the budget submission going forward.

It was moved by Dr. Beddoes and seconded by Mr. Knysh:

**THAT the Board of Governors approve:**

- **An increase of 1.3% to all institution-wide or general course-related fees effective the Fall 2017 term, with the exception of a proposed increase to the Student Services fee.**
- **An increase of the Student Services fee from \$35.06 to \$41.36. The additional revenue received as a result of the proposed increase would be applied towards ongoing support for the new UM degree audit system, an advising tool used by both UM students and advisors. This fee is assessed once a year to all students.**

**CARRIED**

Ms. Nagra asked for clarification of what had not been included in the budget. Ms. Zapshala-Kelln said that an increase in one fee was not reflected in the budget and, as such, will be surplus revenue for this year. Ms. Nagra asked about the purpose of the fee increase. Dr. Ristock explained that the fee was intended to cover the cost of implementing the degree auditing tool. Ms. Zapshala-Kelln said she will bring information about the cost of the degree auditing tool to the next meeting.

### 4. UNANIMOUS CONSENT AGENDA

It was moved by Mr. Osiowy and seconded by Dr. Mollot:



**4.1.1 THAT the Board of Governors approve thirteen new offers, eighteen amended offers, and the withdrawal of three offers, as set out in Appendix A of the Report of the Senate Committee on Awards – Part A [dated April 4, 2017].**

**4.1.2 THAT the Board of Governors approve three new offers, as set out in Appendix A of the Report of the Senate Committee on Awards – Part B [dated April 4, 2017].**

***The Board received for information the following:***

**4.2.1 *Suspension of Admissions to the Integrated Bachelor of Music/Bachelor of Education Degree***

**CARRIED**

## **5. FROM AUDIT & RISK MANAGEMENT**

### **5.1 Annual Financial Report 2016**

The Chair asked Mr. Osiowy, Chair of the Audit & Risk Management Committee to introduce this report. Mr. Osiowy said that the Committee had met on June 14 and reviewed a number of reports, including the Annual Financial Report, which it now recommends for approval by the Board. He noted that the Office of the Auditor General has indicated that it is prepared to offer an unqualified audit opinion on the financial statements.

Mr. Hay said that Mr. Pasioka, the Associate Comptroller, would present the annual financial report. He commented that he welcomes feedback on this report from Board members, as the questions and comments will lead to future improvements to the document. He noted that some of the improvements made in recent years have been the addition of some notes and expanded detail provided in other notes. Mr. Hay added that the most significant change this year has been to make the Management Discussion and Analysis report more focused on the financial condition and financial performance of the University. He noted that the addition of more graphs will help to explain complex issues and make the longer term and current trends more clear.

Mr. Hay asked Mr. Pasioka to present the financial statements.

Mr. Pasioka stated that the template financial statements had been reviewed by the Audit and Risk Management Committee in April and the Committee had not recommended any significant changes. He explained that the Office of the Auditor General (OAG) has indicated that it is prepared to issue an unqualified opinion on the financial statements upon completion of their subsequent events audit procedures and after receiving legal letter replies, a letter confirming management representations, and Board of Governors' approval of the financial statements.

Mr. Pasioka said that the University's total assets are in excess of \$2.5 billion, which includes \$1.1 billion in capital assets and \$834 million in long term investments held in the Trust and Endowment Funds, as well as a \$198 million loan receivable representing amounts due from Triple B Stadium Inc. He noted that this receivable is offset by long term debt to the Province of Manitoba and explained that the University acts as a flow-through on this transaction and there



is no risk to the University as it makes payments only as it receives payments. Mr. Pasioka added that an increase of \$7.6 million represents accrued interest on that receivable. He said that the University's total revenues were \$936 million. He noted that there had been no adjustment necessary to tuition revenue due to the extended term that ensued from the UMFA strike last fall. He added that no liability had existed because students were not entitled to a tuition refund as at March 31.

Mr. Pasioka said that the University has a cash and cash equivalents balance of \$320 million; of that, \$247 million is held in restricted funds which are split 50/50 between the research fund and the capital fund. He explained that cash and cash equivalents held are a result of timing differences between revenue being received and expenses being incurred; this is particularly true of research and capital projects where revenue is received in one year and the research or capital project continues over multiple years.

Mr. Pasioka noted that the University has current liabilities of \$93 million and long-term liabilities of \$500 million, which includes pension liability and employee future benefits liability, and actuarial valuation of the Long Term Disability Plan.

Mr. Pasioka stated that revenue totaled \$936 million as compared to \$927 million the previous year. He explained that the largest source is the government grant from Manitoba Education and Training which totals \$363 million or 39% of the University's total revenue, and consists of \$356 million to fund operating activities and \$7 million in restricted funds relating to capital grants. He added that tuition funds were the second largest source of revenue and totaled \$163 million, or 17% of the University's total revenue. Mr. Pasioka noted that the third largest revenue source is the Government of Canada which provides approximately \$84.4 million; mainly in the form of research funding and capital grants. He detailed the breakdown of the net revenue of \$134 million (\$20.8 million in the endowment funds, \$10.9 million in restricted funds, and \$102 million in general funds).

Mr. Pasioka said that total expenses were \$802 million for the year which is an increase of \$7.3 million over the previous year. He added that salaries and benefits of \$475 million represent 59% of total expenses or 78% of total operating expenses.

Mr. Pasioka explained that Note 22 details the interfund transfers, which included \$65 million to capital, \$15 million to fund debt, and \$8.9 million in scholarships and bursaries. He noted that the net change in unit carryover of \$25.8 million reflects the unspent amount which is transferred to specific provisions to be used at a later date.

Mr. Pasioka said that note 18 explains contingency and contractual obligations related to the possible entailments of a potential Labour Board ruling against the University. He explained that, in the event that the University of Manitoba Faculty Association is successful in their complaint, the unfair labour practice charge being heard at the Manitoba Labour Board could result in a cost of \$9.4 million to the University.



Mr. Osiowy asked how the University of Manitoba's government grant compares to other Canadian universities. Dr. Barnard responded that compared to the U15 group of larger research universities in the country, when adjusted for the size and number of students, this university receives \$75 million less in provincial funding than the average.

In response to a question from Mr. Demmings, Mr. Pasioka explained the upward trend in the endowment fund, noting that many donors want their gifts to be held long term so those funds are moved more often into endowments so that only investment income is spent rather than any portion of the principal.

#### 5.1.1 Presentation of the Financial Statements

It was moved by Mr. Osiowy and seconded by Mr. Silicz:

**THAT the Board of Governors approve the Financial Statements of The University of Manitoba for the year ended March 31, 2017.**

**CARRIED**

#### 5.1.2 Office of the Auditor General Audit Results Memo

Mr. Osiowy said that the Committee had met on June 14 and reviewed the Audit Results Memorandum and presents it to the Board for information. Mr. Hay said the Office of the Auditor General is prepared to offer an unqualified opinion on the financial statements once they are approved by the Board.

#### 5.1.3 Public Sector Compensation Disclosure Report

Mr. Osiowy explained that this report is required of all public sector organizations by legislation. Mr. Hay explained that the report identifies all employees whose compensation is higher than \$50,000. He added that the OAG is prepared to offer an unqualified opinion on the report.

It was moved by Mr. Osiowy and seconded by Mr. Mohammed:

**THAT the Board of Governors approve the Public Sector Compensation Disclosure Report of The University of Manitoba for the year ended December 31, 2016.**

**CARRIED**

#### 5.2 Amendment to the Terms of Reference of the Audit and Risk Management Committee

Mr. Hay stated that the administrative reporting line for Audit Services had been through him over the last year and has now been restored to the new Vice-President (Administration), Lynn Zapshala-Kelln. He noted that administrative units undergo periodic reviews and, in the case of Audit Services, the Institute of Internal Auditors (IIA) requires periodic reviews of organizations that follow their standards. Mr. Hay said that both of those requirements were met over the last year with the help of KPMG as the external reviewer. He explained that one of KPMG's recommendations was to align the Audit and Risk Management Committee's terms of reference with the IIA Standards by making the Committee formally responsible for hiring, firing, reviewing,



and setting compensation for the Director of Audit Services. Mr. Hay stated that this proposed change will formalize what had already been the practice of the Audit and Risk Management Committee.

It was moved by Mr. Osiowy and seconded by Mr. Demmings:

**THAT the Board of Governors approve the amended terms of reference of the Audit and Risk Management Committee.**

**CARRIED**

## **6. FROM FINANCE, ADMINISTRATION, AND HUMAN RESOURCES**

### **6.1 U-Pass Fee Increase**

Ms. Nagra stated that students had voted on implementation of a Universal Bus Pass (UPass) in the fall of 2014. She explained that the recommendation is to increase the fee from \$130 per term to \$132.50 per term effective for the fall of 2017.

It was moved by Ms. Nagra and seconded by Ms. Kilgour:

**THAT the Board of Governors approve that an increased Universal Bus Pass (U-Pass) fee be approved and assessed of all eligible students effective Fall 2017. Eligible students would be assessed \$132.50 per term in the regular session.**

**CARRIED**

### **6.2 UMSU Health and Dental Plan**

Ms. Nagra explained that UMSU is requesting approval for a new two-tier fee structure to be implemented and assessed to eligible students for the UMSU Health and Dental Plan. She explained that all students who are assessed the UMSU Membership fee will also be enrolled in the Health and Dental Plan at a rate of \$345.00 per year with the opportunity to opt-down to various levels of coverage at a reduced rate and the opportunity to opt-out completely.

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

**THAT beginning Fall Term 2017, a new fee structure be implemented and assessed to eligible students for the UMSU Health and Dental Plan. All students assessed the UMSU Membership will also be enrolled in the Health and Dental Plan at a rate of \$345.00 per year. Students will be able to opt-down to various levels of coverage, at a reduced rate, wherein UMSU and Studentcare will refund the difference. Students wishing to completely opt-out of coverage will still be required to provide proof of alternative coverage.**

**CARRIED**

### **6.3 Amendments to UM GFT PP (1993) Governance Document**

Mr. Hay said that item 6.3 and 6.4 on the agenda are similar so he intended to thoroughly explain item 6.3 and will then only highlight the differences for item 6.4. He noted that the University has three pension plans: the 1993 plan, the 1986 plan and the 1970 plan.



Mr. Hay offered some background information on the three pension plans, highlighting the following:

- The 1993 pension plan applies to more than 5,000 active members and more than 1,000 pensioners and is the largest plan with \$1.1 billion in assets. He said that employees and the University make matching contributions to the plan. This is a hybrid plan where a typical employee at retirement receives the better of a formula pension based on years of service and salary level, or the market value of their pension account.
- The 1986 GFT pension plan applies to the Geographical Full Time staff in the College of Medicine which includes approximately 600 active members and has \$60 million in assets. He said that only the employer contributes to this defined contribution plan and at retirement, employees get the market value of their pension account. Mr. Hay stated that most of these physicians receive the bulk of their earnings from their clinical work.
- The 1970 pension plan is the predecessor of the 1993 plan and has only two dozen people in it. This plan is being merged with the 1993 plan this year.

Mr. Hay explained that the two larger plans have Pension Committees acting as administrators of the plan using a structure that was created in 2011, and, in 2015, the Pension Committee undertook a review of the structure with the hope to improve the responsiveness of the oversight and management of the plans, to appropriately vest fiduciary responsibility in the Pension Committee, and to maintain the authority and control of the Board of Governors through its appointments of the majority of the members of the Committee and granting of power to the Committee.

Mr. Hay noted that both submissions include key changes in responsibility for changing and approving investment managers because the review concluded that approval by the Board creates a problem in investments being left with a manager longer than desired. He added that both item 6.3 and 6.4 include the following changes:

- Give responsibility for selecting and terminating managers and advisors to the Pension Committee
- Give responsibility to the Pension Committee to establish policies regarding investment philosophies, guidelines, and objectives
- Increase the term of elected or appointed Committee members from a maximum of two three-year terms to a maximum of three three-year terms.
- Remove the three year term limit for the positions of Chair, Vice-Chair, and Secretary but implement a requirement to elect these positions every second year.

For the 1993 Pension Plan only, the changes also increase the number of elected active plan members from one to two, as approved by the Board of Governors in February. He noted that there was a successful election process and two new members were elected: Will Christie and Cameron Morrill. He noted that this plan also has one person elected by the non-active



members; George Baldwin. In addition to those three members, the composition of the 1993 Pension Committee is as follows:

- Three people appointed by position: Lynn Zapshala-Kelln, Vice-President (Administration); Greg Juliano, Associate Vice-President (Human Resources); and Tom Hay, Comptroller.
- Four people appointed by the Board of Governors: Jeff Leclerc, University Secretary; Lance McKinley, Director of Treasury Services; Janice Martin, director of Audit Services; and David Stangeland, a Department Head and Professor of Finance in the Asper School of Business.

It was moved by Ms. Lee and seconded by Ms. Linden:

**THAT the Board of Governors approve the University of Manitoba Pension Plan (1993) (1993 Plan) Governance Document.**

**CARRIED**

#### 6.4 Amendments to UM PP (1986) Governance Document

Mr. Hay spoke briefly to this item, reminding the Board that most of his previous comments were applicable for this item as well. He noted that the GFT Pension Plan has no retirees or “non-active members remaining in the plan, so no non-active representative is necessary. He added that because all of the active members of this plan are GFT’s there is no need to broaden participation to include other employment groups.

Mr. Hay noted that the composition of the 1986 Pension Committee is consistent with the 1993 Pension Committee, with the addition of a person elected by the active members, Dr. Allen Kraut.

It was moved by Ms. Lee and seconded by Ms. Linden:

**THAT the Board of Governors approve the University of Manitoba GFT Pension Plan (1986) (1986 Plan) Governance Document.**

**CARRIED**

### **FOR DISCUSSION/ADVICE**

#### **7. FROM SENATE**

- 7.1 Extend Suspension of Admissions to Undergraduate (B.Sc. in Textile Sciences, P.B.Dip. in Agrology) and Graduate (Ph.D.) in Cancer Control, M.Sc. in Family Social Sciences, M.A. in Icelandic, M.Sc. in Textile Sciences) Programs

The Chair informed Board members that, under policy, the President is to consult with Senate and the Board of Governors prior to approving the suspension of admissions to a program.





Dr. Barnard said that the suspension of admission to programs is rarer than the creation of new programs, and is initiated at the request of the program sponsors. He explained that this occurs when, for various reasons, a program is no longer attractive to students and is likely to be phased out. He stated that the rationale is to limit admissions for a period of time to assess whether the lack of interest continues. There were no questions or comments.

## 8. FOR INFORMATION

### 8.1 Report from the President

Dr. Barnard stated that it had been a busy month with convocations and related events, and ended with the Université de St. Boniface convocation. He noted that St. Boniface has not yet severed all connections with the University of Manitoba as their programs are approved by our Senate by virtue of an affiliation agreement. Dr. Barnard said he had attended the IDEA dinner honouring David Foster which had been well-attended and well-received. He added that the University had received a bust of Vaclav Havel by the Ambassador from the Czech Republic in recognition of the connection he had with the University. He said that he had recently attended the University Long Service Awards celebration and the student volunteer appreciation reception.

The President stated that a report on responsible management at the University had been provided to the provincial government and noted that some uncertainties remain regarding the government's intentions in some areas and he would welcome clarification of some aspects of the University's relationship with government.

Dr. Barnard informed the Board that the University is now formally in bargaining with the University of Manitoba Faculty Association (UMFA). He noted that the hard work has yet to begin as the Faculty Association is in the midst of consulting with its members.

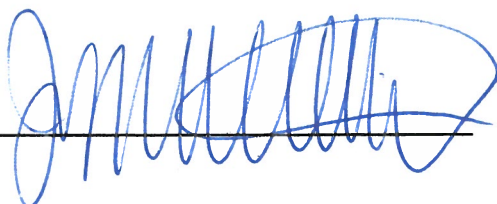
Dr. Barnard stated that the University has received notification of a competition for a new set of research chairs. He explained that the requirements and timing are tightly constrained but the University will compete as it has been successful in the past.

## 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

