



**Minutes of the OPEN Session of the
Board of Governors
June 28, 2022, at 4:00 p.m.**

Present: L. Hyde, Chair
J. Leclerc, Secretary

J. Anderson	M. Benarroch	A. Bindra	J. DeSouza-Huletey	I. Fakankun
D. Finkbeiner	W. Lazarenko	K. Lee	S. Li	L. Magnus
A. Mahon	N. Murdock	J. Oyeyode	D. Roussin	S. Sekander
J. Taylor				

Attending via Teleconference

K. Osiowy

Regrets:

D. Brothers	C. Cook	D. Hiebert-Murphy	D. Jayas	S. Prentice
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Absent:

Allison Raizman	V. Romero	J. Rykiss	M. Shaw
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Assessors:

S. Woloschuk

Officials:

N. Andrew	V. Koldingnes	M. Watson
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Presenters:

M. Emslie	T. Faurschou	S. Hopkins	J. Martin
G. Pasioka			

ANNOUNCEMENTS

The Chair began the meeting by acknowledging that the University of Manitoba is located on the original lands of the Anishinaabeg, Cree, Oji-Cree, Dakota, and Dene peoples and on the homeland of the Métis Nation and that we respect the treaties made on these lands and commit to resolving harms and mistakes of the past.

The Chair expressed her hope that the Board will continue to work together in a spirit of trust and collaboration to fulfill its fiduciary duties in the best interest of the University as a whole, always demonstrating the highest respect for each other, for students, faculty, and staff and the community the University serves.

The Chair noted that several new Board members are joining today for their first meeting, and extended a warm welcome to Irene Fakankun, elected to the Board by the Alumni, as well as Asmi Bindra, Doug Finkbeiner, William Lazarenko, Shani Li, Joshua Oyeyode and Diane Roussin, each appointed by government.

The Chair thanked Jeff Lieberman, Laura Reimer, Tracey Matthews, Nevada Mogan, Nathan Brigg, and Alex Drummond for their work and dedication to the Board of Governors and asked that each Board member introduce themselves.

FOR ACTION

1. APPROVAL OF THE AGENDA

It was moved by Chancellor Mahon and seconded by Ms. Lee:

THAT the agenda for the June 28, 2022 meeting be approved as circulated.

CARRIED

2. MINUTES (Open) Session

2.1 Approval of the Minutes of the May 24, 2022 Open Session as circulated or amended

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

THAT the minutes of the May 24, 2022 Open session be approved as circulated.

CARRIED

2.2 Business Arising

There was no business arising from the minutes.

FOR INFORMATION

3. UNANIMOUS CONSENT AGENDA

It was moved by Dr. Anderson and seconded by Ms. Magnus:

THAT the Board of Governors approve and/or receive for information the following:

THAT the Board of Governors approve, as recommended by Senate:

- A. Reports of the Senate Committee on Awards [dated May 12, 2022 and June 9, 2022]**
- B. Proposal for a Chair in Technology Assisted Living, College of Rehabilitation Sciences**
- C. Proposal for a Chair in natural Systems Agriculture for Climate Solutions, Faculty of Agricultural and Food Sciences**
- D. Proposal for a Professorship in Global Infectious Diseases Research, Max Rady College of Medicine**

THAT the Board of Governors approve the Public Sector Compensation Disclosure Report of The University of Manitoba for the year ended December 31, 2021.

THAT the Board of Governors approve a 12 month renewal contract for International Student Healthcare Insurance with Manitoba Blue Cross and StudentCare for a total value of approximately \$7.45 million.

THAT the Board of Governors approve the assessment of a student organization fee of \$28 per year related to the UMSU Legal Protection Program, beginning in the 2022/23 academic year as follows:

- The fee is to be assessed on all Undergraduate students who meet the same criteria as the UMSU Health and Dental programs. That includes:
 - Undergraduate UMSU member registered in a minimum of 6 credit hours in Fall Term for coverage from September to August.
 - Undergraduate UMSU member who is newly admitted in Winter term and is registered in a minimum of 9 credit hours for coverage from January to August.
- Students may opt out of this fee.
- Graduate students are not included in this program.

The Board received for information the following:

- *Increase to Admission Target, Bachelor of Nursing, College of Nursing President's Approval*
- *One-Time Increase to Admission Target, Bachelor of Midwifery, College of Nursing, President's Approval*

CARRIED

FOR APPROVAL

4. REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Osiowy explained that the Committee met on June 21st and reviewed in detail the Annual Financial Report for 2022, comprised of the Financial Statements for the year ended March 31, 2022. The Committee considered the Audit Results Report from the Office of the Auditor General, prior to their recommending approval of the University of Manitoba Financial Statements for the year ended March 31, 2022. He added that the Office of the Auditor General was prepared to issue a clean audit opinion on the statements. Mr. Osiowy shared that the Committee recommends that the Board of Governors approve the Annual Financial Report.

4.1 Annual Financial Report 2022

4.2 Office of the Auditor General Annual Audit Results Report

Mr. Emslie explained that the pandemic impacted the 2021/22 fiscal year due to the varied health restrictions that limited the ability for in-person activity on campus, adding that faculty, staff, and students demonstrated extraordinary resiliency and creativity throughout. He noted

that enrolment remained intact with most classes occurring virtually. Another significant issue faced by the University of Manitoba in 2021/22 was the collective bargaining that occurred, where two of the Universities largest unions signed collective agreements with one settled by arbitration following a labor disruption.

Mr. Emslie noted that Appendix 2, found on page 76 of the agenda, illustrates the breakdown of the year end results between operating and non-operating in comparison to the Board approved budget. He explained that the table shows revenues by type, and expense by function and operating allocation, adding that the operating allocations include transfers of non-operating to operating funds (and vice versa) to provide an accurate accounting of the true results of the university operations.

Mr. Emslie explained that some of these allocations include the repayment of debt that is funded by operating funds, for example the debt on the Active Living Centre that is funded by student fees and membership revenues, in addition to student assistance funded by operating, aid and trust funds, as well as capitalization of assets purchased through operating funds and overhead charges relating to research grants.

Mr. Emslie shared that the budget year end 2021/22 showed a surplus of \$70 million in operating funds, in addition to a 6million dollar surplus of non-operating funds. He explained that numerous factors contribute to the operating surplus, which include:

- Tuition revenue exceeded the budget due to higher enrolment of international students than initially budgeted for. The budget assumption for international and domestic enrolments for 2022/23 has been adjusted, to reduce the likelihood of a similar surplus to occur in 2022/23.
- Sales of goods and services exceeded the budget, due to recreation services and programing, in addition to the underbudgeted revenue for Ancillary Services due to the limited in-person activity on campus.
- Other income exceeded the budget due to insurance proceeds related to the fire in University Centre.
- Operating expenses are lower than budgeted because of unfilled positions and savings related to the labor disruption, in addition to reduced expenditures related to travel as well as office supplies and service requirements.

In explaining the operating budget surplus by area, Mr. Emslie noted that just over \$40 million of surplus was due to faculties and units underspending their operating budgets, adding that there was a \$5.5 million deficit by Ancillary Services. He noted the remaining surpluses include just over \$10 million from tuition, \$18 million in reserve fund savings and just over \$7 million in other savings.

Mr. Emslie explained that the underspent portion of 2021/22 operating funds by faculties and units was greater than in previous years, due to the impacts related to the labor disruption in addition to the reduced in-person activity on campus from pandemic related restrictions.

In providing an overview on surplus by year, Mr. Emslie explained that in comparison to the two years prior, the non-operating surplus has reduced in 2021/22 due to the work and activity that many University researchers have been able to return to this past year and utilizing research funds that were received but not able to be used due to the inability to conduct research activity throughout the two previous years.

Mr. Emslie noted that the accumulated surplus of \$1.8 billion, which includes all surpluses before measuring gains and losses, consists of just over \$1 billion in non-operating surplus that is a combination of capital and unspent research and trust funds, in addition to the operating surplus of \$415 million from endowed gifts and nearly \$400 million from faculties and units. Mr. Emslie provided an overview of the carryover and provision balances of faculty and unit surpluses, noting that:

- \$160 million for faculty and unit carryover and/or provisions for future spending/obligations
- Carryover and provisional funds set aside for each of the Vice-President portfolios
- \$15 million for Ancillary Services, as they retain a portion of their surplus annually for investing in maintaining and renewing assets, noting their reduced surpluses over the past couple of years
- \$167 million held for university priorities

In providing a multi-year overview of carryover and provision balances, Mr. Emslie shared that the increase in surplus funds from faculties relates to the increase in faculty carryover and provisions. In noting the same for university-wide priorities, Mr. Emslie provided a breakdown on provisions for these carryover funds explaining that \$25 million has been set aside for the Fiscal Stabilization Fund to provide a source of funds to the University should the University face any central deficit. He added that the remaining funds have been reserved for special projects including the Machray Hall Redevelopment and Taché Concern Hall, in addition to Hydro Reservicing, projects relating to infrastructure and learning spaces on campus, the ICIP project, which are funds that will match federal government funding to deal with deferred maintenance and energy retrofits on campus, as well the purchase of equipment Churchill Marine Observatory in addition to a handful of other projects and renewals.

Mr. Emslie explained that the University is taking steps to reduce future surpluses by taking a more aggressive approach with enrolment assumptions, reducing contingencies within the budget and the increased cost for salaries.

In referring to the multi-year carryover and provision balances slide presented by Mr. Emslie, Dr. Taylor shared his concerns with optics in how the information relating to university priorities is

presented. He explained that the carryover and provisional funds from faculties are mostly, if not all, connected to university related priorities, and therefore could leave room for misunderstanding of how these funds are being set aside for university priorities overall. Mr. Emslie agreed and will review the way this information is reflected within future presentations.

Ms. Magnus expressed her appreciation for the work done by the finance office for the MD&A that effectively addressed budget surpluses. She asked if units could spend more than budgeted, or if surpluses would continue to accumulate each year. Mr. Emslie explained the legislation is quite vague in describing how the University can spend annually, other than to note that the University cannot plan to spend more than budgeted, although the University can run a deficit. He shared that while the University could spend more than budgeted, for the University to plan to run an operating budget deficit it would require approval from the government, adding that carryover and provisional funds can be used for capital purposes, which would not result in a deficit however could increase amortization expenses.

In response to the question, Mr. Emslie explained that it is possible that the government cut back on grants due to the university's surplus, adding that the University is aware of this risk and is working to alleviate it. He noted that while the University is currently facing a higher than usual surplus, there is an appropriate amount of retained earnings required for an institution and that the University is working to flatten the curve. Ms. Koldingnes noted that these surpluses have been allocated to specific projects, including multi-year projects.

Mr. Emslie explained that plans are in place to utilize these surplus funds, with projects laid out within the slide titled "University Priorities Provisions – March 31, 2022" presented earlier. He also shared that faculties have made plans for their own carryover and provisions, in considering the timing of when to begin their projects.

Dr. Benarroch explained that given the limited amount of government funding to support capital, the only way to fund capital is to run a surplus in one year and spend those surplus funds the year after. He shared the challenges faced by faculties, in that while they may have a small amount of surplus, to plan for larger expenditures it may take years to accumulate those funds. Dr. Benarroch noted that there has been a large amount of variability over the last handful of years, due to the very little in-person activity on campus in addition to the budget cuts and low wage settlements mandated by the government. He explained that the goal is to gain a better understanding overall of the university's base budget in addition to ensuring that the appropriate amount of spending occurs, while also ensuring funding for future capital projects.

In response to the question on the overall management of capital projects, Ms. Andrew explained that each project will have a capital schedule and contracts that dictate payment schedules, in addition to the annual update on capital projects provided by the Associate Vice-President (Administration). Mr. Emslie noted that the financials of each project are tracked separately, noting that controls are in place to ensure that purchasing policies are being followed.

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

THAT the Board of Governors approves the Financial Statements of The University of Manitoba for the year ended March 31, 2022.

CARRIED

4.3 Fraud and Financial Irregularity Reporting Policy

Mr. Osiowy noted that the Committee considered this submission for a new governing document at their June 21st meeting. He explained that Audit Services developed the Fraud and Financial Irregularity Reporting Policy to provide the university community with a clear and concise framework in reporting fraud and financial irregularities, and that the procedure document operationalizing the policy is to follow, with the approval of the procedure left to the Vice-President (Administration).

Ms. Andrew explained that the University of Manitoba currently does not have a policy that addresses fraud and financial irregularities, adding that this policy specifically addresses fraud and how it will not be tolerated, in addition to the requirement for employees to report suspected fraud and how to do so. She explained that Learning and Organizational Development have developed online training to provide guidance and education to the University Community, adding that Audit Services is also working very closely with the Change Management Office.

The Chair welcomed Ms. Martin, Director of Audit Services, to the meeting. Mr. Finkbeiner asked whether this policy addresses the reporting of fraud and/or theft to the authorities. Ms. Martin explained that the policy notes that any disciplinary measures would be in accordance with other University and Human Resource policies, adding that if legal action were necessary then the University's legal team would provide guidance. Ms. Andrew added that this policy takes an overly broad definition and approach to fraud and financial irregularities, however when a more specific definition of fraud is required then there are other University policies in place to ensure that it is managed appropriately. Ms. Andrew noted this policy provides guidance to the University community regarding behavior, and not the investigation of fraud irregularities. In response to the question on the reporting of fraud to the broader stakeholders, including donors, Ms. Koldingnes explained that the University is guided by privacy and would take advice from the University's legal team on how to communicate these issues without breaching privacy.

Ms. Andrew noted that if gross misconduct should occur, the University does have a legislative requirement to report, and although the details would fall within and governed to a certain extent through safe disclosure, there are communications shared through the University's website in addition to reporting to the government. She reminded members that the intention for this policy is to guide behaviors in addition to addressing irregularities and trends. Ms. Martin added that individuals may also disclose under other fraud reporting related policies in addition to the Safe Disclosure (Whistleblower) policy, however the Fraud and Financial Irregularities policy is to provide education to the university community on fraud and financial irregularity.

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

THAT the Board of Governors approves the creation of the Fraud and Financial Irregularity Reporting Policy, effective July 1, 2022.

CARRIED

FOR CONSULTATION

5. FROM SENATE

5.1 Request for Admission Target Increase, Bachelor of Respiratory Therapy, College of Rehabilitation Sciences

Dr. Benarroch explained that the President has the authority to increase program enrolment, in consultation with the Senate, the Board of Governors and university community. He shared that there is a shortage of respiratory therapists in Manitoba, noting that the University of Manitoba currently trains sixteen respiratory therapists. Dr. Benarroch explained that there have been discussions with the government regarding funding to increase the number of seats within this program from sixteen to twenty, noting that twenty seats is maximum capacity for the program as it currently stands. He explained that this program is of high demand, and this increase to twenty seats is permanent to the program.

Ms. Magnus asked for clarification on the process in deciding on moving forward with four additional spaces within the program, as well as incremental costs in adding additional seats. Dr. Benarroch explained that given the current spaces for labs and classrooms, in addition to the number of students within the program, increasing the seats from sixteen to twenty will allow cohorts to remain. He added that increasing seats beyond this number would require an entirely new and additional student cohort and therefore additional lab and classroom spaces and facilities. The current Bachelor of Respiratory Therapy Program can effectively and efficiently manage the increase to twenty seats, and if additional spaces should be required the government is open to more dialogue regarding program expansion.

5.2 Request for Admission Target Increase, Bachelor of Midwifery, College of Nursing

Dr. Benarroch explained that in June 2022, he had approved a request from the College of Nursing for a one-time increase to the admission target for the Bachelor of Midwifery program, from six to eight seats. This increase was to address recent enrolment attrition due to two students who took a leave from the program. Dr. Benarroch shared that the College is now requesting for a permanent increase to eight seats within the program, adding that there are more applicants than number seats available and a higher demand for midwives, particularly in northern communities.

Dr. Benarroch noted that in the future, when the University requests for additional funding from the government for programs, the University will also request that blocked funding from the government for those program(s) are distributed appropriately by government to ensure that funding to other faculties is not affected. He shared that he spoke with the Deputy Minister about this, who responded very positively and will incorporate those changes for funding requests moving forward.

FOR INFORMATION

6. President's Report

Dr. Benarroch commented on the change in how he will be reporting to the Board throughout the year, sharing that the recent in-person convocation and spring term has brought a lot of positive energy from students, staff, and faculty. In preparation for Fall term, Dr. Benarroch continues to encourage faculty members to return to campus to review their classroom set-up and determine their technical needs, understanding the high demand for additional technologies.

Dr. Benarroch shared results of a recent survey taken by students on student well-being. He noted that the most impactful side effect of the pandemic for students has been a lack of motivation and engagement, and when asked what would most improve their academic performance, students noted return to in-class activity as the number of choices, in addition to the same for improving engagement.

Dr. Benarroch shared that the University of Manitoba continues to move towards being fully in-person in the Fall, while ensuring the safety and well-being for the University community. He noted that various ventilation testing and upgrading, where possible, has and continues to occur.

Dr. Benarroch commented that overall, this has been a positive academic year that ended with in-personal convocation that was wonderful and heartwarming to experience. He also shared a special thank you to the many individuals who planned and took part in the Installation event, which was incredibly special for him and his family.

MOTION TO MOVE TO CLOSED AND CONFIDENTIAL SESSION

It was moved by Ms. Sekander and seconded by Ms. DeSouza-Huletey:
THAT the meeting move into Closed and Confidential Session.

CARRIED

Chair

University Secretary