

UNIVERSITY OF KING'S COLLEGE BOARD OF GOVERNORS
EXECUTIVE COMMITTEE MINUTES

The Executive Committee of the University of King's College Board of Governors met by Zoom teleconference on Thursday, March 11, 2021, at 12:00 p.m.

ATTENDING: Ms. Katrina BEACH (Treasurer); Mx. Levi CLARKSON (outgoing King's Students' Union President); Dr. Gwendolyn DAVIES (Vice-Chair); Dr. Susan DODD (Faculty Representative); Mx. Jennifer GRAY (Secretary); Mr. Nick HARRIS (incoming King's Students' Union President); Professor William LAHEY (President and Vice-Chancellor); Dr. Peter O'BRIEN (Vice-President); Mr. Douglas RUCK, Q.C. (Chair); and Mr. Hugh WRIGHT (Diocesan Representative)

REGRETS: Mr. Paul THOMSON (Alumni Representative)

BY INVITATION: Ms. Adriane ABBOTT (Advancement Director); Ms. Julie GREEN (Registrar); Ms. Katie MERWIN (Dean of Students); and Ms. Bonnie SANDS (Bursar)

STAFF: Mx. Janet HATHAWAY (minutes)

At 12:07 p.m., the Chair called the meeting to order.

(2021:01) PRAYER

The Vice-President read the College Prayer.

(2021:02) NECROLOGY

The Secretary read the Necrology. A moment of silence was observed.

The Chair spoke of colleague and friend Rosalie Courage and how she was a very capable member of the Board of Governors.

The President advised that flags were at half-mast and the University's grief was shared on social media and at the memorial service held for her family.

(2021:03) OPENING REMARKS – CHAIR

The Chair advised the Investment Committee Report would be removed from the Consent Agenda.

The Chair noted that this was outgoing KSU President Levi Clarkson's last meeting with the Board. The Chair thanked Levi for their work on KSU for the University and the Board.

(2021:04) CONSENT AGENDA

A Consent Agenda addressing the following matters was circulated:

- a) Approval of Minutes of the meeting of November 26, 2020
- b) Alumni Report
- c) Advancement Director's Report

- d) Advancement Committee Report
- e) Registrar's Report
- f) Investment Committee Report
- g) Tri-bay financial resolutions update

MOTION: (Gray/Davies) that the Consent Agenda be approved. CARRIED.

(2021:05) BUSINESS/DECISION ITEMS

a) ENROLMENT UPDATE

The Registrar presented the enrolment update. Referring to her written report, she anticipates having a total student population of 905 in the fall, and noted that King's is anticipating going back to a larger FYP enrolment in fall 2021.

At 12:18 p.m., the Registrar briefly left the meeting.

At 12:19 p.m., the Treasurer joined the meeting.

The Registrar noted that the incoming student cohort shows progress as students who deferred their applications last year because they did not want online learning have renewed their applications for this fall.

Board members noted the lower number of withdrawals this year from FYP.

The Registrar advised that there is a nine percent increase in the applicant pool for fall, and up five percent in the number the University has offered admission to. Residence application numbers are down, but overall, the commitment of students who will be living in Residence in the fall is up. King's is seeing increases in visits to the website and followers on social media, so there is a reason for optimism. In recruiting efforts, the University emphasized all the support offered and the exceptional job Faculty have done in adjusting to the online environment.

b) 2020-2021 FINANCIAL UPDATE

The Bursar presented the 2020-2021 financial update. The expected deficit of just under \$700,000 has flipped to a surplus of just under \$700,000. That is due to a one-time grant received from the Province for COVID-19-related expenditures.

Referring to the enrolment table, the Bursar noted that winter retention rates were very good. King's has retained 895 students of the 905 from fall. More students are taking a part-time load this year however – 52 students. International numbers are holding steady with 45 students.

The University anticipated \$721,000 in spending reductions in relation to the pandemic but King's is expecting to realize \$758,000 in reductions. COVID spending remains about the same, \$1,100,000.

The Treasurer noted the significant change in the financial update from the budget and congratulated the Bursar and her team.

The Bursar noted that the Director of Finance has reached out to every department to look for spending reductions this year.

c) 2021-22 PROVISIONAL BUDGET AND THREE YEARS OF PROJECTIONS

The next item was the 2021-2022 Provisional Operating Budget. The Bursar noted that this is the second budget impacted by the uncertainties of the pandemic. The timing of the rollout of the vaccine program is a big factor. If the COVID situation changes, changes in enrolment, residence occupancy, COVID expenditures and unallocated anticipated reductions in spending could impact actual results.

- i. **PowerPoint presentation**
- ii. **2021-2022 provisional budget and projections for 2022-2023 through 2024-2025 with assumptions**

The Bursar reviewed highlights from next year's provisional budget: similar headcounts to this year, but a slightly higher FYP class of 195 is expected (the 177 of this year will move into their second year, impacting upper year enrolment but the impact is lessened by continued improvement in upper year retention rates). The budget includes 50 percent occupancy of residences; COVID expenditures will continue but to a lesser extent. Conference Services is not expected to be operational during the coming summer. Anticipated reductions in spending due to the pandemic are not yet included.

New spending includes two new Faculty diversity hires, a full-time Rogers Chair, two LTA hires (HOST and CSP), and a full-time Equity Officer. The budget also includes the application of the 2020-2021 surplus to fund several budget items: COVID expenditures, COVID bursaries and debt servicing. King's is looking at a \$2,000,000 deficit, but after applying cash from the surplus (\$687,000), the University is looking at a \$1,400,000 deficit.

The Bursar advised that the special one-time government grant related to COVID expenditures is not expected next year. Revenue assumptions include:

- A one per cent increase in the operating grant;
- Enrolment: no assumption of growth;
- Tuition: three percent increase in Arts and Science, as recommended by Dalhousie;
- One percent increase in Journalism tuition, which was already approved by the Board;
- Two percent increase in MFA tuition;
- 14 percent increase in the international student differential (for students who entered King's or Dalhousie in the fall of 2019 or later), which was already approved by Dalhousie;
- Fees: no increase except meal plans;
- The University is looking at a new pricing model for Residence rooms to reflect room size, condition and amenities (a revenue-neutral approach);
- The athletic fee will be reinstated as the assumption is that the gym will be open;
- The MFA mentor fee increases since inception of the program equate to the cumulative CPI increases, so that is proposed to remain flat;
- Residence occupancy is assumed to be 50 percent or 127 beds.

The Bursar reviewed the expense comparison: unallocated anticipated reductions in spending as a result of the pandemic are not yet included in this budget. The big driver in expenses next year is the new Faculty hires. In expense assumptions, faculty salaries and benefits are based on the DFA increase of 1% on July 1 and 1.25% for the following year. The same increases are assumed for staff.

The Rogers Chair will now be full-time (was half-time previously). Three faculty members are leaving this June in connection with the Enhanced Voluntary Retirement Program (EVRP): from Journalism, CSP, and a Carnegie Professor. The amount for staff salaries will be affected by three maternity leaves, the new Presidential contract, and conversion of two three-year 10-month recruitments contracts to 12-

month contracts. King's is no longer teaching the HOST engineering class at Dalhousie and, due to higher enrolment, King's allotment to Dalhousie is increasing.

In scholarships, there will be a new tuition waiver that is in the works but not yet publicly announced.

Program and department operating budgets will remain flat except for increases for Residence software (\$12,000), University initiatives (\$15,000), the MFA residency assumed to be in person in Toronto, externally contracted services, expenses dependent upon enrolment levels and faculty sabbaticals, and resumption of "normal" activities such as Chapel Music concerts, the installation of the Chancellor, academic program reviews, and athletics.

The Treasurer noted the importance of the EVRP program to faculty renewal.

Board members asked if the Bursar would be talking to the bank about potential debt payment deferral, which would have a sizable impact on the end result. The Bursar noted that she has a meeting set up with the bank next week.

Board members asked about anticipated supports for incoming students because of truncated schooling during the pandemic. There is a concern that these students will need more support. The Bursar responded that she would make a note of that.

The President noted that the University was again budgeting an amount of money for responding to COVID, and that is an example of the kind of expenditure that could fall into the COVID emergency response fund.

On COVID expenditures, the Bursar indicated they are pretty well known at this point. Contract positions will be reviewed in the fall. The additional faculty fellow hires go out three years as they are three-year contract positions. More online equipment and resources might be needed, such as a Zoom institutional license and additional cleaning costs. If additional supports for high school students are needed, they will be factored in.

The Bursar reviewed debt and capital funded by operations comparisons. The University is expecting to pay \$934,000 in debt repayment next year if not deferred.

The Journalism school asked for an increase in their budget of \$30,000 to allow for rotational computer lab replacement.

Regarding the use of the prior year's surplus to reduce the operating cash deficit, in 2020-2021, the budget applied \$231,000 of the 2019-2020 surplus to reduce the operating cash deficit. Residence revenue was lost due to vacating residence early: \$201,000. The COVID Bursary Fund contribution was \$30,000. The 2021-2022 budget applies the entire Q3 forecast surplus of \$687,000 to reduce the operating cash deficit. It is being applied to the COVID Bursary Fund contribution, COVID expenditures, and debt servicing costs.

Additional potential areas of expenditure include \$150,000 in 2024 for website redesign and to make it accessible and two new faculty positions – two were to have been hired in 2021, but were paused and will be hired in July 2021. There will also be new hires in 2022-2023.

Operating cash (deficits) surpluses 2021-22 to 2024-25: the future three years show an operating cash deficit after additional spending.

Outstanding items that do not have figures attached to them yet in the provisional budget are costs related to the Independent Review; unallocated anticipated reductions in spending related to the pandemic; the new Carnegie arrangement with Dalhousie (FASS and Computer Science), which is still being discussed; and the MFA Fiction stream, which has not been incorporated into the projections.

The Bursar discussed scenarios of COVID under control versus COVID not under control. If COVID is under control, there could be full residence occupancy (254 beds); if not under control, Residence could be the same occupancy as this year (106 beds). No impact on enrolment is assumed because the enrolment in 2020-2021 was similar to the enrolment in 2019-2020.

By 1:01 p.m., the Advancement Director had joined the meeting.

Board members asked several questions of the Bursar:

- Would the University adjust student fees again if COVID is not under control? The Bursar advised that as the budget is approved in June, so deciding not to charge fees would be discussed in September if services or facilities are not available to students for which fees are charged
- Would there be dedicated bursary funds like the COVID bursary fund in the coming year? The Bursar advised that there is \$78,000 in the COVID bursary fund, and if more were needed, the University could provide more.
- Board members asked about the conversations around the government grant and what plans there were for future conversations about government funding. The President advised that universities have been emphasizing to the Province the additional cost of operating online, and many universities experienced a huge revenue drop during COVID. That continuing vulnerability remains a topic of conversation with the Province. There is a new Premier and new minister. The University has not had a chance to find out how interested the government is in resuming those conversations, but the President assumes that consistency of messages from several universities to the Province will have an impact.
- Board members noted how King's is tied to Dalhousie in respect to increasing international student fees by 14% and how international students feel vulnerable and exploited by this increase. The President was critical of the Province's decision to handle international students arriving in the Province by requiring them to go to hotels and expressed concern for the additional expenses required to be incurred by international students. He noted that further discussion is warranted.
- Board members asked about innovation opportunities arising from the pandemic. The President noted that Faculty have been very innovative this year, but that the year has also been very difficult for everyone. The Vice-President noted there is a built-in opportunity for review at the end of the year because all King's programs are slated for review next year, so there will be lots of opportunities to think about innovation.

d) FACULTY DIVERSITY HIRES MEMO AND RESOLUTION

The Bursar noted that the Journalism Faculty member will be starting on June 1 and the FYP Faculty member on July 1. She advised that as a result of retirements under the first EVRP and interest expressed by faculty in the second EVRP, she was recommending that the Board determine that the hiring of the next two faculty diversity positions is financially viable and the Board proceed with a start date of July 1, 2022.

MOTION: (Beach/Clarkson) that the following resolution be recommended to the Board for approval: "Be it resolved that the Board hereby determines the hiring of the next two faculty diversity positions to be financially viable and that the hiring process may proceed during the 2021-22 academic year to allow for a hire date of July 1, 2022." CARRIED.

e) **SUMMER 2021 CAPITAL AND FACILITIES RENEWAL PROJECTS MEMO AND RESOLUTION**

The Bursar advised that the Facilities Director wanted to get an endorsement by the Board for these projects this summer.

Board members inquired about the wording of the resolution. After discussion, the Secretary recommended that approval was not required for the item and that it should be added to the Consent Agenda for the Board meeting.

f) **INVESTMENT COMMITTEE REPORT**

The Chair determined that the Investment Committee Report, which was pulled from the Consent Agenda, should be discussed at this point in the Agenda.

The Bursar advised that the new chair of the Investment Committee, Tom Eisenhauer, has put together and submitted a revised Responsible Investing Policy (RI Policy), which was introduced by the former chair of the Investment Committee, but not finalized last year for Board approval.

The President noted that with respect to investment, the RI Policy provided for “divestment if necessary but not necessarily divestment.” The key point is that all of the University’s investments will be moved to money managers who follow rigorous environmental, social and governance (ESG) principles and concepts. The money managers will have to comply with the UN Principles for Responsible Investment. The only oil and gas companies that will be eligible for investments will be those that adhere to these principles and are moving toward greenhouse gas emission reductions. Immediately, there will be many oil and gas companies that no longer qualify for investment of King’s money. The whole investment world is shifting very quickly. The President indicated that he personally believes in this approach and recommends that the Board approve this policy.

Some Board members indicated a concern about the lack of timelines but indicated general satisfaction with the approach.

Board members also asked whether the Investment Committee should be required to report annually on the RI Policy. The Secretary indicated she would bring this to the attention of the Investment Committee Chair, to ensure the terms of reference were considered and amended if necessary to require this.

MOTION: (Wright/Clarkson): that the Executive Committee recommends that the Board approve the Responsible Investing Policy, as presented, and that the Investment Committee report to the Board of Governors annually in respect of the Policy. CARRIED.

(2021:06) **GOVERNANCE, HUMAN RESOURCES AND NOMINATING CHAIR’S REPORT**

The Secretary, as Chair of the Governance, Human Resources and Nominating Committee, advised that the committee has not been able to schedule a meeting until later in March. An item for that committee is finding a replacement for Rosalie Courage’s position on that and other committees.

At 1:46 p.m., the Chair called for a break. The outgoing KSU President left the meeting at that time.

At 2:00 p.m., the meeting resumed.

(2021:07) PRESIDENT'S REPORT

The President indicated his desire to help King's be an organization that doesn't just talk about environmental responsibility but also does its part to contribute to environmental responsibility and stewardship. He noted several initiatives to make King's more environmentally responsible, including a project to draw all of the College's heat from geothermal and a student review of small college environmental initiatives.

The President asked for Board feedback on his memo on Haliburton. He noted that King's should make decisions based on principles that can be referred to in other situations as they come up. This is the first item arising from the University's Inquiry on Slavery, although the issue was well known before the Inquiry. The President recommended that action should be taken before the end of this academic year so that the classroom no longer has that name when classes resume next fall.

The President noted that in respect of such issues, nobody has clear authority, so things remain where they are. Even the pictures that hang in Prince Hall are white men with one exception. He advised that the next topic will be the décor of Prince Hall.

Board members thanked the President for taking on this initiative.

Board members asked about the next steps in the Independent Review. The President advised that the next steps are in the hands of the independent reviewer. She has made known to the University things King's can do to help her. She plans to reach out to Faculty. The terms of reference do not require an interim report, but she may decide to do so.

Board members asked about the status of the criminal proceeding, which the Chair referred to the *in camera* session.

(2021:08) KING'S STUDENTS' UNION REPORT

The incoming KSU President introduced himself and delivered his report. The incoming KSU executive comes in next week. Tessa Hill and Miriam MacQuarrie are the incoming Board of Governors reps. Students feel comfortable with the Independent Reviewer.

The KSU has also been having conversations regarding equity, diversity and inclusion and how the University can move forward with EDI initiatives.

Board members welcomed the incoming KSU President and thanked him for his report.

(2021:09) VICE-RESIDENT'S REPORT

The Vice-President referred to his written report. On student employment: King's continues to explore internships that are matched by grants. The University has also adjusted its traditional student assistant program to allow students to work over the summer, which is a reasonable thing to do over the summer when so much work is being done virtually anywhere. King's has also posted opportunities for alumni partners as employers for successful candidates.

The Vice-President reported that he has also been happily involved in the tenure-track hiring process and noted that the significant item in his report is the announcement of the new Carnegie appointment. The agreement with Dalhousie is a fairly complex arrangement. It designates a Faculty member who has special competency in teaching computing humanities and that Faculty member by special agreement

with FASS and the Faculty of Computer Science will provide first-year teaching in large courses in computer science – over 300 students. That new Carnegie Faculty member will have some contribution to History of Science and Technology at King’s by teaching one course per year in HOST. In exchange for that, one of King’s Faculty members in HOST will go over to Computer Science to teach a class. The advantages are not monetary, but that the University gains a Carnegie member, and because of that has access to all the advantages and disciplinary exchange that person can provide. That person will have a foot in Computer Science and in HOST. It is being presented as a pilot project in FASS and the pilot committee is being assembled now. Professor Eli Diamond and Professor Michael Fournier are involved.

(2021:10) OTHER BUSINESS

There was no other business.

(2021:11) *IN CAMERA*

**MOTION: (Gray/Lahey) that the Board of Governors enter an *in camera* discussion.
CARRIED.**

The meeting moved to an *in camera* discussion at 2:45 p.m.

**MOTION: (Ruck/Gray) that the Board of Governors move out of the *in camera* discussion.
CARRIED.**

The meeting of the Board of Governors’ Executive Committee was adjourned at 3:26 p.m.

Respectfully submitted,

Douglas Ruck

Jennifer Gray