

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

The Executive Committee of the University of King's College Board of Governors met in the Boardroom of the University on Thursday, June 13, 2019, at 12:07 P.M.

**PRESENT:** Ms. Katrina BEACH (Treasurer), Dr. Gwen DAVIES, Dr. Sue DODD (Faculty Representative), Mx. Jennifer GRAY (Secretary), Professor William LAHEY (President), Professor Peter O'BRIEN (Vice-President), Mr. Hugh WRIGHT (Vice-Chair)

**BY INVITATION:** Ms. Adriane ABBOTT (Advancement Director), Ms. Julie Green (Registrar), Ms. Bonnie SANDS (Bursar)

**Regrets:** Mx. Levi CLARKSON (KSU President), Ms. Jennifer LAURETTE (Alumni Representative), Mr. Douglas RUCK (Chair), Mr. Paul THOMSON

**STAFF:** Mx. Janet HATHAWAY (minutes)

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In the absence of the Chair, the Vice-Chair called the meeting to order at 12:07 p.m.

**(2019:13) PRAYER**

The Vice-President read the College Prayer.

**(2019:14) NECROLOGY**

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

Board members spoke about Murdock Smith, a greatly beloved physician in Cape Breton. He entered King's in 1958.

**(2019:15) CONSENT AGENDA**

A Consent Agenda addressing the following matters was circulated:

- a) Approval of Minutes of March 7, 2019
- b) Chair's Report
- c) Alumni Report
- d) Advancement Director's Report
- e) Conference Services Update
- f) Facilities Management Update
- g) Information Access and Privacy (IAP) Administrator's Annual Report 2018-2019
- h) Accessibility Officer's Annual Report 2018-2019
- i) Equity Officer's Annual Report 2018-2019
- j) Registrar's Report

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

**(2019:16)      BUSINESS ITEMS**

**a)            2019-2020 ENROLMENT**

The Registrar reported the FYP class was on track to have 196 students enrolled by October 15. Her office is actively encouraging students to register. The Registrar indicated that the geographic makeup of the class is reversing the trend; with more students from Ontario for the first time in recent years. She reported that the recruitment officer is helping gain traction there. Further, the Memorandum of Understanding with Dalhousie has provided additional support in recruitment efforts.

Board members asked if the Ontario students were coming from a general sweep of high schools or from specific schools such as the Toronto French School. The Registrar indicated that the University was focusing on particular schools in Toronto and Ottawa. King's has a Sobey's Scholar coming from the Toronto French School and the University is working with Academica for insight into other markets and best practices in admissions and our approach to recruiting students.

**b)            FINANCIAL STATEMENTS FOR 2018-2019**

**i.            Draft Audited Financial Statements 2018-2019**

The Treasurer reported that the Board package contained the draft audited financial statements. The auditors attended the meeting of the Finance, Audit and Risk Committee last week and she noted that the auditors are intending to issue an unqualified audit opinion, which is the desirable outcome. The auditors noted there were no internal control findings, so from the University's perspective, there is an appropriate segregation of duties and financial controls in place. She noted that the \$2.2 million from the provincial government makes a significant difference in the University's bottom line. This year the surplus is in excess of \$500,000. The auditors softened the wording in the liquidity note. Board members commented on the positive outcome.

**ii.          Management Discussion and Analysis (MD&A)**

**iii.        Accountability Report Regarding Expenditures from Internally Restricted Funds**

The Bursar reported that in 2018-2019, the University withdrew \$190,400 from the internally restricted funds for spending on initiatives as approved by the Board. Under the Enhanced Voluntary Retirement Program, the University paid \$50,000. The Board approved expenditures for capital preparedness of up to \$300,000 to get ready for the residence renewal. The University spent \$96,000 in 2018-2019. For recruitment-related activity, King's has spent \$5,600. For student employment, the Bursar reported that she has approved six new hires for the coming year.

**iv.         Resolution to Approve the 2018-2019 Audited Financial Statements**

**MOTION:** (Beach/Davies) that the Executive Committee recommend that the Board of Governors approves the University of King's College audited financial statements for the year ending March 31, 2019. **CARRIED.**

**c)    2019-2020 OPERATING BUDGET**

The Bursar presented highlights from the 2019-2020 budget.

- The operating grant increased by 1% over the prior year which includes the additional \$2.2 million.
- There is improved upper-year retention and residence occupancy.
- A 225-member FYP class graduated this May, so overall headcount will be down.
- The Journalism course fee has been eliminated and Journalism tuition rates are held flat.
- This budget includes permanent expenditure reductions under the Expenditure Reduction, Control and Reallocation plan of \$250,000.
- A full time Sexualized Violence Prevention and Response Officer (SVPRO) has been included in 2019-2020 and following years.
- A new assistant for the Vice-President, increased spending on equity initiatives and increased spending on deferred maintenance are also included.

**i. Tuition, Ancillary & Auxiliary Fee Increases for 2019-2020**

**ii. 2019-20 Operating Budget and Schedules**

The Bursar gave a summary of budget adjustments since the draft budget was presented at the March 28 Board meeting. The surplus is smaller than that presented in March primarily as a result of the additional spending noted above along with adjustments to the administrative leaves of the President and Vice-President and a Faculty Fellow who was excluded in the draft budget is now included.

The budgeted operating cash surplus is now \$155,000.

Board members asked the meaning of academic/administrative leave. The Bursar advised that the President and Vice-President have administrative leaves as part of their contracts. A liability for leave owing at a particular time must be booked and accrued for the future. The Treasurer noted that accounting principles require that any known liabilities be taken into account. Board members asked if sabbaticals were counted in the same way. The Bursar advised they were not as there is no cash flow impact until the leave actually happens.

The Bursar discussed the positive revenue variance from the 2018-2019 budget: \$3.1 million favourable primarily due to the government grant. She discussed tuition and fees and their impact on revenue.

The Bursar noted that there is a decline in BJH and the BJ program enrolments, while there are increases in all other programs due to better upper year retention. There is higher residence occupancy and the level is expected to remain the same in 2019-2020 as in 2018-2019, with more NSCAD students and upper year students expected this year.

The international differential rate is what the Dalhousie Board approved in April, so new students entering in the fall of 2019 will pay a total \$6,000 increase over the next four years. The Bursar noted that King's typically follows Dalhousie. The Bursar reported that King's has 42 international students.

Board members asked if the increase would impact King's by changing international students' decisions to attend. The Registrar indicated that there is an awards program for incoming international students to offset costs. The Bursar noted King's is much cheaper than most U.S. schools.

The Bursar noted that the MFA mentor fee 2% increase flows from the student directly to the mentor. The Journalism course fee has been eliminated. Chartwells' meal plan fees increase with the CPI and the number of days in residence according to the contract. Study abroad courses are limited to 20 students in Florence and 25 in Berlin.

The expense increase from the 2018-2019 budget is \$424,000. Salaries and benefits are up \$174,000. The EVRP has had some savings. Parity and administrative leaves add to the cost. The Bursar noted additional areas of expense variance including increased academic expenses and an overall increase in scholarships, awards and bursaries of \$121,000. New scholarships totalling \$319,000, which are totally funded by gifts and investment income, are offset by a prior year one-time increase \$200,000 to assist with converting offers into acceptances. The Expenditure Reduction, Control and Reallocation Plan has allowed for \$129,000 in operating expense savings to be found (total expenditures identified under the plan were \$250,000 including salaries and benefits).

Board members asked about operating expenses associated with faculty renewal and improvement of benefits for, for example, someone serving as the Vice-President. The Vice-Chair indicated that could be discussed during an *in camera* meeting.

The Bursar discussed debt and capital funded by operations and the variance from the 2018-2019 budget: debt repayment \$133,000; capital funded by operations \$91,000 to address deferred maintenance, offset by \$9,000 in expenditure reductions identified under the plan.

She noted additional areas of expenditure in 2019-2020: the SVPRO of \$98,000; additional deferred maintenance spending of \$100,000; the Assistant to the Vice-President, HYP and other initiatives of \$64,000; and funding for increased expenditures on equity, diversity and inclusion initiatives of \$50,000.

The Bursar spoke of additional potential areas of expenditure in 2020-2021 and 2021-2022: four new tenure track appointments; continuing funding for the SVPRO; continuing funding for equity, diversity and inclusion initiatives; the administrative positions for the Vice-President and HYP; and increased spending on deferred maintenance. Small operating cash deficits are projected for those years after factoring in additional spending.

The President noted deficits will get large in future years unless the University achieves an increase in enrolments.

### **iii. Resolutions regarding 2019-2020 Operating Budget**

The Bursar referred to two resolutions necessary to approve the budget.

**MOTION:** (Davies/Beach) that the Executive Committee recommends that the Board approve the carryover of unexpended internally restricted funds (from the Reserve Fund) approved by the Board on June 21, 2018, in the amount of \$51,000, consisting of the unexpended amounts allocated to the reputational research study of \$31,000 and the Alumni recruitment strategy of \$20,000 for the Academica reputational and recruitment studies, to be expended in fiscal year 2019-2010. **CARRIED.**

**MOTION:** (Davies/Beach) that the Executive Committee recommends that the Board approve the University of King's College operating budget for the 2019-2020 fiscal year including tuition and student fee increases as presented. **CARRIED.**

#### **d) GREEN BOOK REVISIONS**

The Vice-President reported the Green Book revisions are isolated to the parts of the Green Book that relate to the Director and Associate Director of the Foundation Year Program. The changes relate mostly to the Associate Director Academic. They arose out of an internal matter of governance in FYP that touched on the status of Senior Fellows who had traditionally occupied the position of Academic Director but who were not constitutionally placed in that position. The outcome from a collegial process between the Council of Coordinators and UKCTA is that the Associate Director Academic will normally come from among the Senior Fellows.

**MOTION:** (O'Brien/Dodd) that the Executive Committee recommend that the Board of Governors approve the revisions to the Green Book. **CARRIED.**

#### **(2019:17) GOVERNANCE, HUMAN RESOURCES AND NOMINATING COMMITTEE REPORT**

The Secretary, as Chair of the Governance, Human Resources and Nominating Committee (GHRNC), discussed her report that had been sent out in the meeting package. There are a number of renewals requiring Board approval. The Secretary suggested they be treated as a group except for her position and that of the Treasurer.

The Secretary left the room.

**MOTION:** (Beach/Davies) that the Executive Committee recommends that Jennifer Gray be reappointed as Secretary of the Board of Governors and a member and Chair of the Governance, Human Resources and Nominating Committee for the period allowed by the Act. **CARRIED.**

The Secretary returned to the room.

The Treasurer left the room.

**MOTION:** (Gray/Davies) that the Executive Committee recommends that Katrina Beach be renewed for a further term as Treasurer of the Board of Governors for the period allowed by the Act. **CARRIED.**

The Treasurer returned to the room.

The Secretary noted the Bernard Doucet and Alex McCann were up for renewal for another four years as co-opted members.

**MOTION:** (Gray/Beach) that the Executive Committee recommend that Bernard Doucet be renewed for a further four-year term as a co-opted member of the Board of Governors. **CARRIED.**

**MOTION:** (Gray/Beach) that the Executive Committee recommend that Alex McCann be renewed for a further four-year term as a co-opted member of the Board of Governors. **CARRIED.**

The Secretary noted the next two renewals did not require Board approval: Gwen Davies for the Diocese of New Brunswick, and Hugh Wright for the Diocese of New Brunswick.

The Secretary reported that Peter Conrod had agreed to continue on the Investment Committee.

**MOTION:** (Gray/Beach) that the Executive Committee recommend that Peter Conrod be reappointed Chair of the Investment Committee for a one-year term. **CARRIED.**

The Secretary noted that as a point of information, the Board does not appoint members of the Investment Committee, so information has been provided about Anne-Marie E. Gammon, a new member of that committee.

The Secretary reported there continue to be vacancies on Board committees and the GHRNC was looking for suggestions from Board members for committee members who would be a good fit.

She then provided terms of reference for the Investment Committee, which had changed with the removal of the pension plan.

**MOTION:** (Gray/Beach) that the Executive Committee recommend that the Board accept the changes as presented to the terms of reference of the Investment Committee. **CARRIED.**

The Secretary noted that there were a number of housekeeping changes to the terms of reference of the GHRNC, which has three roles. The goal is breaking those out into three separate categories to give them definition. The second change is recognizing that the Board appoints only two members of the GHRNC. The third change is to open the GHRNC for contributions from non-voting members who can provide additional expertise for the Committee, for example, from Alumni.

**MOTION:** (Gray/Beach) that the Executive Committee recommend that the Board accept the changes as presented to the terms of reference of the Governance, Human Resource and Nominating Committee. **CARRIED.**

The Secretary reported that the governance documents provide a process for reappointing the President. The GHRNC will have a proposed work plan to bring forward for discussion at the next GHRNC meeting.

Finally, the Secretary reported that section 8(3) of the Bylaws provides for a Nominating Committee that is not the GHRNC. Upon investigation, this appears to have been an omission from the last overhaul of the University's governance documents. Pursuant to section 54 of the Bylaws, the Board is required to have notice at the next general meeting for amendments to the Bylaws at the following meeting.

At 1:20 p.m., the Vice Chairman called for a 10-minute break.

At 1:30 p.m., the meeting resumed.

**(2019:18)      PRESIDENT'S REPORT**

The President spoke of some of the highlight in his report in the meeting package:

- The President noted the FYP numbers in the budget, which are conservative versus the numbers aspired to in the recruitment plan. The University has not seen a significant percentage increase in one recruitment cycle to date, but the President felt the numbers are within reach because they are relatively low in terms of additional students (while seeming high in percentage terms). Recruiting is a cumulative effort and the President was confident that the relationships under development with certain schools (e.g., Toronto French Schools, Sacred Heart School of Halifax, etc.) will yield positive outcomes.

- Financial stability for the University is not solely dependent on first year recruitment – retention is also a key factor and will contribute to increased enrollment. The best ambassadors of the University are those that stay.
- The University has preliminary results on the Alumni survey - University alumni over the years are very positive on their King's experience, but there is a drop in the group that attended King's from 2010 until recently. There is thinking that the College was not at its best when FYP was at 316 students.
- The President noted that in conversations with the Chair, he understood there would be amendments to the President's mandate. The President noted that he was continuing to do a lot of work representing King's to the Provincial government, but he now had more time to direct toward other priorities. The President indicated he looked forward to feedback from the Board as to his priorities.
- The President mentioned the recognition for Neil Hooper and that he was “living the ideal of King's”. This recognition comes closely on the heels of the athlete scholarships, which is yet further acknowledgement of Neil Hooper's work for students.
- The Investment Committee had two conversations last week prompted by questions asked by the President.
  - Given the turmoil in international financial markets, did the Investment Committee think King's should be doing something different from business as usual, and in particular, getting out of investments in the stock market? The President reported this was a good conversation. The Investment Committee thought it was the right question to be asking, but concluded that the University portfolio has already been significantly de-risked. King's shifted a large proportion of the portfolio out of money markets and into a money manager last year as protection against volatility. It is typically a mistake to get out of markets on a downturn. The President wanted the Board to know the University has done the due diligence on that.
  - The second conversation the President had with the Investment Committee had was around University investments and how they measure up regarding environmental and social responsibility. The Investment Committee has always paid attention to that, and it is one of the evaluations it applies in deciding on money managers. Nevertheless, the Investment Committee will form a subcommittee with this focus. There was enthusiasm about doing something more aspirational investing for King's, and the Investment Committee is happy to look further into that. The subcommittee will welcome representation from the University, including from students.
- Next week, the Senior Administrative Team will spend two days in retreat at the Delmore Buddy Daye Learning Institute dedicated to human resources issues. Angela Lewis, McInnes Cooper's Managing Director, Client Development and Administration, will be joining to help with that conversation.
- The President spent a few days in executive training session with Bill Black, father of Andrew Black on the Board and got a lot of value out of it. Teaching materials include many excerpts from books used in FYP.

Board members asked if Chartwells was included in the thinking about HR management on campus. The President indicated this was part of his thinking, as well as cleaning staff and security. He noted he would

like to get to a place where the University has cleaners and security who feel they are part of the community and feel they are known by faculty, staff and students. Students who are employed at the University are another area of focus.

Board members praised Neil Hooper and it was suggested he be invited to the next meeting of the Board to receive recognition in person.

Board members asked about the new Director of Facilities, Ian Wagschal, who came to King's from Dalhousie. The Bursar reported that things were going very well. The President commented that he is technically competent and also broadly educated.

**(2019:19)      KING'S STUDENTS' UNION REPORT**

The KSU President had circulated their report in writing before the meeting.

**(2019:20)      VICE-PRESIDENT'S REPORT**

The Vice-President noted highlights from his written report:

- The SVPRO applications close on Monday.
- There is a proposal for a new faculty hiring process. There has been intensive work on the part of the Planning and Priorities Committee.
- The work on the Vice-President's office budget has been done in parallel with introduction of the new support position for the office. The Vice-President has had some key meetings in defining the description of the job.
- The Vice-President and the Bursar attended a Faculty Bargaining Services workshop in April in preparation for contract negotiations with UKCTA, whose collective agreement ends on June 30. Tomorrow, the Vice-President is hosting Academic Vice Presidents Atlantic for their annual meeting.

**(2019:21)      OTHER BUSINESS**

No other business was noted.

**(2019:22)      IN CAMERA**

**MOTION:** (Wright/Gray) that the Board of Governors' Executive Committee enter an *in camera* discussion. **CARRIED.**

The meeting moved to an *in camera* discussion.

**MOTION:** (Gray/Wright) that the Board of Governors' Executive Committee move out of the *in camera* discussion. **CARRIED.**

The meeting of the Board of Governors Executive Committee was adjourned at 2:40 p.m.

Respectfully submitted,

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Hugh Wright

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Jennifer Gray