



Board of Regents

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

BOARD OF REGENTS

The regular meeting of the Board of Regents was held on Thursday, September 14, 1995, in the Board Room of the University, at 4:00 p.m.

PRESENT:

Ms. Janet Gardiner, Chair
Ms. Jeannie French, Vice-Chair
The Honourable John Crosbie, Chancellor
Dr. Arthur May, President and Vice-Chancellor
Dr. Jaap Tuinman, Vice-President (Academic) Pro Vice-Chancellor
Mr. Gerry Bishop
Dr. Ches Blackwood
Ms. Mary Ennis
Mr. Chris Facey
Mr. Peter Fenwick
Ms. Gudrid Hutchings
Mr. Ed Kennedy
Mr. Robert Mendoza
Dr. Robert MacLeod
Mr. George Neal
Ms. Frankie O'Neill
Mr. David Power
Mr. Alexander Roche
Mr. Raymond Rose
Ms. Heather Tulk
Ms. Betty Williams
Ms. Maureen Woodrow
Ms. Eleanor Bennett, Secretary

APOLOGIES: Mr. David Andrews, Mr. Aubrey Bonnell Mr. Sean Hanrahan, Ms. Barbara Lewis, Ms. Grace Stapleton and Mr. Mel Woodward

PRESENT BY INVITATION: Mr. Wayne Thistle, Vice-President (Administration and Finance) and Legal Counsel.

1. MINUTES

The Minutes of the Regular Meeting of the Board of Regents held on Thursday, June 8, 1995, copies of which were circulated prior to the meeting, were accepted by the Board.

2. BUSINESS ARISING

1. OFFICIAL APPOINTMENT OF MR. MENDOZA

The Chair advised that official notification had been received from the Minister of Education confirming the appointment of Mr. Robert Mendoza as a student representative to the Board.

2. COMMITTEE RESTRUCTURING

The Chair advised that it was hoped there would soon be a resolution of the issue of the restructuring of the Committee on Human Resources. Mr. Thistle reported that it had been proposed to expand the existing Advisory Working Group on Benefits and Pensions into two groups, one on pensions and one on employee benefits, and that the composition of the committee be revised to include a representative from each of the five union groups. He noted that consultations with the union groups involved were ongoing but a final resolution had not yet been reached.

The Chair advised that newly appointed Board members had now been assigned to Board committees, and she thanked them for their willingness to serve.

3. REPORT OF THE EXECUTIVE COMMITTEE

Copies of the reports of action taken by the Executive Committee on behalf of the Board of Regents and the Appointments Committee since the last Board meeting, were circulated prior to the meeting, and were accepted by the Board.

4. MEETINGS OF COMMITTEES OF THE BOARD

1. FINANCE

The Minutes of the Finance Committee meeting held on September 14, 1995, copies of which were circulated at the meeting, were presented by Mr. Gerry Bishop, the Chair of the Committee, and accepted by the Board. The following resolutions were passed with respect to the items which required specific approval of the Board:

ITEM A - AMENDMENTS TO THE MUN PENSIONS ACT

RESOLVED:

That the Board of Regents grants approval to the following amendments to The Memorial University Pensions Act:

1. That the proposal to reduce the vesting period from ten years to five years be resubmitted to the Provincial Government, along with the advice of the actuary that it would not be necessary to increase the existing pension contribution rate to finance this benefit improvement.
2. That the proposal to increase survivor pension benefits (including existing retirees and survivors) be resubmitted to the Provincial Government with a specific financing plan to increase the pension contribution rate sufficiently to amortize the liability in respect of service up to 31 March 1995 over a 15-year period and fund future service cost for this benefit improvement (0.28% to amortize initial unfunded liability and 0.12% for future service for a total contribution rate increase of 0.4% to be shared by the University and employees).
3. That Section 12 of The Memorial University Pensions Act be amended to increase the pension contribution rate in respect of current service, as follows:
 - (a) 6.0% of pensionable earnings up to the Year's Basic Exemption
 - (b) 4.2% of pensionable earnings between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings
 - (c) 6.0% of pensionable earnings above the Year's Maximum Pensionable Earnings
4. That pension indexing be provided on an "excess interest" basis in accordance with the formula as outlined in the document entitled Procedures for Pension Indexing on an "Excess Interest" Basis. These procedures shall become part of the minutes of the Board of Regents and be incorporated into either The Memorial University Pensions Act, Regulations to The Memorial University Pensions Act or University policies and procedures as deemed appropriate by the Board of Regents and officials of Government pension administration.
5. That Section 18 of The Memorial University Pensions Act be amended to remove the pension limit of \$1,715 per year of pensionable service and stipulate the maximum allowable benefit payable as determined under The Income Tax Act (Canada), with a specific financing plan to increase the pension contribution rate sufficiently to amortize the liability in respect of service up to 31 March 1995 over a 15-year period and fund future service cost for this benefit improvement (0.43% to amortize initial unfunded liability and 0.30% for future service for a total contribution rate increase of 0.73% to be shared by the University and employees).

ITEM B - PENSION ADMINISTRATION COST-RECOVERY REPORT

RESOLVED:

That the Board of Regents grants approval to a recommendation to recover the cost of pension administration by charging 50% of salary and benefit expenses of the personnel who work in the Benefits, Pensions and Special Projects Section of the Department of Human Resources to the pension plan account, effective April 1, 1995.

2. APPOINTMENTS COMMITTEE

The Minutes of the Appointments Committee meeting held on Thursday, September 14, 1995, were presented by Ms. Betty Williams, and accepted by the Board.

3. PENSIONS COMMITTEE

A summary of business transacted at the Pensions Committee meeting held on Thursday, September 14, 1995, copies of which were circulated at the meeting, was presented by the Ms. Frankie O'Neill, Chair of the Committee, and accepted by the Board. The following resolution was passed with respect to the item which required Board approval:

AMENDMENTS TO THE MUN PENSIONS ACT

RESOLVED:

The Board of Regents approved a recommendation that the document entitled Procedures for Pension Indexing on an "Excess Interest" Basis be retitled Memorial University of Newfoundland Procedures for Pension Changes on an "Excess Interest" Basis and that all references to pension indexing contained in the above-named document be revised to refer to pension "changes".

5. PRESIDENT'S BUSINESS

1. BUDGET OUTLOOK

The President provided the Board with a detailed presentation of the budget forecast and the challenges facing the University in the next five years. He reviewed the budget gap in the University's revenues and expenditures, and examined enrollment figures going back to the 1989-90 academic year. He took the Board through several scenarios illustrating projected revenues and expenditures up to the 2000-01 academic year and the options that might be available in an effort to balance the budget. The President agreed to circulate a hard copy of his presentation, which was entitled "Old Rules, New Realities: Five-Year Budget Outlook for Memorial University", to the Board for information with a view to the Board setting aside ample time for discussion at a future meeting.

2. AQUARENA STRIKE UPDATE

The President provided the Board with an update on the current labour dispute with employees of the Aquarena. Mr. Thistle advised the Board of the latest wage offer made by the Canada Games Park Board and also expressed concerns for the need of a more effective public relations campaign by that Board.

3. STRAWBERRY HILL

The President provided the Board with an update on the development of the Strawberry Hill property. He advised that Mr. B. Dobbin, under the newly formed Newfound Development Group, would be given a time frame to the end of October, 1995 to present a feasible proposal for the development of the property, at which time consideration would be given to all options.

Mr. Thistle advised that in the meantime he had been approached by another source who had expressed an interest in negotiating a lease with the University to operate Strawberry Hill on a basis similar to that of a country inn. Mr. Thistle agreed to keep the Board apprised of ongoing and new developments.

4. FACULTY NEGOTIATIONS

All members of the Board had received a lengthy letter from the President of MUNFA stating their views to date with respect to negotiations between the University and the union. It was agreed that the Chair would respond on behalf of Board members urging MUNFA to resume negotiations with a view to reaching an amicable and reasonable conclusion in the earliest possible time.

5. CHAIR IN CHILD PROTECTION

The President presented a recommendation from the Director of the School of Social Work for amendments to the Terms of Reference for the Advisory Committee to the Chair in Child Protection. After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents grants approval to the amendments to the Terms of Reference for the Advisory Committee to the Chair in Child Protection as outlined in a memorandum to the Vice-President (Academic) from the Director of the School of Social Work dated September 7, 1995.

6. DIRECTOR OF INTERNATIONAL COOPERATION

The President informed the Board that the newly established position of Director of International Cooperation would be filled by Mr. Gordon Slade on a contractual basis, effective January 1, 1996, for a period of three years. It was anticipated that all costs associated with this position would be recoverable from international project overheads.

7. ACQUISITION OF ST. JOHN'S COTTAGE, HARLOW

The President informed the Board that the Lieutenant-Governor-in-Council had granted approval to purchase St. John's Cottage, a property located adjacent to the Harlow Campus. The Board, at an earlier meeting, had approved a recommendation to acquire the property subject to Government approval.

6. CIRCULATED FOR INFORMATION

1. AUDITED FINANCIAL STATEMENTS

Copies of the Combined Financial Statements with supplementary schedules for the year ended 31 March 1995 and the Pension Plan Audited Financial Statements as at 31 March 1995, were circulated for the Board's information.

2. "FORGING THE LINK"

Circulated for information were copies of a speech by G. Yves Landry, President and CEO of Chrysler Canada, which was given at an international symposium on education and the economy.

3. A CASE STUDY BY HONEYWELL

Circulated for information were copies of a case study by Honeywell which detailed the measures achieved by Memorial University to effect an annual saving of \$650,000.00 in energy costs following a performance contract with Honeywell.

ADJOURNMENT

The meeting adjourned at 6:25 p.m. The next regular meeting of the Board is scheduled for October 12, 1995.