

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

BOARD OF REGENTS

The regular meeting of the Board of Regents was held on Thursday, July 9, 2015 at 3:00 p.m. in the Junior Common Room, R. Gushue Hall and via teleconference.

**PRESENT:**

Ms. Iris Petten, Chair  
Dr. Gary Kachanoski, President and Vice-Chancellor  
Dr. Noreen Golfman, Provost and Vice-President (Academic)  
Chancellor Susan Knight  
Mr. Steve Belanger  
Mr. Robert Bishop  
Mr. Mark Bradbury  
Mr. Matthew Brockel  
Ms. Pat Coish-Snow  
Ms. Mary Cormier  
Ms. Michelle Daye  
Ms. Patricia Dicker, via teleconference  
Mr. Rick Dillon  
Ms. Colleen Galgay-Johnston  
Ms. Katharine Hickey  
Mr. Jim Keating  
Ms. Kim Keating  
Mr. Denis Mahoney  
Mr. Asan Mohideen  
Dr. Vinod Patel  
Mr. Max Rice  
Mr. Tony Roche  
Ms. Kathleen Roul  
Ms. Tina Scott, Secretary to the Board

**APOLOGIES:**

Mr. John Hogan, Mr. Bill Matthews, Ms. Samantha St. Croix, Mr. George Tucker.

**PRESENT BY INVITATION:**

Mr. Kent Decker, Vice-President (Administration and Finance), Dr. Richard Marceau, Vice-President (Research), Mr. Glenn Blackwood, Vice-President (Marine Institute), Dr. Mary Bluechardt, Vice-President (Grenfell Campus), Mr. Glenn Collins, Interim Executive Director, Office of the Board of Regents, Mr. Morgan Cooper, General Counsel.

**6224. MEETING CALLED TO ORDER**

The meeting was called to order at 3:00 p.m. by Ms. Iris Petten, Chair.

The Chair noted that following consultation with the Governance Committee and the Executive Committee of the Board, it was agreed to permit the following individuals to attend the open session of the Board meeting as visitors:

Ms. Brittany Lennox, Memorial University of Newfoundland Students' Union

Ms. Laura Howells, CBC

Ms. Danielle Barron, VOCCM

Mr. Michael Connors, NTV

**6225. APPROVAL OF THE AGENDA**

Following approval of the agenda, Ms. Petten provided members and those present by invitation with the opportunity to declare if they were in a conflict of interest position or a potential conflict of interest position with regard to any agenda items.

Mr. Bradbury declared a conflict with Agenda Item 10.3 "Deferral of Special Payment for the Memorial University Pension Plan".

Mr. Mohideen declared a conflict with Agenda Item 10.11 "Increase in Graduate Student Union Health and Dental Plans".

**6226. MINUTES**

The Minutes of the regular meeting of the Board of Regents held on May 7, 2015 were approved by the Board.

**6227. CHAIR'S REPORT**

A. Meeting of the Executive Committee

The Chair advised that the Executive Committee met on June 23, 2015 to finalize the agenda for today's meeting.

B. Letter from Hon. Steve Kent regarding the Council of the College of Physicians and Surgeons of Newfoundland and Labrador

The Board received and reviewed correspondence from Honorable Steve Kent, Minister of the Department of Health and Community Services with regard to the Council of the College of Physicians and Surgeons of Newfoundland and Labrador. It was noted that in accordance with Section 9(1(b) of the Medical Act, 2011, the Minister shall appoint four persons to the Council, one of whom shall be appointed from a list of not less than three nominees submitted by the Board of Regents of Memorial University of Newfoundland.

Following discussion, Dr. Gary Kachanoski, President and Vice-Chancellor, agreed to consult with his colleagues and recommend to the Board the names of three suitable nominees for eventual forwarding to the Minister of Health and Community Services.

C. Resignation of Ms. Candace Simms

The Chair noted for the information of the Board the resignation of Ms. Candace Simms, Memorial University of Newfoundland Students' Union representative. The Chair, on behalf of the Board, acknowledged with sincere gratitude the valuable service given by Ms. Simms to the University during her term on the Board.

**6228. PRESIDENT'S REPORT**

A. President's Update of Activities

Dr. Kachanoski provided the Board with a written summary of his activities and events since the May 2015 Board meeting and he provided the Board more detail and context on many of these activities.

B. Presentation by Dr. Gary Kachanoski "2 Year Budget Framework (2015/16 and 2016/17)"

Dr. Gary Kachanoski, President and Vice-Chancellor, provided a presentation to the Board entitled "2 Year Budget Framework – 2015/16 and 2016/17".

**OPEN SESSION - CONSENT AGENDA**

Noting that the items were dealt with in detail in meetings of the appropriate committees, it was moved by Mr. Keating, seconded by Mr. Belanger and carried that the consent agenda, comprising the resolutions listed in 6229 through 6231 below be approved as follows:

**6229. AUDIT AND RISK COMMITTEE**

A. Reappointment to the Board of Memorial University Recreation Complex (MURC)

The Board was informed that at a meeting held earlier in the day, the Audit and Risk Committee of the Board of Regents approved the reappointment to the Board of the Memorial University Recreation Complex (MURC) as outlined in the background documentation and as follows:

- Dr. Wayne Ludlow for a one-year term effective May 31, 2015.

B. Appointments to the Board of Campus Childcare Inc. (CCI)

The Board was informed that at a meeting held earlier in the day, the Audit and Risk Committee of the Board of Regents approved the following appointments to the Campus Childcare Inc. Board of Directors as outlined in the background documentation and as follows:

- Ms. Brittany Byrnes as MUNSU representative, Campus Childcare Board of Directors, for a one-year term, effective May 2015; and
- Mr. Robert Leaman as MUNSU representative, Campus Childcare Board of Directors for a one-year term, effective May 2015.

**6230. FINANCE COMMITTEE**

A. Revised Policy: Gift Acceptance

The Board received background information and agreed to the new "*Gift Acceptance*" Policy and its related procedures as a replacement for the current "*Solicitation of Gifts*" Policy and as outlined in the background documentation.

**6231. SENATE MATTERS**

A. Senate Matters with implications for the Board of Regents (April 14, 2015): Approval of Calendar Changes

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on April 14, 2015 and approved the Calendar changes arising from that meeting and as outlined in the background documentation.

B. Senate Matters with implications for the Board of Regents (May 12, 2015):  
Approval of Calendar Changes

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on May 12, 2015 and approved the Calendar changes arising from that meeting and as outlined in the background documentation.

C. Senate Matters with implications for the Board of Regents (June 9, 2015)

(i) Approval of Calendar Changes

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on June 9, 2015 and approved the Calendar changes arising from that meeting and as outlined in the background documentation.

(ii) New Master of Science in Boreal Ecosystems and Agricultural Sciences  
(MSc BEAS)

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on June 9, 2015 and agreed to the establishment of the new Master of Science in Boreal Ecosystems and Agricultural Sciences (MScBEAS).

D. Senate Matters with implications for the Board of Regents (June 9, 2015) -  
Approval of the Constitution of the Academic Council of the School of  
Nursing

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on June 9, 2015 and agreed with the amendments to the Constitution of the Academic Council of the School of Nursing.

**DISCUSSION AGENDA – CLOSED SESSION**

**6232. AUDIT AND RISK COMMITTEE**

A. Report of the External Auditors – Results of the 2015 Audit

The Board received and reviewed background information pertaining to the Report of the External Auditors – Results of the 2015 Audit and was advised that a detailed presentation of the Report was made to the Audit and Risk Committee by Ernst & Young at a meeting held on July 8, 2015.

The Board was advised that Ernst & Young LLP have audited the consolidated financial statements of Memorial University of Newfoundland. The scope and manner of the audit is outlined in the 2015 Audit Service Plan, which was approved by the Board of Regents on October 16, 2014.

Report of the External Auditors – Results of the 2015 Audit (cont'd)

This Audit Report briefly summarizes the major aspects of the audit of the consolidated financial statements for the period ending March 31, 2015. It is a companion document to the Consolidated Financial Statements, as the audited statements alone would not necessarily identify all matters that may be of interest to the Audit and Risk Committee in fulfilling its responsibilities. The Audit Report states that the auditors have substantially completed the audit and subject to the clearance of minor outstanding items, expect to be in a position to issue an unqualified opinion on the consolidated financial statements.

The following represent the key findings of the audit:

- The auditors concluded that the University's analysis for significant accounting matters is appropriate and that reasonable judgements have been used by management to account for critical accounting estimates.
- No material recorded or unrecorded audit differences have been identified.
- The auditors performed substantive testing procedures in respect of payroll and subject to the completion of the remaining audit procedures, no issues were noted.
- Tests of controls were performed in respect of other areas as outlined in the Audit Plan (i.e. cash, accounts payable and certain other significant expense accounts).
- The auditors concur with the currently proposed presentation and note disclosures in the consolidated financial statements. They noted that management applied judgement to balance the need to provide certain detailed disclosures with reference to the usability of the overall financial statements. They noted no items, individually or in aggregate, that required adjustments to the financial statements.
- Throughout the planning and execution of the audit, outstanding cooperation and communication occurred between the University and the auditors.
- No fraud or illegal acts relating to management override of controls, or involving personnel in a financial reporting oversight role, have been identified.

Report of the External Auditors – Results of the 2015 Audit (cont'd)

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents accept the Memorial University of Newfoundland audited financial statements for the fiscal year ended March 31, 2015 and as outlined in the background documentation.

**6233. FINANCE COMMITTEE**

A. Actuarial valuation of the Memorial University Pension Plan as at December 31, 2014

The Board received and reviewed background information pertaining to the actuarial valuation of the Memorial University Pension Plan as at December 31, 2014.

Board members were advised that since 2006 actuarial valuations of the Memorial University Pension Plan (the Plan) have been performed annually as a condition of the University being exempted from some of the solvency funding provisions of Pension Benefits Act, 1997 (the PBA). The current exemption covers the period January 1, 2011 to December 31, 2015. The results of the valuation prepared as at December 31, 2014 by the University's actuary, Eckler Limited, are as follows (shown in comparison to 2013 and 2012 valuations):

Actuarial Balance Sheet						
	December 31, 2014 (\$ Millions)		December 31, 2013 (\$ Millions)		December 31, 2012 (\$ Millions)	
	Going Concern	Solvency	Going Concern	Solvency	Going Concern	Solvency
Actuarial Value of Assets	1,202.2	1,410.6	1,062.7	1,250.0	950.2	1,045.0
Actuarial Liabilities	1,446.7	1,895.6	1,377.9	1,526.6	1,242.9	1,638.5
Unfunded Liability	244.5	485.0	315.2	276.6	292.7	593.5
Funded Ratio <sup>1</sup>	83.1%	74.4%	77.1%	81.9%	76.4%	63.8%
Alternate Funded Ratio <sup>2</sup>	93.4%	--	86.7%	--	80.5%	--

<sup>1</sup> The solvency funded ratio includes the present value of 5 years worth of going concern payments.

<sup>2</sup> The alternate funded ratio is based on the market value of the fund and excludes the indexing liability which is being financed separately through combined employee / university contributions. Note that the March 31, 2015 extrapolation of the Plan's funded position showed that the alternate funded ratio was 97.8%.

Actuarial valuation of the Memorial University Pension Plan as at December 31, 2014 (cont'd)

On May 26, 2015, the University Pensions Committee received a presentation from Eckler Limited on the December 31, 2014 valuation results and recommended the acceptance of the valuation at a follow-up meeting on June 19, 2015. A copy of the valuation was provided in the background documentation.

It was additionally noted that the Plan is being funded based on the valuation performed as at December 31, 2012. It is being recommended that the special payment requirement against the unfunded liability for the fiscal year 2015-16 (\$23.5 million) be deferred (please refer to Item B "Deferral of Special Payment for the Memorial University Pension Plan below).

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents accept the actuarial valuation of the Memorial University Pension Plan performed as at December 31, 2014 and as outlined in the background documentation.

B. Deferral of Special Payment for the Memorial University Pension Plan

The Board received and reviewed background information pertaining to deferral of the special payment for the Memorial University Pension Plan.

Board members were advised that the 2015/16 Provincial Budget resulted in a significant reduction in the funding provided to Memorial to support legislated "Special Payments" to the Memorial University Pension Plan (the Plan). The reduction amounts to \$20.95 million which in the absence of regulatory change will be paid into the Pension Fund from Memorial's operating budget.

The Province has indicated that it will provide a one year deferral of the payment if requested and if Memorial undertakes a review of the Plan in consultation with the Province similar to what has been done with other Public Service Pension Plans. The intent of the review would be to propose appropriate changes to funding and benefit levels to ensure long term sustainability.

The Memorial University Pension Plan is managed in consultation with the University Pensions Committee (the Committee). The Objectives of the Committee are as follows:



Deferral of Special Payment for the Memorial University Pension Plan (cont'd)

Objectives

The University Pensions Committee shall review the operation of the University Pension Plan with the following objectives:

1. To provide advice and information to the Board on all matters relating to pension plans for employees of the University.
2. Without limiting the generality of the foregoing:
  - a. To ensure that the Plan, as administered by the Department of Human Resources, is conducted in a manner consistent with the provisions of The Memorial University Pensions Act.
  - b. To advise the Board on matters relating to any new plan or on revisions to the existing plan.

It was noted that the Committee is comprised of representatives from the various union and employee groups at Memorial, is chaired by a member of the Board of Regents and has approximately 35 members.

The Committee was presented with the information contained in the Budget at an emergency meeting held on May 5, 2015 for information and consultation purposes. Following discussion the Committee requested further information from the University's Actuaries regarding the current financial position of the Plan, the impact of the one year deferral, as well as advice from General Counsel with respect to Memorial's legal obligations. The Members also wanted to hold discussions with their respective groups before taking a formal vote. However, all those present expressed their preliminary support for the deferral, subject to the additional information that had been requested.

Additional information was presented to the Pensions Committee on May 26, 2015 and a third meeting was held on June 18, 2015. After discussion the following resolutions were adopted by the Pensions Committee:

*"That the Pensions Committee recommends that the University request of the Government that the University be permitted to defer the Special Payment to the Plan required in FY 2015/16 to FY 2016/17.*

*That the Pensions Committee recommends that the "Study" is unnecessary."*

It was noted further that the recommendation that a study of the Plan is unnecessary is based on the health of the Plan and review of such by Pensions Committee members with their affiliated national bodies.

Deferral of Special Payment for the Memorial University Pension Plan (cont'd)

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents authorizes the University Administration to formally request of the Provincial Government that the University be permitted to defer the Special Payment to the Pension Plan required in 2015/16 to 2016/17 and as outlined in the background documentation.

Mr. Bradbury declared a conflict of interest with this item and abstained from voting.

C. Increase in Graduate Student Tuition Fees

The Board received and reviewed background information pertaining to an increase in graduate student tuition fees.

Board members were advised that Memorial University's tuition fees have not changed since 2001-02, when the Provincial Government implemented a freeze on tuition. In the Provincial budget announcement on April 2015, the freeze remained in place for domestic undergraduate students but was lifted for international students and graduate students. Memorial's annual operating budget was also decreased by \$6.7 million. To address a portion of this shortfall, it is necessary to increase graduate tuition fees starting in the 2016-17 Academic Year.

Following an internal consultation process (Senate, Senate subcommittee, deans council, Senate Executive), it is proposed that Memorial increase its graduate student tuition fees by 30%. This increase will generate approximately \$2 million in base funding that will be applied to the University's budgetary shortfall.

Increase in Graduate Student Tuition Fees (cont'd)

The fee increase will be applied to the following programs:

**Table 1**

Program	Fee Per Semester for Citizens of Canada and Permanent Residents	<i>Proposed</i> fee per semester for Citizens of Canada and Permanent Residents (approximate 30% increase)	Fee Per Semester for International Students	<i>Proposed fee per Semester for International Students (30% increase)</i>	No. of Semesters Fee Must Be Paid
<b>Masters candidate</b>					
Plan A	\$733	\$953	\$953	\$1,239	6
Plan B	\$486	\$632	\$632	\$822	9
Plan C	\$1010	\$1313	\$1,312	\$1,706	3
<b>Graduate Diploma Candidate</b>	\$323	\$420	\$420	\$546	
<b>Doctoral Program Candidate</b>	\$683	\$888	\$887	\$1,153	

**Continuance fees:** Program continuance fees per semester for citizens of Canada and permanent residents entering prior to September 2004 remain unchanged, and students enrolled prior to September 2004 will be grandfathered.

Program continuance fees per semester for citizens of Canada and permanent residents, and international students entering September 2004 or later, will increase by the already established percentage increase against total program fees. Current percentage rates are set as follows:

**Table 2**

Program Continuance	Fees per semester for citizens of Canada and permanent resident and international students
Masters candidate	8.15% of the total program fee for Plan A
Graduate Diploma candidate	8.15% of total program fee
Doctoral candidate	8.15% of the total program fee

**Special Fees:** All Special Fees as defined in Section 3.33 (13) of the University Regulations will remain unchanged at this time.

It was noted that discussions with Deans and the School of Graduate Studies are currently ongoing regarding further increases to professional masters programs. Following a detailed analysis of each program, subsequent proposals for differential fees may be recommended to the Board.

Increase in Graduate Student Tuition Fees (cont'd)

After the increase, Memorial's international graduate tuition fees will be at 26.6 per cent of the national average, and domestic tuition will be at 52.4 per cent. Therefore, no significant impact to graduate student enrolment is being anticipated. The increased rates continue to provide Memorial with a competitive advantage.

After a detailed discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve the increase to graduate tuition for programs as defined in the background documentation effective September 1, 2016 and as follows:

Program	Fee Per Semester for Citizens of Canada and Permanent Residents	<i>Proposed</i> fee per semester for Citizens of Canada and Permanent Residents (approximate 30% increase)	Fee Per Semester for International Students	<i>Proposed fee per Semester for International Students (30% increase)</i>	No. of Semesters Fee Must Be Paid
<b>Masters candidate</b>					
Plan A	\$733	\$953	\$953	\$1,239	6
Plan B	\$486	\$632	\$632	\$822	9
Plan C	\$1010	\$1313	\$1,312	\$1,706	3
<b>Graduate Diploma Candidate</b>	\$323	\$420	\$420	\$546	
<b>Doctoral Program Candidate</b>	\$683	\$888	\$887	\$1,153	

Mr. Brockel and Mr. Mohideen voted against the motion and requested that their vote be recorded in the Minutes.

D. Increase in Tuition for students in the program of studies leading to the Doctor of Medicine (M.D.) for 2016-17

The Board received and reviewed background information pertaining to an increase in tuition for students in the program of studies leading to the Doctor of Medicine (M.D.) for 2016-17.

Increase in Tuition for students in the program of studies leading to the Doctor of Medicine (M.D.) for 2016-17 (cont'd)

Board members were advised that the Faculty of Medicine receives its budget allocation from the Department of Health and Community Services. There is a base budget reduction for 2015-16 of \$1,321,500, of which \$600,000 has been identified as recoverable in the future through an increase in tuition for students in the program of studies leading to the Doctor of Medicine (M.D.). It is too late to increase the tuition fees for 2015-16, therefore, the requested increase is for 2016-17.

The 2016-17 fee increase will apply as follows:

**Table 1: M.D. Program Tuition fees**

<b>Annual Tuition fee for Citizens of Canada and Permanent Residents</b>	<b><u>Proposed</u> Annual Tuition fee for Citizens of Canada and Permanent Residents</b>
\$6,250	\$8,250

There are 300 medical students in total in the 2015-16 academic year. The tuition for the medical program will remain competitive within Canada after the tuition increase as the total will be at 50% of the national non-Quebec Canadian average for medical school tuition. Tuition will remain the lowest in the country as indicated in the background documentation.

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve the \$2,000 increase in tuition for students in the program of studies leading to the Doctor of Medicine (M.D.) effective September 2016 and as outlined in the background documentation.

Mr. Brockel voted against the motion and requested that his vote be recorded in the Minutes.

Mr. Mohideen abstained from voting.

E. Residence Fee setting

The Board received and reviewed background information pertaining to residence fee setting.

Residence Fee setting (cont'd)

Board members were advised that a preliminary review has indicated that revenue from student residence fees is not sufficient to pay for all of the costs associated with operating the residences. The revenue gap is estimated at \$1.9 million per year. Memorial's residence fees, depending on the room type, range anywhere from 18% to 40% lower than the average Atlantic Canadian university rates. Fee increases over the years have occurred, however, not all direct and indirect costs have been taken into account when setting rates.

The University has commenced a project to develop and implement a plan for a sustainable business model for Memorial's residences. The project includes:

- Analysis of current cost drivers and projection of future cost drivers;
- Analysis of current revenue and projection of future revenue;
- Development of financial model options for various levels of fee increases and occupancy levels over appropriate timeframes;
- Consideration of contingency funds for deferred maintenance, occupancy decreases, emergency expenses, etc.;
- Consideration of where subsidization is appropriate (e.g. related to recruitment, scholarship, student life, etc.) such that any contributions are explicit and appropriately tracked/charged.

The process described above, will recommend rates for September 2016 that will result in residences being operationally self-funded from fees charged to students.

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents, in setting the 2016/17 budget, adopt in principle that student residence fees be set at a level that will fully fund operational costs.

Mr. Brockel and Mr. Mohideen abstained from voting and requested that their vote be recorded in these Minutes.

F. 2015/16 Budget Estimates

The Board received and reviewed background information pertaining to the 2015/16 budget estimates.

Board members were advised that the University has received its grant from the Department of Advanced Education and Skills and the Department of Health and Community Services for the Fiscal Year 2015/16, with grant reductions of (\$33,354,600) and (\$7,483,700) over the previous year, respectively. The grant adjustments are detailed in Table 1 and 3 of the background documentation.

2015/16 Budget Estimates (cont'd)

Highlights of the Provincial Government funding from the Department of Advanced Education and Skills include:

- \$9.1 million general salary increases in accordance with collective agreements.
- \$4.0 million grant-in-aid of tuition freeze and a \$4.0 million one-time budget reduction.
- \$6.7 million base budget reduction.
- \$20.95 million reduction for the Pension Plan Special Payment
- \$8.4 million reduction for Deferred Maintenance and \$1.0 million reduction for Classroom/Teaching Infrastructure Fund.

The \$4.0 million grant-in-aid of tuition freeze from 2014-15 will be allocated to fund critical deferred maintenance projects.

The Federal Government is again providing a special grant of \$4,143,880 for indirect costs of research expenses. This amount for 2015-16 is \$49,980 above the 2014-15 grant.

Tuition revenue for the University (excluding the Faculty of Medicine) is budgeted at the 2014/15 final tuition revenue amount. Tuition fees remain unchanged for Undergraduate and Graduate students for 2015-16.

The resulting 2015-16 budget estimates for the University (excluding the Faculty of Medicine) and the Faculty of Medicine are summarized in Tables 2 and 4.

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve the budget estimates for the fiscal year 2015/16 as presented in Table 2: Revenue, Expenditure and Capital Estimates for the University (excluding the Faculty of Medicine) for 2015/16 and in Table 4: Revenue, Expenditure and Capital Estimates for the Faculty of Medicine for 2015/16 of the background documentation.

- G. Core Science Facility status update; Approval to award the Tender for Foundations; and Approval to Tender and Award remainder of Project

The Board received and reviewed background information pertaining to the Core Science Facility update as well as the approval to award the Tender for Foundations and the approval to Tender and Award the remainder of the project.

Core Science Facility status update; Approval to award the Tender for Foundations; and Approval to Tender and Award remainder of Project (cont'd)

Board members were reminded that at the March 12, 2015 meeting of the Board of Regents, detailed information around project governance was provided, and this information included an Approval Timeline and a Four-Stage Approval Process Table, all of which were provided in the background documentation. In accordance with the timeline, design development of 95% was reached in May 2015.

At the March 12, 2015 meeting of the Board, it was also requested that a Project Execution Plan be provided at the July 9, 2015 Board meeting which would outline the processes and procedures to be followed for the duration of the Core Science Facility project. In response to this request, a workshop related to the Project Execution Plan was held on June 26, 2015 with the Campus Planning and Development Committee as well as members of the Board of Regents. A document that contained the responses to questions arising from the Core Science Facility Workshop held on June 26, 2015 was also provided in the background documentation.

At a meeting held on May 7, 2015, the Board granted approval to Tender for Building Foundations. In accordance with the Approval Timeline, the Provincial Government has provided its approval to Tender for Building Foundations as indicated in a letter dated June 23, 2015 (a copy of which was provided in the background documentation). This tender will be issued in July 2015. Also in accordance with the Approval Timeline, the administration seeks approval to issue a tender(s) for the remainder of the Core Science Facility project which includes the Superstructure and Underground and the Main Building, and approval to award the tender(s). The tender estimates were as provided in the background documentation.

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve the following recommendations as it relates to the Core Science Facility and as outlined in the background documentation:

- the awarding of the tender for foundations
- the issuing and awarding of tender(s) to proceed with and award the remainder of the Core Science Facility project, subject to the following conditions:
  - completion and approval of priority sections of the Project Execution Plan by December 3, 2015
  - tender prices not exceeding 5% of pre-award estimates
  - approval from the Government of Newfoundland Labrador.



H. Approval in principle to increase Tuition Fees in September 2016

The Board received and reviewed background information pertaining to the approval in principle to increase tuition fees in September 2016.

Board members were advised that the setting of tuition fees is a special power of the Board of Regents as provided in The Memorial University Act, Section 34:

*Specific powers of board*

34. (1) *The board shall have the following powers:*  
*(h) to fix, determine and collect all fees and charges to be paid to the university;*

Since 1999 successive provincial governments have adopted policies of either a tuition freeze or tuition reduction for all students at Memorial University. Congruent with these policies, government has provided the University with a “Grant in lieu of tuition” to accommodate the reduced revenue. In consideration of the grant, the Board of Regents has accepted the provincial government’s policy direction.

In Budget 2015/16 the provincial government reduced the University’s budget and revised its tuition policy indicating that the Grant would only be applicable to domestic (all Canadian) undergraduate students. The administration has received assurance from the Department of Advanced Education and Skills that its fiscal forecast includes the continuation of the Grant and is therefore prepared to recommend a continued tuition freeze for domestic students. Nevertheless there is a possibility that future governments may further reduce the University’s operating budget or remove the Grant in Lieu of Tuition policy. The implementation of any change in policy would normally be aligned with the provincial budget in the spring. That timing creates difficulty for the University in implementing revisions or increases for the following fall semester. Therefore, the administration is seeking approval from the Board of Regents for a contingency plan which would allow it to revise tuition fees, should the Grant in Lieu be discontinued.

The 2015/16 Provincial budget identified a reduction to Memorial’s operating grant and provided the University with the understanding that it could increase tuition/fees to offset the reduction. Given the lateness of the budget, and lack of notice to students for increases, it was felt unfair to increase tuition for the current year. At this time, the University has availed of one-time reductions to accommodate the budget shortfall.

Approval in principle to increase Tuition Fees in September 2016 (cont'd)

Administration currently has an understanding from Government regarding the funding that will be provided next year in the provincial budget. The University should be able to accommodate funding at these levels within the budget framework presented at this meeting. However, should the funding not be in accordance with expectations, the University will not be able to accommodate another year absorbing reductions. It will therefore be necessary to increase tuition/fees to offset further reductions.

After a detailed discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve in principle that for the 2016/17 budget, if there are further reductions in funding, further fee increases and budget cuts will have to be considered in that fiscal year.

Further, it is understood that the Administration will draft language based on the above such that students are notified in the 2016/17 University Calendar that budget decisions for 2016/17 may result in increased fees effective September 2016.

Mr. Brockel and Mr. Mohideen abstained from voting and requested that their vote be recorded in these Minutes.

I. Battery Facility – Setting rates for Graduate Student accommodations (Main Room Tower) and setting of an introductory rate for the facility

The Board received and reviewed background information pertaining to the Battery Facility with regard to the setting of rates for graduate student accommodations (main room tower) and also, the setting of an introductory rate for the facility.

Board members were advised that a series of planning activities have since occurred which have brought into focus further details relating to this portion of the project. Renovations began in February 2015 at the facility with the goal of having graduate student accommodations available for occupancy in Fall of 2015. The Office of Public Engagement continues to actively work with Memorial's Student Residences unit in preparation for first occupancy at the Facility and to support Student Residences' management of the graduate student accommodations.

Battery Facility – Setting rates for Graduate Student accommodations (Main Room Tower) and setting of an introductory rate for the facility (cont'd)

At the last meeting of the Board, a rate was set for the Harbour View Wing section of the accommodations while another occupancy model was being considered for the Main Room Tower. Since that time, it has been determined that a decision on the other occupancy model for the Main Room Tower would be deferred until Fall 2016 or later and, in recognition of this, rates must now be set for this section of the accommodations to allow for occupancy of these rooms when ready.

This set of rates is again being set in consideration of the Battery Facility's business model, which requires the facility's activities and operations to cover its expenses. The recommended rate also reflects current local market rental rates of comparable offsite accommodations, current on-campus residence rates, and the differences that exist amongst rooms at the facility (i.e., their view and size [Main Room Tower accommodations are approx. 100 sq. ft. larger than Harbour View Wing accommodations]).

As previously presented, ongoing discussions have occurred with Memorial's Student Residences and Off-Campus Housing groups, as well as the Graduate Students' Union, in establishing the proposed rates. The Battery Facility Executive Management Committee has also discussed the rate structure at its March 26<sup>th</sup>, April 10<sup>th</sup> and May 21<sup>st</sup> meetings and was in support of the following recommendation.

The rates noted below include utilities and internet access. Additional rates apply for cable television, parking and laundry, which are charged separately to students (not applied to the student's account), similar to existing arrangements at other Memorial on-campus accommodations. It is anticipated that the rates will be reviewed on an annual basis and any recommendations for subsequent rate changes will be provided to the Board for approval.

In addition, at the May 21, 2015 meeting of the Battery Facility Executive Management Committee it was agreed that an introductory rate should be offered to graduate students residing at the facility while renovations are ongoing. The introductory rate would offer a \$100 per month discount on all graduate student accommodations at the Facility in recognition of ongoing construction in adjacent areas of the building, and that certain amenities (food service location and public engagement programming) will not be available until the facility opens in full in late 2016 / early 2017. This recommendation of the Battery Facility Executive Management Committee was also endorsed by the Vice-Presidents Council at its meeting on June 9, 2015.

Battery Facility – Setting rates for Graduate Student accommodations (Main Room Tower) and setting of an introductory rate for the facility (cont'd)

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve the rates for graduate student accommodations at the Battery Facility (Main Room Tower) for the initial intake of students for 2015 occupancy as outlined in the background documentation and as follows:

<b>Room Description</b>	<b>Rate (monthly)</b>
Main Room Tower (ocean view)	\$725
Main Room Tower (hillside view)	\$700

Further, the Board approved an Introductory Rate of a \$100 per month discount on all relevant room rates for students residing at the facility until August 31, 2017, or until construction is complete, whichever occurs first.

J. Renewal of the Graduate Students' Union Health and Dental Insurance Plan

The Board received and reviewed background information pertaining to the renewal of the Graduate Students' Union health and dental insurance plan.

Board members were reminded that in October 2004, the Board of Regents granted permission for the GSU Board of Directors to revise premiums on an annual basis to a maximum increase of the rate of inflation as measured by industry standards.

The insurer has provided the GSU with the renewal rates for the upcoming year, along with the average increase/decrease in the rate of inflation of student drug/medical and dental plans. To maintain the current health plan there is a proposed increase of 0.3% in the rate for the extended health plan and a decrease of 0.5% for the dental plan. This is an overall annual decrease for all benefits of 0.07%. The annual standard national inflation rate in the Health and Dental care industry is 4.2% in health and 6% in dental. There is no change in benefits offered in the plans for this renewal.

Renewal of the Graduate Students' Union Health and Dental Insurance Plan (cont'd)

After a discussion, the following resolution was passed:

**RESOLVED:**

That the Board of Regents approve an adjustment in the Graduate Students' Union health and dental insurance plans for full-time students effective September 1, 2015, as outlined in the background documentation and as follows:

- Increase the annual premium for drug and health insurance coverage for single students from \$409.76 to \$410.96 per year (\$5.00 Administrative Fee included).
- Increase the annual premium for drug and health insurance coverage for couples from \$793.84 to \$796.60 per year (\$10.00 Administrative Fee included).
- Increase the annual premium for drug and health insurance coverage for families from \$799.60 to \$802.36, per year (\$10.00 Administrative Fee included).
- Decrease the annual premium for dental coverage for single students from \$262.28 to \$260.96 per year (\$5.00 Administrative Fee included).
- Decrease the annual premium for dental coverage for couples from \$524.68 to \$522.16 per year to (\$10.00 Administrative Fee included).
- Decrease the annual premium for dental coverage for families from \$655.24 to \$652.00 per year (\$10.00 Administrative Fee included).

Mr. Mohideen declared a conflict of interest with this item and abstained from voting.

K. Annual Audited consolidated Financial Statements for Memorial University of Newfoundland for the Fiscal Year ended March 31, 2015

The Board received and reviewed background information pertaining to the annual audited consolidated financial statements for Memorial University of Newfoundland for the Fiscal Year ended March 31, 2015.

Ms. Petten then welcomed to the meeting, Ms. Debbie Collis, Director of Financial and Administrative Services, who provided a presentation on the audited financial statements for Memorial University of Newfoundland as well as the Pension Plan audited financial statements as at March 31, 2015.

Annual Audited consolidated Financial Statements for Memorial University of Newfoundland for the Fiscal Year ended March 31, 2015

The Board was advised that the report of the external auditors on the annual audited financial statements of the University as at March 31, 2015 has been received and was reviewed by the Board's Audit and Risk Committee on July 8, 2015. The external auditors found the financial statements to present fairly the financial position of the University as at March 31, 2015, the results of the operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. There were no qualifications in the report of the external auditors.

After a discussion, the resolution outlined below was passed:

**RESOLVED:**

That the Board of Regents approve the Memorial University of Newfoundland audited consolidated financial statements for the fiscal year ended March 31, 2015 and as outlined in the background documentation.

L. Annual Audited Financial Statements for the Memorial University Pension Plan for the Fiscal Year ended March 31, 2015

The Board received and reviewed background information pertaining to the annual audited financial statements for the Memorial University Pension Plan for the fiscal year ended March 31, 2015.

Ms. Collis noted that the external auditors found the financial statements to present fairly the net assets available for benefits of the Pension Plan as of March 31, 2015, and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles. There were no qualifications in the report of the external auditors.

After a discussion, the resolution outlined below was passed:

**RESOLVED:**

That the Board of Regents approve the Memorial University Pension Plan audited financial statements for the fiscal year ended March 31, 2015 and as outlined in the background documentation.

**6234. HUMAN RELATIONS COMMITTEE**

- A. Actuarial Valuation of the Memorial University Pension Plan as at December 31, 2014

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6233.A. above.

- B. Senior Leadership Position vacancies and upcoming renewals

The Board received for information a status update regarding senior leadership position vacancies and their associated recruitment status and senior leadership positions held by academic administrators which may be renewed.

- C. Deferral of Special Payment for the Memorial University Pension Plan (also on the Finance Committee Agenda)

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6233.B. above.

**6235. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE**

- A. Core Science Facility status update; Approval to award the Tender for Foundations; and approval to Tender and Award remainder of Project

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6233.G. above.

- B. Amendment of approval to commence Planning for Priority Capital Projects

The Board received and reviewed background information pertaining to amendment for the approval to commence planning for Priority Capital Projects.

Board members were reminded that at a meeting held on October 16, 2014, the Board of Regents was presented with details of the Infrastructure Fund along with a list of capital projects from the Infrastructure Plan. It was noted that the Infrastructure Plan identifies priority projects that are to be funded from the Infrastructure Fund.

At the December 4, 2014 meeting of the Board, the Infrastructure Fund was reviewed and it had a balance of \$7.75 million comprising carryover of \$3.75 million from 2013/14 and the \$4 million Grant in lieu of a Tuition Increase for 2014/15.

Amendment of approval to commence Planning for Priority Capital Projects (cont'd)

In order to move forward with capital projects in a timely manner administration proposed, and the Board approved to commence planning work for several of the highest priority items as follows:

Project	Planning Value	Planning Costs
Faculty of Engineering - Mechanical Engineering High Bay Lab	\$20 M	\$2.0 M
Animal Care Unit Expansion	\$20 M	\$2.0 M
Faculty of Arts Research Archival Facility	\$10 M	\$1.0 M
Redevelopment of the Reid Theatre	\$15 M	\$1.5 M
TOTAL		\$6.5 M

In addition to the planned work above, the Board also approved the administration to move forward with the construction of a Child Care Centre on the Grenfell Campus. The cost is \$1.2 million which effectively reduces the current infrastructure fund balance to zero.

Following assessment of, and consultations on the 2015-16 budget, Administration is now recommending the following amendment to expenditures from the Infrastructure Fund:

Project	Previously Approved	Planning Costs
Faculty of Engineering - Mechanical Engineering High Bay Lab	\$2.0 M	\$0.0 M
Animal Care Unit Expansion	\$2.0 M	\$2.0 M
Faculty of Arts Research Archival Facility	\$1.0 M	\$0.0 M
Redevelopment of the Reid Theatre	\$15 M	\$1.5 M
TOTAL		\$3.5 M

It was noted that the Faculty of Engineering - Mechanical Engineering High Bay Lab would now be funded through increased tuition revenue from increased student enrollment in the Faculty of Engineering programs; Faculty of Arts Research Archival Facility will be deferred until a funding source becomes available. The expenditure reductions of \$3 million will be diverted to critical deferred maintenance projects in the current fiscal year.



Amendment of approval to commence Planning for Priority Capital Projects (cont'd)

After a discussion, the resolution outlined below was passed:

**RESOLVED:**

That the Board of Regents approve the amendment to the approval to commence planning for priority capital projects as outlined in the background documentation and as follows:

- the Mechanical Engineering High Bay Lab planning will proceed with funding through increased tuition revenue from increased student enrolment in the Faculty of Engineering programs;
- Faculty of Arts Research Archival Facility will be deferred until a funding source becomes available; and
- the expenditure reductions of \$3 million will be diverted to critical deferred maintenance projects in the current fiscal year.

C. Selection of the architectural and engineering consultant for design of the Animal Resource Centre

The Board received and reviewed background information pertaining to the selection of the architectural and engineering consultant for design of the Animal Resource Centre.

Board members were advised that the existing facility for animal-based research and clinical teaching at the Health Sciences Centre needs to be replaced. It is well past its life expectancy, and it no longer meets the standards required for national accreditation by the Canadian Council on Animal Care (CCAC). Memorial received a conditional compliance assessment from CCAC in 2011, upgraded from probationary status in 2009, based on investments into equipment, essential interim renovations, and a commitment to work toward a new facility. The degree of infrastructure renewal that is needed means that new construction is required rather than long-term renovations. Aging infrastructure has resulted in challenges not only for institutional compliance, but for research competitiveness, for clinical skills teaching, for research faculty securing sustainable grant funding, and in occupational health and safety issues for faculty, staff and students.

Planning for this project was approved at the December 4, 2014 meeting of the Board of Regents. A Request for Proposals for the Animal Resource Centre closed on February 27, 2015, and in response, five submissions were received. Of those five submissions, two consulting firms were shortlisted and were asked to give a presentation to the Selection Advisory Committee (SAC). These presentations were conducted on March 31, 2015. A report of the SAC's findings on the five proposals was provided in the background documentation.

Selection of the architectural and engineering consultant for design of the Animal Resource Centre (cont'd)

After a discussion, the resolution outlined below was passed:

**RESOLVED:**

That the Board of Regents approve the recommendation of the University Administration that authorization be given to commission the architectural and engineering consulting services for the design of the Animal Resource Centre to NXL Consultants and as outlined in the background documentation.

**CONSENT AGENDA – CLOSED SESSION**

Noting that the items were dealt with in detail in meetings of the appropriate committees, it was moved by Mr. Dillon, seconded by Ms. Roul and carried that the consent agenda, comprising the resolutions listed in 6236 through 6238 below be approved as follows:

**6236. AUDIT AND RISK COMMITTEE**

A. Report of the Internal Auditor

The Board received and reviewed background information pertaining to the report of the Internal Auditor. It was noted that the Internal Auditor is providing the Internal Audit Status Report for the information of the Board.

The Internal Audit Status Report summarizes the audit project work completed during the current period. It was noted that for the fiscal year to date, there are three projects in progress. As projects are completed, the risk ranking associated with each project and any potential issues identified as a result of audit procedures performed will be presented in a separate memo.

This item was received for information and did not require a resolution of the Board.

B. Appointment of Genesis Group Inc. Board of Directors

The Board was informed that at a meeting held earlier in the day, the Audit and Risk Committee of the Board of Regents approved the continuance in office of the following existing directors of the Genesis Group Inc. Board until successors are appointed and as outlined in the background documentation:

Appointment of Genesis Group Inc. Board of Directors (cont'd)

Fred Cahill, Chair  
Susan Hollett  
Margaret Allen  
Robert Webb  
Nora Duke  
Sherry Walsh  
Gary Norris  
Derek Sullivan  
Wilf Zerbe  
Ann Marie Vaughan  
Tony Patterson  
Alastair O'Rielly (observer)  
Richard Marceau  
Doug Cook  
Jerry Byrne  
Ron Ellsworth  
Steve Dodd  
Gerlinde Van Driel  
Leonard Pecore  
Jamie King

**6237. HUMAN RELATIONS COMMITTEE**

A. Appointments Reports

The Board received the Appointments Reports for the St. John's and Grenfell Campuses for actions taken since May 7, 2015 noting that the actions have been taken under delegated authority as provided for in the Terms of Reference for the Committee.

B. Appointment of Acting Associate Vice-President (Marine Institute) Administration and Finance

The Board received background information and approved the appointment of Mr. Fred Christian-Quinton as Interim Associate Vice-President (Marine Institute) Administration and Finance, effective July 9, 2015 until December 31, 2015 or upon the appointment of a permanent incumbent, whichever comes first and as outlined in the background documentation.

**6238. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE**

A. West Pedway Redevelopment (Prince Phillip Drive)

The Board received background information and agreed to the project to redevelop the West Pedway (Prince Phillip Drive) and as outlined in the background documentation.

B. Update on progress of Capital Projects

The Board received for information a summary report of the following capital projects currently underway or being planned:

Projects in Progress

St. John's Campus

- Residence Renovations
- Newfoundland & Labrador Centre for Interdisciplinary Research in Human Genetics and Faculty of Medicine Building Extension, HSC
- Aboriginal Centre
- Core Science Facility
- Battery Property
- Clock Tower Modifications

Marine Institute

- Building Expansion to House New Offshore Operations Simulator

Grenfell Campus

- Energy Strategy

Projects in Planning Stages

St. John's Campus

- Faculty of Engineering and Applied Science – Mechanical Engineering High Bay Laboratory
- Faculty of Engineering and Applied Science – Petroleum Engineering Building
- Animal Resource Centre
- Faculty of Arts Research Archival Facility
- Redevelopment of Reid Theatre

Marine Institute

- Holyrood Marine Base – Phase IIA Breakwater, Marginal Wharf and Restoration of Existing Wharf
- Holyrood Marine Base – Phase IIB Ocean Research and Training Building

Grenfell Campus

- Child Care Facility

Projects in Early Stages

- Faculty of Medicine – Redevelopment of Existing Space
- Pedways over Prince Philip Drive – East and West
- Storage Facility, Mount Scio Road

Update on progress of Capital Projects (cont'd)

The Board was advised that the projects are on time and on budget unless otherwise noted.

This item was received for information and did not require a resolution of the Board.

C. Naming of the Dr. Richard Fagan Lecture Theatre, Class of 2012

The Board received background information and agreed to the naming of the 120 seat tiered lecture in the Medical Education Building as the Dr. Richard Fagan Lecture Theatre, Class of 2012, and as outlined in the background documentation. It is understood that an official event will be held in the coming months to officially name the facility and that the naming will remain confidential until that time.

D. Naming of the Teachers' Legacy Rotunda

The Board received background information and agreed to the naming of the rotunda space as the *Teachers' Legacy Rotunda* and as outlined in the background documentation.

**6239. ANY OTHER BUSINESS**

A. Date of Next Meeting

The Chair advised that the next regular meeting of the Board of Regents is tentatively scheduled to be held on September 10, 2015.

**ADJOURNMENT**

The meeting adjourned at 5:55 p.m.

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
DATE