

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

BOARD OF REGENTS

The regular meeting of the Board of Regents was held on Thursday, July 7, 2016 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)
Dr. Susan Dyer Knight, Chancellor
Mr. Steve Belanger, via teleconference
Mr. Mark Bradbury
Ms. Colleen Galgay-Johnston
Ms. Katharine Hickey
Mr. John Hogan
Ms. Kim Keating
Ms. Brittany Lennox
Mr. Max Rice
Mr. Trevor Stagg
Ms. Tina Scott, Secretary to the Board

APOLOGIES:

Mr. Robert Bishop, Mr. Denis Mahoney, 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.

6331. MEETING CALLED TO ORDER

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

The Chair advised that following consultation with the Executive Committee of the Board, it was agreed to permit a number of individuals to attend the open session of the Board meeting as visitors.

6332. 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. She noted that members who may be in conflict should feel free to declare their conflict at the time when the item is raised on the Board agenda.

6333. MINUTES

The Minutes of the regular meeting of the Board of Regents held on May 19, 2016 and the special meetings held on April 6, 2016 and June 8, 2016 were approved by the Board.

6334. CHAIR'S REPORT

A. Meeting of the Executive Committee – June 23, 2016

The Chair advised that the Executive Committee met on June 23, 2016 to finalize the agenda for today's meeting.

6335. 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 2016 Board meeting and he provided the Board more detail and context on several of these activities and events.

OPEN SESSION - CONSENT AGENDA

Noting that the items were dealt with in detail in meetings of the appropriate committees, it was moved by Ms. Galgay-Johnston, seconded by Mr. Rice and carried that the consent agenda, comprising the resolutions listed in 6336 through 6337 below be approved as follows:

6336. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

A. Update – Government of Canada Post-Secondary Institutions Strategic Infrastructure Fund

At a meeting held earlier in the day, members of the Campus Planning and Development Committee received a verbal update pertaining to the Government of Canada Post-Secondary Institutions Strategic Infrastructure Fund.

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

6337. SENATE MATTERS

- A. Senate Matters with implications for the Board of Regents (April 19, 2016):
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 19, 2016 and approved the Calendar changes as outlined in the background documentation.

- B. Senate Matters with implications for the Board of Regents (May 10, 2016):
Creation of the new “Department of Modern Languages, Literatures and Cultures”

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 10, 2016 and approved the combining of two Departments to create the new “Department of Modern Languages, Literatures and Cultures” as outlined in the background documentation.

- C. Senate Matters with implications for the Board of Regents (May 10, 2016):
Constitutions for Three New Schools at Grenfell Campus

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 10, 2016. It was noted that the Board had previously approved the creation of three schools at Grenfell Campus effective September 1, 2016. Further, given that their constitutions will not be in place at that time, the Board ruled that the procedures which currently exist at Grenfell relating to courses, regulations, student appeals and the like as well as membership on Committees, Councils and Senate, be maintained until such time as the Constitutions of Schools are approved by the Board of Regents.

At this point, visitors who were permitted to attend the open session of the Board meeting left the meeting.

CLOSED SESSION – CONSENT 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.

Ms. Keating and Ms. Hickey declared a conflict with Agenda Item 9.2 “Core Science Facility Status Update”.

Mr. Bradbury declared a conflict with Agenda Items 10.4 and 14.5 “Recommendation to the Provincial Government to reinstate annual special payment funding for the Memorial University Pension Plan”, 10.5 and 14.4 “Actuarial valuation of the Memorial University Pension Plan as at December 31, 2015”.

At the request of Dr. Kachanoski, Agenda Item 9.2 “Core Science Facility Status Update” was moved from the Closed Session Consent Agenda to the Closed Session Discussion Agenda.

Noting that the items were dealt with in detail in meetings of the appropriate committees, it was moved by Ms. Galgay-Johnston and seconded by Mr. Rice and carried that the consent agenda, comprising the resolutions listed in 6338 through 6342 below be approved as follows:

6338. AUDIT AND RISK COMMITTEE

A. Report of the External Auditors – Results of the 2016 Audit

The Board received background information and approved the “Report of the External Auditors – Results of the 2016 Audit” as outlined in the background documentation. In doing so, it was noted that a detailed presentation of the Report was made to the Audit and Risk Committee by Ernst and Young at a meeting of the Committee held earlier in the day.

The Board was informed 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 2016 Audit Service Plan, which was approved by the Board of Regents on October 22, 2015.

This Audit Report briefly summarizes the major aspects of the audit of the consolidated financial statements for the period ending March 31, 2016. 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.

Report of the External Auditors – Results of the 2016 Audit (cont'd)

- 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.

B. Core Science Audit Update: Heat Map – also on the Campus Planning and Development Committee agenda

The Board received background information pertaining to the Core Science Audit Update – Heat Map.

The Core Science Facility Audit was submitted to the Board at its March 17, 2016 meeting. Following this meeting it was agreed that an update on the audit status would be provided to the Board similar to the one being utilized to report on progress in connection with the HRMS Improvement Project. A milestone schedule in the form of a heat map was provided for an overall indication of timelines and progress toward addressing the risks identified in the audit. The Core Science Audit heat map was provided in the background documentation.

Core Science Audit Update: Heat Map (cont'd)

Since the audit report was received by the Board the following have occurred:

- Federal Government support of \$99.9M confirmed for the project
- Bridge financing agreement with the Immigrant Investor Fund has been signed
- Project Management Office established with dedicated project personnel including the assignment of Associate Director, Clerk of the Works, and Project Administrator positions
- First draft of facility operating and maintenance modelling has been initiated
- The next version of the project roles and responsibilities matrix has been issued
- The next version of the project risk register has been issued
- Project contingency has been refined
- Project Owner Controlled Insurance Policy has been implemented

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

C. Human Resources Management System Improvement Project Update

The Board received for information the Human Resource Management System Improvement Project Update noting that regular updates on this project will be provided to the Audit and Risk Committee.

D. Appointments to the 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 re-appointments to the Genesis Group Inc. Board of Directors for a one year term effective July 1, 2016 and as outlined in the background documentation and as follows:

- Mr. Fred Cahill, President, G.J. Cahill Ltd. (Chair)
- Ms. Margaret Allan, Manager, Administration and Regulatory Affairs, Husky Energy, Atlantic Region
- Ms. Anne Marie Vaughan, President & CEO, College of the North Atlantic
- Ms. Susan Hollett, President, Hollett & Sons Inc.
- Dr. Richard Marceau, Vice-President (Research), MUN
- Mr. Ron Ellsworth, President & CEO, Ellsworth Group of Companies
- Mr. Jamie King, President, Verafin Inc.
- Dr. Rob Greenwood, Executive Director, Office of Public Engagement, MUN
- Mr. Greg Hood, President & CEO, Genesis Group Inc., Ex-Officio

Appointments to the Genesis Group Inc. Board of Directors (cont'd)

- Mr. Robert Webb, Chief Executive Officer, InvestCan Energy
- Ms. Sherry Walsh, Partner, Assurance and Advisory – Atlantic, Deloitte
- Ms. Nora Duke, President & CEO, Fortis Properties
- Mr. Ken Martin, Vice-President, ACOA – Non-voting
- Dr. Wilf Zerbe, Dean, Faculty of Business Administration, MUN
- Dr. Gary Kachanoski, President and Vice-Chancellor, MUN

Additionally, the Committee approved the following new appointment for a one-year term effective July 1, 2016:

- Mr. Daryl Genge, Deputy Minister, Department of Business, Tourism, Culture and Rural Development, Government of Newfoundland and Labrador (non-voting)

E. Appointments to the Memorial University Recreation Complex 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 appointments to the Memorial University Recreation Complex Inc. (MURC) Board of Directors as outlined in the background documentation and as follows:

- Ms. Hillary Bellows, appointed for a one year term effective July 7, 2016
- Ms. Lindsay Batt, appointed for a one year term effective July 7, 2016

6339. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

A. Update on Capital Projects

The Board was advised that the following capital projects are underway or being planned:

Projects in Progress

St. John's Campus

1. Residence Renovations
2. Aboriginal Centre
3. Core Science Facility
4. Battery Property
5. Pedways over Prince Phillip Drive – East and West

Update on Capital Projects (cont'd)

Marine Institute

1. Holyrood Marine Base – Phase IIA Breakwater, Marginal Wharf and Restoration of Existing Wharf

Projects in Planning Stages

St. John's Campus

1. Faculty of Engineering and Applied Science – Mechanical Engineering High Bay Laboratory
2. Faculty of Engineering and Applied Science – Petroleum Engineering Building
3. Animal Resource Centre
4. Faculty of Arts Research Archival Facility
5. Redevelopment of Reid Theatre

Marine Institute

1. Holyrood Marine Base – Phase IIB Ocean Research and Training Building

Projects in Early Stages

1. Faculty of Medicine – Redevelopment of Existing Space
2. Storage Facility, Mount Scio Road

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

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

B. Core Science Audit Update: Heat Map – also on the Audit and Risk Committee agenda

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6338.B. above.

C. Approval for the Phase 2 expansion of the Energy Performance Contract (EPC) - also on the Finance Committee agenda

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6344.F. below.

D. Deferred Maintenance Program 2016-2017 – also on the Finance Committee agenda

The Board received background information and agreed to the 2016-2017 Deferred Maintenance Program with an understanding that the Program's scope could be increased should the University be successful in receiving SIF support from the Federal Government and as outlined in the background documentation.

6340. HUMAN RELATIONS COMMITTEE

A. 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, following a five-year term, subject to review.

B. Report on Academic Appointments

The Board received for information the Report on Academic Appointments for the St. John's and Grenfell Campuses for actions taken since May 19, 2016 noting that the actions have been taken under delegated authority as provided for in the Terms of Reference for the Human Relations Committee.

C. Establishment of the Technology Transfer and Commercialization Office (TTCO) within the Vice-President (Research) Portfolio

The Board received background information and approved the establishment of the Technology Transfer and Commercialization Office within the portfolio of the Vice-President (Research) and as outlined in the background documentation.

D. Recommendation to the Provincial Government to reinstate annual special payment funding 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 6344.E. below.

E. Actuarial valuation of the Memorial University Pension Plan as at December 31, 2015 – also on the Finance Committee agenda

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6344.D. below.

F. Appointment of Acting Director, Operations and Maintenance, Facilities

The Board received background and approved the appointment of Mr. Jeff Boland as Acting Director, Operations and Maintenance effective immediately until October 7, 2016 and as outlined in the background documentation.

6341. FINANCE COMMITTEE

A. Deferred Maintenance Program – also on the Finance Committee agenda

This item was also considered under the Finance Committee Agenda as outlined in the Minute 6339.D. above.

6342. EXECUTIVE COMMITTEE

A. Information Management Policy

The Board received background information and approved the “Information Management Policy” as outlined in the background documentation.

B. Board meeting dates for 2017

At a meeting held on June 23, 2016, the Executive Committee of the Board of Regents approved the proposed dates for regular meetings of the Board of Regents for 2017 as follows:

February 2, 2017
March 16, 2017
May 11, 2017
July 6, 2017
October 4, 2017 (to coincide with Grenfell Campus Convocation)
December 7, 2017

It was noted that the above-noted dates follow from last year when a major review of Board meeting dates was conducted.

CLOSED SESSION – DISCUSSION AGENDA

6343. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

A. Core Science Facility Update

At this point, Ms. Hickey and Ms. Keating declared a conflict of interest and recused themselves from this portion of the meeting.

The Board received and reviewed background information pertaining to the Core Science Facility Update.

Core Science Facility Update (cont'd)

Board members were advised that the approval Timelines for the CSF were provided as Appendix A and Appendix B in the background documentation. In accordance with the Project Execution Plan, project scorecards were also included to provide an update on various aspects of the project (as provided in Appendix C of the background documentation).

Status

CP- (Construction Package) 1 Enabling Works

Contract is complete. Details on the pre-tender estimates and the tender award amount were provided.

CP-1A Foundations

Work is continuing through the spring and is on schedule. Details on the pre-tender estimates and the tender award amount were provided.

CP-2 Structural Steel

Approval was received on November 2, 2015 from the Provincial Government to issue a tender for CP-2. This tender was called on December 2, 2015 and was to close on March 1, 2016. It was subsequently cancelled and combined with CP-3. This change will enhance coordination of the work and reduce risk to the project.

CP-3 Main Contract (& Structural Steel)

CP-3 now includes the scope of the former CP-2 (Structural Steel) and was issued for tender on April 15, 2016 after receiving approval to tender from the Provincial Government, as per the 4-stage approval process. Details on the pre-tender estimates and the tender award amount were provided.

Board members were then reminded that at a meeting held on July 8, 2015, the Board of Regents approved the following recommendations as it relates to the Core Science Facility:

- 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

Core Science Facility Update (cont'd)

Board members were then provided a verbal update regarding the evaluation of the tenders and in particular, the Board was informed that the lowest bid exceeded 5% of pre-award estimates. In light of this, the Administration identified the following two options for consideration by the Campus Planning and Development Committee and the Board:

1. work with the lowest bidder(s) to examine requirements with a view to reducing the price to within 5% of pre-award estimates;

Or

2. not award the tender, perform value engineering on the project and retender CP3.

After an extensive discussion, and upon the recommendation of the Campus Planning and Development Committee, the following resolution was passed:

RESOLVED:

That the Board of Regents endorse Recommendation 2 above and authorize the University Administration to retender subject to any necessary approvals from the Government of Newfoundland and Labrador to proceed with this option.

At this point, Ms. Hickey and Ms. Keating Hickey returned to the meeting.

B. Approval to enter into a Lease and Easement Agreement at the Ocean Sciences Centre

The Board received and reviewed background information pertaining to a Lease and Easement Agreement at the Ocean Sciences Centre.

Board members were advised that ExxonMobil Canada Properties is undertaking a major project which will install fiber optic cable from their offshore oil production platforms to two redundant landing sites on the Avalon Peninsula. This cable will reduce physical transportation requirements for ExxonMobil employees and consultants as well as provide future research and development opportunities for Exxon and Memorial. One such opportunity may be the installation of an ocean observatory. Memorial was approached by Exxon in 2015 with a request to allow one of these landing sites to be situated on Memorial land at the Ocean Sciences Centre in Logy Bay. Details of the agreement were provided in the background documentation.

Approval to enter into a Lease and Easement Agreement at the Ocean Sciences Centre (cont'd)

Approval of the lease and easement agreement was requested to accommodate the timeline for the project. Following the Board of Regents approval, the MUN Act requires property leases to be approved by the Province as follows:

- S 4.1 Approval to enter into a lease of property for not more than 99 years.

It was noted that this approval will be sought immediately after approval by the Board of Regents.

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the entering into a Lease and Easement Agreement for Fiber Optic Cable at the Ocean Sciences Centre with ExxonMobil Canada Properties and as outlined in the background documentation. It is understood that following approval, the Administration will seek approval from the Province in accordance with the requirements of the MUN Act.

6344. FINANCE COMMITTEE

A. 2016/17 Operating Budget - Faculty of Medicine

The Board received and reviewed background information pertaining to the 2016-17 Operating Budget for the Faculty of Medicine.

Board members were reminded that at the May 19, 2016 meeting of the Board of Regents, the changes in the provincial government funding from the Departments of Health and Community Services for the Faculty of Medicine were provided (as outlined in Table 1 of the background documentation). It was noted at that meeting that the Faculty of Medicine would present the 2016-17 budget at the July 2016 meeting.

The 2016-17 budget for the Faculty of Medicine totals \$64,953,300 (as provided in Table 2 of the background documentation), representing a \$796,400 increase over 2015-16. The budget increase is due to a decrease of \$68,600 from government and an increase in tuition revenue of \$865,000. Details on the budgeted tuition increase were provided in Table 3 of the background documentation and Table 4 provided the tuition fees for Canadian Faculties of Medicine.

2016/17 Operating Budget - Faculty of Medicine (cont'd)

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the budget estimates for the fiscal year 2016-2017 as presented in the 2016-17 Operating Budget for the Faculty of Medicine and as outlined in the background documentation.

- B. Annual Audited Financial Statements for Memorial University of Newfoundland and the annual audit report from the external auditors for the fiscal year ended March 31, 2016

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, 2016.

Mr. Belanger 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, 2016.

The Board was advised that the report of the external auditors on the annual audited financial statements of the University as at March 31, 2016 has been received and was submitted for review by the Board's Audit and Risk Committee on July 7, 2016. The external auditors found the financial statements to present fairly the financial position of the University as at March 31, 2016, 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 following resolution 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, 2016 and as outlined in the background documentation.

C. Annual Audited Financial Statements for the Memorial University Pension Plan for the fiscal year ended March 31, 2016

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, 2016.

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, 2016, 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 following resolution was passed:

RESOLVED:

That the Board of Regents approve the Memorial University Pension Plan audited financial statements for the fiscal year ended March 31, 2016 and as outlined in the background documentation.

Mr. Belanger then thanked Mr. Decker, Ms. Collis as well as their teams for the exemplary work regarding the above financial statements.

D. Actuarial valuation of the Memorial University Pension Plan as at December 31, 2015 – also on the Human Relations Committee agenda

At this point, Mr. Bradbury declared a conflict of interest and recused himself from this portion of the meeting.

The Board received and reviewed background information pertaining to the actuarial valuation of the Memorial University Pension Plan as at December 31, 2015.

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 the solvency funding provisions of the Pension Benefits Act, 1997 (the PBA). In addition a valuation must be performed at least once every three years for purposes of setting the Plan's funding requirements. The December 31, 2015 valuation satisfies these conditions and will be the basis upon which the plan is funded until the next funding valuation occurs.

The results of the valuation prepared as at December 31, 2015 by the University's actuary, Eckler Limited, are shown below in comparison to 2014 results:

Actuarial valuation of the Memorial University Pension Plan as at December 31, 2015 (cont'd)

	December 31, 2015 (\$ Millions)		December 31, 2014 (\$ Millions)	
	Going Concern	Solvency	Going Concern	Solvency
Actuarial Value of Assets	1,337.3	1,498.0	1,202.2	1,410.6
Actuarial Liabilities	1,634.5	1,995.8	1,446.7	1,895.6
Unfunded Liability	(297.2)	(497.8)	(244.5)	(485.0)
Funded Ratio ¹	81.8%	75.1%	83.1%	74.4%
Alternate Funded Ratio ²	88.0%	--	93.4%	--

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

² 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, 2016 extrapolation of the Plan's funded position showed that the alternate funded ratio was 86.1% - a reflection of relatively poor performance of the investment markets to March 31, 2016.

It was noted that the primary purpose of an actuarial valuation is to assess a pension plan's financial position and determine the cost of benefits accruing to active members. The December 31, 2015 valuation has revealed an increase in both the Plan's unfunded liability and the cost of benefits. As a result the annual special payment towards the unfunded liability has grown to \$27.5 million and the contribution rate paid by employees and the University must be increased by 1.5%.

These results are marginally better than the results that were anticipated when the Board approved the valuation assumptions at a meeting held on March 17, 2016. In accordance with current PBA regulations the Plan was exempt from solvency funding to March 31, 2016 and was also exempt from going concern funding for the fiscal year 2015-16. While it is anticipated that a further solvency funding exemption would be forthcoming, the University is required to resume funding on a going concern basis effective April 1, 2016.

On June 27, 2016, the University Pensions Committee received a presentation from Eckler Limited on the December 31, 2015 valuation results and recommended their acceptance. A copy of the valuation was provided in the background documentation.

Actuarial valuation of the Memorial University Pension Plan as at December 31, 2015 (cont'd)

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, 2015 and as outlined in the background documentation.

- E. Recommendation to the Provincial Government to reinstate annual special payment funding for the Memorial University Pension Plan – also on the Finance Committee agenda

The Board received and reviewed background information pertaining to the recommendation to the Provincial Government to reinstate annual special payment funding for the Memorial University Pension Plan.

Board members were advised that for fiscal year 2015-16 the Government of Newfoundland and Labrador did not provide funding to the University for the going-concern special payment toward the pension plan's unfunded liability. Through regulatory exemption, the University was instead permitted to defer the special payment for one year and the amortization schedules were adjusted for interest and re-set to resume effective April 1, 2016. Special payment funding was also not provided in the University's budget grant for fiscal 2016-17 and government officials have indicated that special payment funding has not been included in fiscal projections for future years. Additional information on past special payments was contained in the background documentation.

With respect to the 2015-16 deferral, government had also requested that the University undertake a study of the Plan similar to that which was done for other public sector plans. In June 2015, the University Pensions Committee reviewed the issue of deferral and the request for a study. The Committee agreed with deferring the 2015-16 special payment however it did not agree with a study of the pension plan. This was communicated to the Board at its July 9, 2015 meeting.

In response to the funding shortfalls, the Committee decided in October 2015 to establish an Ad Hoc Subcommittee whose objective would be to review the Plan's funding for purposes of making a recommendation to government to reinstate annual special payments. Based upon the work of the Subcommittee, the University Pensions Committee is recommending that the University present to government arguments in support of special payment reinstatement. The Administration concurs with the recommendation of the Committee. A copy of the Committee's justifications for reinstatement was provided in the background documentation.

Recommendation to the Provincial Government to reinstate annual special payment funding for the Memorial University Pension Plan (cont'd)

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents accept the original recommendation of the University Pensions Committee and authorize the administration to forward the arguments and recommendation of that Committee, in support of reinstatement of annual special payments to the pension Plan, to the Provincial Government as outlined in the background documentation.

Further, and in order to give more context to the response to government, the Board also agreed with the additional recommendation of its Finance Committee and Human Relations Committee as follows:

“That the President acknowledge receipt of correspondence dated June 13, 2016 from the Honorable Gerry Byrne, Minister of Advanced Education and Skills, advising that the University Pensions Committee has struck a sub-committee to consider the proposal from government and would like to move forward with discussions. To this end, the Board recommends that a meeting be requested with appropriate officials of government as soon as possible.”

At this point, Mr. Bradbury returned to the meeting.

F. Approval for the Phase 2 expansion of the Energy Performance Contract – also on the Campus Planning and Development Committee

The Board received and reviewed background information pertaining to the approval for the Phase 2 expansion of the Energy Performance Contract.

Board members were advised that Energy Performance Contracts (EPC) have been used frequently in Newfoundland and Labrador and across Canada to address deferred maintenance issues, improve facilities, reduce greenhouse gases, and to self-fund projects that otherwise would have to be funded from capital or operating budgets. Honeywell has carried out over 250 EPCs in Canada.

Should the Board of Regents approve the program, Provincial Government approval of the debt will also be required and would be sought subsequent to Board approval. This is pursuant to the MUN Act which requires approval of the Province as follows:

Approval for the Phase 2 expansion of the Energy Performance Contract (cont'd)

- S 41.1 Approval to borrow

It was noted that this approval will be sought immediately by administration following approval by the Board of Regents.

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the Phase 2 Energy Performance Contract with features as outlined in the background documentation.

G. Presentation – Strategic Framework for Budget Discussions

Dr. Gary Kachanoski, President and Vice-Chancellor, provided a presentation entitled “Strategic Framework for Budget Discussions”. In doing so, he covered the following topics:

- Process and Consultation
- Values
- Mission
- Vision
- Feedback
- Research Infosource Inc. – Canada’s Top 50 Research Universities 2014
- Integrated Context
- The Innovation Imperative
- The Conference Board of Canada – How Canada Performs
- Recruiting Talent

Following a question and answer period, Ms. Petten thanked Dr. Kachanoski for his informative presentation.

H. Tuition Scenarios Presentation

Dr. Golfman introduced Dr. Wilfred Zerbe, Dean of the Faculty of Business Administration, who provided the Board with a presentation with respect to the “Tuition Framework Committee – Tuition Framework and Scenarios”. Dr. Zerbe noted that the presentation should be considered as an enabling document and further, that the topics covered are illustrative assumptions if the University elected to discuss possible tuition fee scenarios. Dr. Zerbe then covered the following topics:

Tuition Scenarios Presentation (cont'd)

- Tuition Framework: Interdependent Relationships
- Tuition Principles
- History of tuition levels at MUN
- Four illustrative scenarios
- Possible criteria for considering alternate scenarios
- Impact of tuition increases on revenues

Following a question and answer period, Ms. Petten, on behalf of the Board, thanked Dr. Zerbe for his informative presentation and he left the meeting.

6345. 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 October 5, 2016.

B. Strategic and Budget Planning Process

The Chair noted that at a recent meeting of the Executive Committee, it was agreed to hold a facilitated session focusing on a strategic and budget planning process that encompasses the future direction of Memorial University. The session is tentatively scheduled for September 8, 2016.

ADJOURNMENT

The meeting adjourned at 6:05 p.m.

CHAIR

SECRETARY

DATE