

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

BOARD OF REGENTS

A Special meeting of the Board of Regents was held on Thursday, April 21, 2005, in the Board Room of the University at 2:00 p.m.

PRESENT:

Lorne Wheeler, Chair
Dr. Georgina Hedges, Vice-Chair
Dr. Axel Meisen, President and Vice-Chancellor
Gail Aylward
Mary Broderick
Lisa Browne
Calvin Butt (by telephone)
Sam Chaulk
Pat Coish-Snow (by telephone)
Dr. Wynanne Downer
Sharon Duggan
Ed Kelly
Earl Ludlow
Joan Pinsent
Dave Porter
Harvey Short
Eleanor Bennett, Secretary

APOLOGIES: Dr. John Crosbie, Chancellor, Dr. Eddy Campbell, Vice-President (Academic), Hayward Blake, Thom Duggan, Leslie Galway, Dorothy George, Dr. Brendan Lewis, Gary Peddle, Andrea Quinlan, Darlene Russell and Roxana Vernescu.

PRESENT BY INVITATION: Brian Colbourne, Director of Financial and Administrative Services, and Kent Decker, Vice-President (Administration and Finance).

1. MARINE INSTITUTE INSTRUCTORS COLLECTIVE AGREEMENT

The Board received and reviewed background information pertaining to negotiations to renew the Marine Institute Instructors, NAPE Local 7850, Collective Agreement, which expired on March 31, 2004. The new Collective Agreement is being proposed for the period commencing April 1, 2004 and ending August 31, 2008. The Board was advised that negotiations with this group commenced on March 3, 2004. Most of the issues were resolved before negotiations were suspended during the Public Sector strike and legislated settlement in April 2004. In recent weeks, the parties have been exploring ways to conclude an agreement

with salary increases in line with the template for Government General Service Workers: 0%, 0%, 2% and 3%. Mr. Decker reviewed with the Board the proposed changes with monetary implications.

In addition to the language items already agreed upon, the University believes that the monetary changes are principled and may result in a tentative agreement.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the negotiating position recommended by the University Administration, as a framework for achieving a new Collective Agreement with the Marine Institute Instructors, NAPE Local 7850, for the period commencing April 1, 2004 and ending August 31, 2008.

2. INFRASTRUCTURE FINANCING STRATEGY

The Board received and reviewed a revised Report of the University's Infrastructure Strategy dated April 14, 2005. The Board was reminded that at its March 24th meeting it authorized the Administration of the University to proceed with the further development of the Infrastructure Financing Strategy in a manner that is acceptable to both the Board of Regents and the Provincial Government. Should an acceptable strategy be developed, approval to seek the appropriate legislative authority will be brought forward at a later date.

The Board was advised that the Administration expanded the previous report to include projects at Sir Wilfred Grenfell College and some other projects on the St. John's Campus.

Mr. Decker provided a power-point presentation on the Infrastructure Financing Strategy elaborating further on the details contained in the report with respect to capital requirements.

The University has significant requirements for funding to upgrade existing facilities and to build new ones. These facilities are necessary for the University to maintain an environment suitable for the delivery of current programs, to expand the capability of attracting new students and faculty, and to expand capabilities in research.

The expenditures outlined in this strategy will have significant positive impacts on the provincial economy. These impacts will form part of the University's communications with the Provincial Government

The emphasis on residence space in this strategy is linked to the University's mandate to provide educational opportunities for students from all parts of the Province.

An approach that combines a bond issue with fundraising is recommended to address the University's immediate needs and to meet medium to long term infrastructure requirements.

The sources of financing would include:

Bond Issue	\$100 M
Capital Campaign	<u>\$ 50 M</u>
Total	<u>\$150 M</u>

Mr. Colbourne provided a power-point presentation on Accessing the Debt Capital Markets, with particular emphasis on debt capital market opportunities.

The process of accessing Capital Markets involves the following steps:

- Identify borrowing requirements as part of a long-term business strategy
- Develop and approve financing strategy
- Ensure there is future debt repayment capacity
- Obtain optimal credit ratings
- Approve the Information Memorandum
- Facilitate the transaction execution

Repayment of the debt will be facilitated through a combination of increased enrolments and increases in tuition revenues, and Government funding.

A review of the *Memorial University of Newfoundland Act* and the *Transparency and Accountability Act* indicate that the approval of Government is required before a bond issue can be conducted.

Following a question and answer session, and after discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents authorize the Administration to enter into formal discussions with the Provincial Government regarding a bond and capital campaign based on the Report "Infrastructure Financing Strategy" dated April 14, 2005.

ADJOURNMENT

The meeting adjourned at 4:20 p.m.