Minutes
MEETING OF THE BOARD OF TRUSTEES
December 2, 2011, 6:30 p.m., Robert Sutherland Hall, Conference Room 202


I OPENING SESSION

1. Adoption of Agenda

Moved by D. Woolf, seconded by D. Pattenden, that the Agenda be adopted as amended with the provision that items 2 through 5 be approved, or received for information by consent; and the removal of item 3 a) AMS Queen’s Centre Capital Contribution, under Committee Motions and Updates, which was dealt with in Closed Session.

Carried 11-80

2. Approval of the Minutes (Appendix A, page 1-3 Confidential)
   a. September 23, 2011

Carried 11-81

3. Naming Dedications (Appendix B, page 12)
   That the Board of Trustees approve the following naming dedication in recognition of philanthropy, as indicated:

   New Medical Building
   The dedication of Seminar Room 315 in the New Medical Building, in recognition of the generous commitment from the members of the Class of Medicine 1961, in support of Queen’s and the New Medical Building.

Carried 11-82

   Senate items requiring Board ratification:
   a) The establishment of the Hazell Research Professorship in Chemical Design and Innovation
   Carried 11-83

5. Reports
   a) DBRS Rating Report (Appendix D, page 16)
   b) Environmental Health and Safety Annual Report (Appendix E, page 27)
   c) Quarterly Advancement Report (Appendix F, page 56)
   d) Semi-Annual Audit Report (Appendix G, page 68)
   e) Quarterly Financial Report (Appendix H, page 70)
   f) Quarterly Investment Report (Appendix I, page 86)
   g) Quarterly Pension Report (Appendix J, page 89)
   h) Research Report (Appendix K, page 100)
6. Business Arising from the Minutes
None

7. Chair’s Report
a) Annual Board Effectiveness Survey (Appendix L, page 108)

The Chair reported on highlights from the annual survey and thanked those trustees who participated. He noted that some trustees encountered technical difficulties accessing the survey. He observed that the results showed that more work needs to be done to proactively communicate with the community about the work of the Board.

8. Strategic Update from the Principal

The Principal updated trustees on several items, including:
- Student and alumni accomplishments
- The suspension of performances of the Queen’s Bands for the remainder of the fall term, due to offensive materials being brought to the University’s attention last month. Conditions placed on the Bands by the University and the AMS include the cancellation of performances for the rest of the fall term. The University and the AMS are working with the Bands on a positive path forward and resumption of performances in the New Year
- The political landscape and its impact on post-secondary education funding
- A recent MOU signed with St. Lawrence College to promote closer links and to explore administrative efficiencies and joint programming
- The Principal’s Community Breakfast highlighting experiential education
- Senate approval of the 2011 Queen’s Academic Plan – trustees will learn more about the plan at the March 2-3 Board meeting

At the request of Senate, the Principal passed on its concerns about the Board’s directive for a balanced budget and its effect on academic resources.

There were no questions.

9. Operational Update from the Provost and VP (Academic)

The Provost updated trustees on several items, including:
- The Senate’s adoption of the Academic Plan as a significant accomplishment; the Plan’s Four Pillars and their links to the curriculum and campus environment
- Results of the recent National Survey of Student Engagement (NSSE)
- Implementation of the Queen’s University Quality Assurance Processes (QUQAPs), which will impose a degree of rigour on how new programs are introduced
- Nine agreements signed with foreign universities; Queen’s now has agreements with universities in more than 20 countries
- Introduction of the Queen’s-Blyth Worldwide program being marketed to Queen’s and externally and to lifelong learners
- Building relationships with the City of Kingston
- The introduction of former University Registrar Jo-Anne Brady as the new Vice Provost of Planning and Budget
- The appointment of Teresa Alm as Interim University Registrar
- The 2011-12 and 2012-13 University budgets. This year’s budget will come to the Board for approval in May 2012. A balanced, sustainable budget will be presented for 2012-13.

10. Question Period
None
11. Student Reports

a) Rector (Appendix N, page 118)
In his inaugural report to the Board, N. Francis said it is a privilege to join the Board as Queen’s 33rd Rector. He noted that, for the past two years, he has spent countless hours researching the University and the historical role of the Rector. In his meetings with student leaders, alumni and other community members, he has learned that the University is at its best when its members listen to each other, and that community involvement, consultation and collegiality in reaching broad-based decisions may well be Queen’s greatest tradition.

b) AMS President (Appendix O, page 120)
M. Campbell described the AMS’s plans to rejuvenate the John Deutsch University Centre. This includes the creation of several new board rooms, replacement of furniture, an enhanced room-booking system and the installation of a new public address system.

c) SGPS President (Appendix P, page 122)
J. Burford-Grinnell highlighted two initiatives: the creation of a cultural exchange group for domestic and international students and a student family holiday initiative for students who may face hardship during the holiday season. Donations of toys, gift cards and non-perishable food items are being collected and will distributed to those students and their families to ensure that they have a special holiday season.

II COMMITTEE MOTIONS AND UPDATES

1. Audit Committee

a) Appointment of External Auditors for the year ended April 30, 2012

Moved by K. Brooks, seconded by D. Pattenden, that the Board of Trustees approve the appointment of KPMG as the External Auditor for Queen’s University for the fiscal year ending April 30, 2012.

Carried 11-84

2. Environmental Health and Safety Committee

a) Health and Safety Policy Statement (Appendix Q, page 123)

Moved by D. Pattenden, seconded by G. Anderson, that the Board of Trustees approve the Policy Statement on Health and Safety.

Carried 11-85


Moved by D. Pattenden, seconded by G. Anderson, that the Board of Trustees approve the Policy Statement on Environmental Management.

Carried 11-86

D. Pattenden noted that Health and Safety and Environmental Management policy statements are approved annually by the Board.

3. Finance Committee

a) 2012-13 Residence Fees (Appendix S, page 125)

Moved by G. Anderson, seconded by B. Mitchell, that the Board of Trustees approve the 2012-13 residence fees.

Carried 11-87
G. Anderson drew attention to an amended table of residence fees provided to trustees at the meeting. Jean Royce Hall first-year fees are not included, pending a decision on the meal plan. A Jean Royce Hall fee proposal will come before the Board in March.

c) Student Life Centre Lease Agreement (Appendix T, page 127)

Moved by G. Anderson, seconded by R. Burge, that the Board of Trustees approve the lease offers and term sheets for the lease of the premises in the Queen’s Centre, as presented to the Finance Committee.

Carried 11-88

G. Anderson said that the Finance Committee had reviewed and approved the confidential terms of two leases, for a drug store and grocery store, to be located in the Queen’s Centre. The Board has been asked to ratify the decision of the Finance Committee. Trustees discussed the details of the two lease agreements in Closed Session on Saturday, December 3, 2011.

d) Nixon Field Project (Appendix U, page 129)

Moved by G. Anderson, seconded by B. Mitchell, that the Board of Trustees approve the Nixon Field Project at a maximum project cost of $2.3 million, subject to the design/layout approval of the Campus Planning and Development Committee, and, subject to the receipt of additional donation revenue to cover the cost of the project before the awarding of a contract. The Principal’s approval is required before awarding of the contract.

Carried 11-89

G. Anderson noted that, of the $2.3 million, $400,000 is yet to be raised. Contingency plans are in place on how to deal with a shortfall. VP (Finance and Administration) C. Davis said that the field is intended to be ready by fall 2012 after completion of fundraising. If the fundraising goal is not met, work on the project will start in the spring on a reduced scope with the funds available. She confirmed that the field would be available for rental by community groups during and outside the academic year. In response to a question, she said that building a dome over the field to extend its use would not be desirable due to heritage concerns.

e) Waldron Tower Extension Project (Appendix V, page 131)

Moved by G. Anderson, seconded by T. Abramsky, that the Board of Trustees, on the recommendation of the Finance Committee, approve the Waldron Tower Extension Conversion to Residence Spaces Project with a total project cost not to exceed $2.5 million. The project, which will provide 40 to 45 additional residence beds, will be entirely funded by Residences through residence capital reserves and residence fees.

Carried 11-90

G. Anderson noted that the University plans to convert a former hospice that it owns, located next to the Waldron Tower residence, to provide additional residence spaces to open in September, 2012.
f) **QUASR Project** (Appendix X, page 135)

Moved by G. Anderson, seconded by K. Brooks, that the Board of Trustees approve an increase in the Queen’s University Administrative Systems Replacement Project budget of $800,000, which would take the total project cost to $35.8 million. As previously approved, the project is funded from the operating budget over 12 years, commencing in fiscal year 2009-10.

Carried 11-91

VP (Finance and Administration) C. Davis explained that QUASR is an Enterprise Resource Planning System that will give the University very good information about its operations. The finance and student modules have already been implemented; the final human resources module will equip the University with a modern payroll system. Some difficulties have been encountered in implementing the HR system, resulting in the delay of the implementation originally planned for January 2012. The weekend of February 17 has been set as the new implementation date. The additional funds will help pay to finish the testing of the system.

K. Brooks noted that the Audit Committee discussed the matter at length at its meeting earlier in the day. Although budget overrun is unfortunate, members agreed that it is necessary for the successful completion of the project.

4. **Pension Committee** (Appendix W, page 133)

a) **Board Resolution No. 14, regarding Amendment No. 8 to the Revised Pension Plan of Queen’s University (Amended and restated as of January 1, 1994)**

The Board of Trustees approved the following resolution on December 3, 2011.

Moved by D. Grace, seconded by C. Lynch, that the Board of Trustees approve:

**BOARD RESOLUTION NO. 14**

**REVISED PENSION PLAN OF QUEEN’S UNIVERSITY**

WHEREAS Queen’s University at Kingston (the University) established and maintains the Revised Pension Plan of Queen’s University (Amended and Restated As At January 1, 1994) (the “Plan”);

AND WHEREAS pursuant to Section 13.01 of the Plan, the University reserves the right to amend the Plan;

AND WHEREAS the University and employee groups have agreed on certain plan changes;

AND WHEREAS the University wishes to amend the Plan effective January 1, 2012 to provide for changes in the Member and University Money Purchase Contribution rates;

NOW THEREFORE BE IT RESOLVED THAT Amendment No. 8 to the Plan, attached hereto, providing for changes to the Plan in respect of Member and University contribution rates, effective January 1, 2012 is hereby adopted by the University.

NOW THEREFORE BE IT FURTHER RESOLVED THAT the proper officers of the University are authorized and directed to do such things as are necessary to give effect to the foregoing including, without limitation, making such further amendments as may be required or desirable to obtain the approval of the applicable regulatory authorities.

CERTIFIED to be a true and correct copy of a resolution of the Board of Trustees of Queen’s University, adopted on the third day of December, 2011, and that said resolution is in full force and effect, unamended and un rescinded, as of the date hereof.
Change in Contribution Rates

With effect from January 1, 2012 the Plan is amended as follows:

1. Section 4.01(1)(a) of the Plan is deleted and replaced with the following:

   “4.01  Required Contributions by Members
   
   (1)  Amount of Member Required Contributions
   
   (a.1)  Employee Required Contributions
   
   Subject to Section 4.01(1)(b) below, effective January 1, 2012, each Member who is an employee and is not subject to a statutory freeze on terms and conditions of employment arising from union certification will be required to contribute to the Plan through payroll deduction, each month, an amount equal to one twelfth of the total of:

   (i)  5.0% of the portion of his or her annual Contributory Earnings which is at a rate not in excess of that Year’s Maximum Pensionable Earnings; and

   (ii) 6.6% of that portion of his or her annual Contributory Earnings which is at a rate in excess of that Year’s Maximum Pensionable Earnings”.

   (a.2)  Employee Required Contributions – Members under Statutory Freeze
   
   Subject to Section 4.01(1)(b) below, effective January 1, 2012, each Member who is an employee and is subject to a statutory freeze on terms and conditions of employment arising from union certification will be required to contribute to the Plan through payroll deduction, each month, an amount equal to one twelfth of the total of:

   (i)  4.5% of the portion of his or her annual Contributory Earnings which is at a rate not in excess of that Year’s Maximum Pensionable Earnings; and

   (ii) 6.0% of that portion of his or her annual Contributory Earnings which is at a rate in excess of that Year’s Maximum Pensionable Earnings.”

2. Section 4.05(1)(a) is deleted and replaced with the following:

   “(1) University Money Purchase Contributions
   
   (a.1)  Subject to paragraph (b) below, effective January 1, 2012 and in respect of Members who are not subject to a statutory freeze on terms and conditions of employment arising from union certification, the University shall contribute to the Trust Fund in respect of the money purchase provision of the Plan an amount equal to the sum of (i) and (ii) below, as follows:
(i) 6% of that portion of each Member’s Contributory Earnings for the year which is at a rate not in excess of that Year’s Maximum Pensionable Earnings; and

(ii) 7½% of that portion of each Member’s Contributory Earnings for the year which is at a rate in excess of that Year’s Maximum Pensionable Earnings.

(a.2) Subject to paragraph (b) below, effective January 1, 2012 and in respect of Members who are subject to a statutory freeze on terms and conditions of employment arising from union certification, the University shall contribute to the Trust Fund in respect of the money purchase provision of the Plan an amount equal to the sum of (i), (ii), (iii) and (iv) below, as follows:

(i) 6% of that portion of each Member’s Contributory Earnings for the year which is at a rate not in excess of that Year’s Maximum Pensionable Earnings; and

(ii) 7.0% of that portion of each Member’s Contributory Earnings for the year which is at a rate in excess of that Year’s Maximum Pensionable Earnings; plus

(iii) 1-1/2% of the sums contributed by the University pursuant to Sections 4.05(1)(a)(i) and (ii) above; plus

(iv) 1-1/2% of each Member’s contributions for the year made pursuant to Section 4.01(1), or in the case of a disabled Member, contributions made by the University on the disabled Member’s behalf pursuant to Section 4.01(2).”

Carried 11-92

Abstentions: R. Burge, D. Woolf, I. van Nostrand, P. Taylor

5. Committee Updates – Optional Oral Reports at Committee Chair’s Request

a) Investment Committee

Vice-Chair D. Raymond updated trustees on potential items coming before the Board in March 2012, which were discussed at its November 22, 2011 meeting. A revised statement of investment policy and a recommended asset allocation are scheduled for Board approval. The committee has conducted a strategic review over the past year to better understand and align assets with the liabilities with which they are associated. The committee also examined the appropriate risk tolerance for the University and has met jointly with the Finance Committee. The committees decided to keep the Pooled Investment Fund, comprised largely of departmental carry-forwards, at a risk level of approximately 65 per cent equities. There was, however, some interest to increase risk in the Endowment Fund because it is very long horizon in nature and to target a seven per cent nominal rate of return. To do so, the equity allocation would need to increase to 80 per cent, which would be at the higher end of the range relative to other endowments. Between December and March, the committee will be doing further asset allocation work, and will consider real estate and infrastructure as part of a future asset mix.

The Chair thanked the Investment and Finance committee members and Finance Department staff for their work.
b) Queen’s University Planning Committee

Provost Harrison reported on the activities of the QUPC, now in its second year. The committee met once since the last Board meeting, but plans to meet three more times before the March 2, 2012 Board meeting. Much of the discussion at the QUPC covered similar information discussed at the Board. At its last meeting, the committee looked at plans for a balanced budget for 2012-13 and integrating the budget and academic planning.

III OTHER BUSINESS

IV ADJOURNMENT

The meeting adjourned at 9:12 p.m.

On Saturday, December 3, 2011, trustees attended a workshop on External Influences on Post-Secondary Education.

Don Drummond, Queen’s School of Policy Studies, spoke on ‘Implications of the Economic and Fiscal Environment for Ontario” and Harvey Weingarten, President, Higher Education Quality Council of Ontario, (HEQCO), delivered a talk entitled “Whither the Ontario Postsecondary System?”