Minutes

MEETING OF THE BOARD OF TRUSTEES
December 07, 2012, 6:30 p.m. Goodes Hall, Room 108


Also present: C. Davis, T. Harris, A. Harrison, S. Liss

Regrets: G. Anderson, N. Francis

CLOSED SESSION
The Board met in closed session from 6:30 to 7:30 p.m. A motion presented by the Governance and Nominating Committee and approved in Closed Session is included in the minutes under II, Committee Motions and Updates, 3.

I OPENING SESSION

1. Adoption of Agenda

   Moved by D. Woolf, seconded by D. Pattenden, that the Board adopt the agenda with the provision that items 3 to 5 be approved, or received for information, by consent. Carried 12-72

2. Opening Remarks

   Chair B. Palk welcomed those attending the December 7 meeting. She extended a special welcome to Queen’s University Alumni Association President Jess Joss who was attending her first meeting as an official observer. On behalf of the Board, she congratulated several Queen’s community members who had received Queen Elizabeth II Diamond Jubilee Medals: VP (Research) S. Liss, Principal D. Woolf, D. Grace and S.J. Dumbrille and noted that Dean of the Faculty of Engineering and Applied Science, K. Woodhouse, had been appointed to the Natural Sciences and Engineering Research Council of Canada.

   The Chair asked for a moment of silence to honour the memory of former Board Chair Norman MacLeod Rogers, who died October 8 in Toronto, age 90. He was an alumnus of Upper Canada College, Queen's University (Arts '43) and Osgoode Hall (LL.B. '48) and served on the Board from 1962-1985, the last five years as Chair. In 1986, he was recognized with a Queen’s University Distinguished Service Award,

   She announced that in Closed Session, the Board approved the slate of nine trustees who will serve on the Joint Board/Senate Committee to Review the Principalship, together with nine senators who were appointed by the Senate. The Committee will be chaired by Chancellor Dodge and will begin its work in January, 2013.
Consent

3. **Approval of the Minutes** (Appendix A, pages 1) *Confidential Closed Session pages 1-3 and 19-21 distributed to Trustees only*

   a) September 28, 2012
   b) November 5, 2012

   Carried 12-73

4. **Naming Dedications** (Appendix B, page 22)

   **Richardson Hall**

   The dedication of The Peter Lougheed Room in Richardson Hall (Room 340), in recognition of Peter Lougheed’s extraordinary service to Queen’s as Chancellor, and to Canada as a nation builder.

   Carried 12-74

   **Goode Hall Expansion**

   The dedication of five breakout rooms, in recognition of the pledge from The Certified Management Accountants of Ontario, in support of Queen’s and the Goode Hall Expansion.

   Carried 12-75

   The dedication of The Britton Smith Foundation Classroom, in recognition of the pledge from The Britton Smith Foundation, in support of Queen’s and the Goode Hall Expansion.

   Carried 12-76

   The dedication of The Paul and Tom Kinnear Classroom, in recognition of the pledge from Thomas Kinnear, in support of Queen’s and the Goode Hall Expansion.

   Carried 12-77

   The dedication of The John See Breakout Room, in recognition of the pledge from John and Kathryn See, in support of Queen’s and the Goode Hall Expansion.

   Carried 12-78

   **Isabel Bader Centre for the Performing Arts**

   The dedication of the Grand Staircase in honour of Mary Irene Drociuk Dean, in recognition of the gift from Daphne Dean, in support of Queen’s and the Isabel Bader Centre for the Performing Arts.

   Carried 12-79

   The dedication of the Foyer in memory of Harriet (Cronk) Simmons, in recognition of the gift from Wayne Simmons, in support of Queen’s and the Isabel Bader Centre for the Performing Arts.

   Carried 12-80
The dedication of the Staff Room, in recognition of the gift from Burgundy Asset Management Ltd., in support of Queen’s and the Isabel Bader Centre for the Performing Arts.

Carried 12-81

School of Kinesiology and Health Studies

The dedication of Lecture Theatre 101, in honour of Dr. Donald deFrayne Macintosh, in recognition of the gifts and pledges from Bruce McFarlane, Janice Heard and others, in support of Queen’s and the School of Kinesiology and Health Studies.

Carried 12-82

5. Reports
   b) Promotion to Professor (Appendix D, page 24)
   c) Research Report (Appendix E, page 33)
   d) DBRS Rating Report (Appendix F, page 36)
   e) Quarterly Advancement Report (Appendix G, page 48)
   f) Semi-Annual Audit Report (Appendix H, page 51)
   g) Quarterly Financial Report (Appendix I, page 53)
   h) Quarterly Investment Report (Appendix J, page 70)
   i) Quarterly Pension Report (Appendix K, page 73)

Regular

6. Principal’s Strategic Update
   a) 2012-13 Goals for Queen’s
      The Principal’s presentation is attached to the minutes.

      The Principal explained the key to the presentation was that of a traffic light.

      • Internal relationship building is green; feedback has been positive from senators via
        small-group lunch meetings
      • Non-academic discipline review has been completed as has the review and
        implementation of a university alcohol policy – both green
      • Launch of the high-profile campaign has received positive response – green
      • Initiation of a parents’ program – green
      • Mutual understanding by Board and Senate members of each other’s role and
        responsibility has been tagged yellow; the September retreat was a useful step and work
        continues
      • Governance reform is progressing; University Council reform was proceeding in
        accordance with the Roadmap to Reform and the Senate was making strides to address
        issues raised over the past few years - green
      • An achievable international strategy is to be developed by the end of 2012 that sets
        international priorities, targets and clear metrics – green
      • New initiatives to increase contact with the Queen’s community – yellow
      • International student recruitment is a priority and a plan to attract international graduate
        students is being developed – yellow.
7. **Update from the Provost and VP (Academic)**

**Campus Master Plan**
The Provost reported that the Campus Master Planning process commenced December 4 with the introduction of the consultants involved in the project. Several meetings will take place involving campus partners, Kingston General Hospital and the City of Kingston in the New Year.

**Deputy Provost**
Laeque Daneshmend has been appointed as Deputy Provost effective January 1, succeeding Susan Cole. One of his duties will be to coordinate implementation of the recommendations of the Principal’s Commission on Mental Health.

**New Budget Model**
The University now has a new transparent model. Further details can be found on the Provost’s website: [http://www.queensu.ca/provost/index.html](http://www.queensu.ca/provost/index.html). He encouraged trustees to contact him directly with comments.

8. **Campaign Progress Report**

VP (Advancement) T. Harris reported that, subsequent to the public launch last fall on campus, a large number of events have taken place across North America. The dollar totals are included in the presentation. Donor numbers have increased to 6,000 from 5,200. Gifts from parents are an emerging focus.

9. **Senate Report** (Appendix L, page 82)

September 25, October 30, November 27, 2012
The Chair invited the Principal to introduce Senator N. McCormack, who reported on highlights from the fall Senate meetings. These included:
- The election of Senate representatives to the Joint Board-Senate Committee to Review the Principal
- Justice Iacobucci’s decision on Senate authority
- The approval of a new Master of Management Analytics program offered by the Queen’s School of Business
- The approval of the Surveillance Studies Centre for an additional five-year term, which is on the December 7, 2012 Board agenda for ratification.

10. **Strategy Discussion**

a) **Proposed Mandate Statement – status**
It was noted that the process has not proceeded significantly since former Minister Glen Murray resigned to join the Liberal Party leadership race; the current Minister, however, is fully engaged. The Higher Education Quality Council of Ontario (HEQCO) continues to review the submissions of universities and colleges.

11. **Student Reports** (Appendix M)

a) **Rector** (page 85)
The Chair noted that the Rector submitted his written report but was not present to speak to it as he was preparing for a final exam.

b) **AMS President** (page 87)
D. Johnson highlighted the following:
- A student innovation project supported by the City and Queen’s that allows young entrepreneurs to develop their ideas
• Solicitation of feedback on the question of fraternities and sororities on campus; he observed that organizations that are fundamentally exclusionary are detrimental to the Queen’s community
• The work of the alcohol working group is nearly complete; the productive steps developed will ensure a safer campus for years to come
• Residence planning: the AMS Assembly has heard from students about their concerns regarding student housing and how campus space might be affected
• Positive anticipation for a comprehensive enrolment plan.

c) SGPS President (page 89)
M. Scribner spoke on:
• The University space-planning process
• Student representatives on the steering committees for the Campus Master Plan Advisory Committee (CMPAC) and the Library and Archives Master Plan (LAMP) are M. Scribner and Trustee T. Gkotsis respectively.
• Digitization of library materials can be expensive and has its drawbacks; the Library and Archives are home to many unique materials.

II COMMITTEE MOTIONS AND UPDATES

1. Audit and Risk Committee

a) Committee Chair Update
K. Brooks reported that the committee reviewed changes to accounting rules that will affect the University’s reported results for the fiscal year ending April 2013. These will be reviewed with the Board when the annual statements are brought forward for approval next fall. University Auditors KPMG have reviewed and are in agreement with the administration’s proposed changes.

PWC representatives presented their findings on a payroll audit and good progress had been made around potential vulnerabilities.

The committee discussed broad risk management and benchmarking and management’s response to those recommendations. Work will proceed; it was, however, agreed that prioritizing will be required.

b) Health and Safety Policy Statement (Appendix N, page 91)

K. Brooks noted that the statement comes to the Board annually for approval.

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

Carried 12-83

c) Environmental Management Policy Statement (Appendix O, page 93)

This statement is also approved annually.

Moved by K. Brooks, seconded by J. Nesbitt, that the Board of Trustees approve the Policy Statement on Environmental Management.

Carried 12-84
d) Copyright Act: Fair Dealing Policy (Appendix P, page 95)

K. Brooks referred to recent changes to the Copyright Act. The University had a choice of paying a substantially increased fee for licensing from Access Copyright or operating under the fair dealing provisions of the Copyright Act, supported by adoption of a fair dealing policy. Most universities have chosen to do the latter.

Moved by K. Brooks, seconded by R. Burge, that the Board of Trustees approve the adoption of the Queen’s University Fair Dealing Policy.

Carried 12-85


e) Appointment of Auditors

K. Brooks advised that KPMG LLP has served Queen’s for many years; management continues to be pleased with their service.

Moved by K. Brooks, seconded by B. Mitchell, that the Board of Trustees approve the reappointment of KPMG LLP as external auditors of Queen's University at Kingston for the fiscal year ending April 31, 2013.

Carried 12-86

2. Finance

a) Committee Chair’s Update

Vice-Chair B. Mitchell noted that among several important items, his committee discussed a proposal to construct two new residences with a total of 550 beds. The committee also received the annual report from PARTEQ and the annual enrolment report for 2012-13. The DBRS report rating has remained at AA stable and notes Queen’s strong academic profile and significant endowment. The unfunded pension liability was recognized.

b) Enrolment Report (Appendix Q, page 98)

Overall enrolment increased by 307 this year, however a decline in enrolment in continuing teacher education is concerning. Enrolment planning recommendations that will go to Senate in the spring will project enrolment out to 2016. It was noted that a discussion about enrolment should involve the Board as well as the Senate due to the financial implications flowing from this planning.

The Provost advised the Board that the government has not yet determined its approach to funding for the coming year and no long term funding strategy is in place.

c) Residence Buildings Project (Appendix R, page 108)

i. Financing Strategy

It was noted that between 2008 and 2012 Queen’s undergraduate student population had increased by almost 1,700 students. Instead of building residences, the University accommodated these students by displacing upper-year students from residence, increasing room densities and converting common rooms to bedrooms. This approach was not viable for the long-term and construction of new residences is now necessary to reverse the common-room conversions and meet current and future demand. Ernst & Young was retained to advise the University on the most beneficial approach to financing these residences.
Ernst & Young reviewed several financing models and had concluded that, for Queen’s, the best approach was for the University to obtain financing and to construct, own and operate these residences directly. The impacts of this approach were analyzed with respect to the University’s overall debt capacity and the projected demands for these residence spaces. Reversion of the converted common rooms back to shared space had been factored into this analysis.

The Board inquired whether philanthropic approaches to funding residence construction had been considered and was advised that such approaches were considered and, although possible, there were challenges. The concept was under some consideration.

It was suggested that the University needs to develop a housing strategy that considers the impact to the surrounding community when Queen’s does not provide adequate residence space on campus.

Although it was understood that residences are self-funding, questions were raised regarding use of a significant portion of the University’s remaining debt capacity for this project. It was acknowledged that there may be constraints in the future but, because of the self-funding nature of residences, servicing this debt does not actually impact the operating budget. Therefore, debt capacity models based strictly on a per FTE basis are not true assessments of the University’s ability to service additional debt in the future.

ii. Residence Buildings Project Approval

Moved by B. Mitchell, seconded by C. Lynch, that the Board of Trustees, on the recommendation of the Finance Committee, approve $70 million in project funds (which is inclusive of the $400,000 previously approved) for two new Residence Buildings to be located on Stuart Street and Leonard Field providing approximately 550 beds in total. The funds are to be borrowed externally with revenue from Residence operations covering the entire cost of the borrowing.

The vote carried unanimously.

iii. Residence Buildings Borrowing Approval

Moved by B. Mitchell, seconded by C. Lynch, that WHEREAS Queen’s University (the “University”) has proposed the construction of two new residences with approximately 550 beds in total (the “Project”), AND WHEREAS, the cost of construction of the Project is up to $70 million and the proposal is to finance the cost of the Project with long-term debt combined with a forward-starting interest rate swap in order to fix the interest rate;

ON A MOTION DULY MADE, SECONDED AND APPROVED, IT IS HEREBY RESOLVED THAT:

1. The University be and is hereby authorized to borrow and enter into the required financing agreement and ISDA Master Agreement (collectively the “Agreements”) for up to $70 million on terms and conditions to be agreed by the Finance Committee. The University is hereby authorized and directed to perform all obligations of the University set forth in the Agreements.

2. Any two of the of the Chair of the Board, the Principal and Vice- Chancellor, the Provost and Vice-Principal (Academic) and the Vice-Principal (Finance and Administration) be and are hereby authorized for and on behalf of the University to
execute and deliver, under seal or otherwise, any documents as in their discretion they may consider necessary, desirable, or useful for the purpose of giving effect to this Resolution.

Carried 12-88

It was noted that a $6-million contingency had been built into this budget.

The Chair thanked B. Mitchell and his committee for their work on this project and acknowledged the participation of the students and thanked them for their thoughtful questions.

d) **Signing Authority on Investment Related Transactions** (Appendix S, page 124)

Moved by B. Mitchell, seconded by K. Brooks, that the Board of Trustees on the recommendation of the Finance Committee, approve the revised Signing Authority on Investment Related Transactions Resolution as detailed in Appendix S, page 124.

Carried 12-89

e) **Item requiring Board ratification: Formal Centre status for the Surveillance Studies Centre** (Appendix T, page 131)

B. Mitchell noted that this item was approved by the Senate and requires ratification by the Board of Trustees.

Moved by B. Mitchell, seconded by E. Speal, that the Board of Trustee ratify the decision of the Senate to confer Centre status on the Surveillance Studies Centre (SSC) for a period of five years, effective October 1, 2012.

Carried 12-90

3. **Governance and Nominating**

a) **Joint Board/Senate Committee to Review the Principalship**

Moved by I. van Nostrand, seconded by E. Haythorne, that The Governance and Nominating Committee recommends that the Board of Trustees appoint the following to serve on the Joint Board-Senate Committee to Review the Principalship.

Toby Abramsky
Karyn Brooks
Bob Burge
Nick Francis
Kelley McKinnon
Bruce Mitchell
Barb Palk
Don Raymond
Dan Tisch

Carried 12-91
4. Committee Updates
   None

III OTHER BUSINESS
   None

IV RECESS
   Recess was declared at 9:19 p.m.

Saturday, December 8, 2012

V RECONVENE OPEN SESSION: 8:45 a.m.

1. Strategy Discussion
   a) Draft Strategic Framework

   The Principal’s presentation is attached to the minutes.

   The following points were noted:
   • The strategic framework has been presented at a fairly high-level and serves as an outline for further development because it is relatively early in this process
   • The strategic framework is not a plan in itself but is built on other plans previously approved
   • Although the objective is to be “the” balanced academy, this does not mean that the University will try to do everything
   • Student engagement outside the classroom is a focus; today’s students access materials 24/7, are involved in small-group projects, hold part-time jobs and take a smaller course load, often supplemented by summer courses
   • Provincial intervention is creeping and there are increasing demands for compliance
   • Financial stability is a primary principle and must go hand in hand with the balanced academy
   • Alternative revenue sources must be identified
   • The business of the University is teaching and research; it is important to identify as a part of the strategy what we should not be doing and then stop doing it
   • Trustees will be able to comment further on the strategic framework process in March when more details will be provided
   • The Academic Plan approved by the Senate contains several different goals and not all of them can be done at the same pace; prioritization is necessary
   • A dashboard will be built as part of the process
   • The Board will be asked to approve the strategy after appropriate consultation.

   Trustees discussed:
   • What indicators would demonstrate Queen’s claim to be the leading balanced academy
   • The importance of Queen’s students being part of Queen’s for life and increasing the 10 per cent of alumni who donate to 20 per cent
   • Student activities both inside and outside the classroom are driven by an entrepreneurial spirit
• Establishment of campuses abroad was felt not to be the best use of money and resources with the exception of the Bader International Study Centre at Herstmonceux in England
• The world is moving to a point where an undergraduate degree is the first credential; current concepts around the student experience at Queen’s will need to grow to more fully embrace the activities of graduate students.

2. **Board presentation of Top 10 Risks** (Appendix V, page 179)

   VP (Finance and Administration) C. Davis noted that the Enterprise Risk Management Policy was approved at the September 28, 2012 Board meeting. The next step is for the Board to discuss what the administration has identified as its top 10 risks.

   The process of assessing risks facing the University will take some time and the system requires continual updating. The Board reviewed the process of analyzing and evaluating these risks, which were ranked based largely on the likelihood of them occurring and the severity of their potential impacts. The Audit Committee had reviewed three of the top 10 risks at its December 7 meeting and these three risks are to be reviewed in some detail at the next Board meeting in March.

   Board members suggested that the impact of technology on the University (i.e. online learning) will be substantial in the future. In a short period of time, Queen’s is likely to be competing with major international institutions that are further ahead than the University in this area. The Board heard that this was being addressed largely through the work of the 2012-13 Senate Academic Planning Task Force.

   The opinion was expressed that a complete view of risk management not only considers what can go wrong, but also positions an organization to take advantage of opportunities. Advance planning is required to ensure that sufficient resources are in place and that sufficient planning has occurred to position the organization to take advantage of positive developments. The corollary to risk is strategy.

   The Chair acknowledged the fine work of the administration in this area to date, noting that this was new territory, both for them and for the Board and demonstrates Queen’s ability to adapt to a changing world.

3. **PARTEQ** (Appendix V, page 179)

   a) **Overview of Fundamentals/Annual Report**

   S. Liss and J. Molloy

   The Board received a report on several initiatives under way at PARTEQ, including processes to remove bitumen from tailing ponds and a related water desalination technology. There are significant potentials for revenue generation from these projects. Other advances were in the area of testing for concussions and other conditions affecting the brain, advanced solar energy projects and new camera technologies.

   On the budget side, it was noted that funding for Green Centre Canada will expire in 2015 if not extended. As a result, no assumptions had been made in the budget going forward around this. Many projects were under development and no revenue assumptions were being made regarding these as well. Alternative methods of raising funds are actively being explored.

   The Board inquired as to PARTEQ’s ability to react quickly to changing market needs and demands. The Board heard that PARTEQ is extremely responsive in the patent-protection area.

   It was noted that support from alumni, both financially but also for expertise, is being actively explored.
VI CLOSED SESSION
   1. High-profile donations and naming issues

VII IN-CAMERA SESSION
   1. Board members with the Principal and the Secretary
   2. Board members alone, without the Principal

VII ADJOURNMENT
   The meeting adjourned at 12:15 p.m.