Minutes
MEETING OF THE BOARD OF TRUSTEES
Friday, March 7 and Saturday, March 8, 2008, Policy Studies, Conference Room

Members Present: Principal and Vice-Chancellor, Karen R. Hitchcock
The Chancellor, Charles Baillie
The Chair, William Young
The Rector, Johsa Manzanilla

I OPENING SESSION

Opening of the Meeting

The Chair welcomed everyone and announced that, due to the poor weather conditions and the heavy snow forecast for the next day, the Saturday session would start at 8:30 am and conclude at 10:30 am to allow Trustees to leave Kingston earlier than usual.

1. Adoption of the Agenda

   Moved by K. Hitchcock
   Seconded by M. Ceci and agreed:

   That the Board adopt the agenda as circulated with the provision that items 2 to 9 be approved, or received for information, by consent.

   Carried 08-2

Consent

2. Approval of the Minutes of November 30/December 1, December 18, 2007 and January 28, 2008 (Appendix A, page 1)

   That the Board approve the minutes of November 30/December 1 and December 18, 2007, as circulated.

   Carried 08-3

Reports received for information:

3. Naming Dedication – Macdonald Hall (Appendix B, page 36)

   That the Board of Trustees approve the dedication of Room 100 in Macdonald Hall in recognition of the very generous gift from Ogilvy Renault LLP, in support of the Faculty of Law Dean’s Excellence Fund.

   Carried 08-4
4. **Ratification of Professorship Name Change** (Appendix I, page 68)

That the Board of Trustees ratify the name change from the Nabisco Professorship in Marketing in the Queen’s School of Business to the Kraft Professorship in Marketing.

Carried 08-5

5. **Honorary Degrees 2008** (Appendix D, page 40)

6. **Research Report** (Appendix E, page 41)

7. **Standard & Poor’s Rating Report** (Appendix F, page 44)


**Regular**

10. **Business Arising from the Minutes** – none identified

11. **Chair’s Report**

   **Elections during March**
   The Chair encouraged everyone to exercise their vote in the online election for Trustees elected by the Benefactors and the Graduates running during the month of March. Elections for Trustees by the University Council will take place in April.

   **Student Society Executive Elections for 2008-2009**
   The Chair thanked the student society executives for their contributions to the work of the Board and welcomed the newly elected incoming representatives who will take office before the next Board meeting on May 3, 2008.

   **AMS Executive - Retiring**
   AMS President, Kingsley Chak
   Vice-President (Operations), John Manning
   Vice-President (University Affairs), Julia Mitchell

   **AMS Executive Elect**
   AMS President, Talia Radcliffe
   Vice-President (Operations), Ken Wang
   Vice-President (University Affairs), Stephanie St. Clair

   **SGPS President – Retiring:** Arash Farzam-Kia
   **SGPS President Elect – Jeff Welsh**

   **Honours**
   The Chair congratulated David Dodge on his appointment as an Officer of the Order of Canada announced in January 2008.

   The Chair announced that Chancellor Emeritus Peter Lougheed will be honoured with the John Orr Award on November 15, 2008 in Toronto.
Earth Hour – Saturday, March 29, 2008
Students Cynthia Mitchell and Vivian Mitchell spoke to Trustees about the world-wide movement known as Earth Hour 2008. For one hour between 8:00 pm and 9:00 pm everyone is being asked to reduce energy consumption by turning off lights, appliances, etc. It was proposed that Trustees should show leadership by demonstrating a strong commitment to the initiative by whatever means are appropriate.

S. Miklas, Chair of the Board of Trustees Environmental Health and Safety Committee reported that the Committee had endorsed a supporting motion at its meeting earlier in the day.

The Board of Trustees agreed with general unanimity to support the initiative.

12. Committee Reports:
Pension Quarterly Report (Appendix I, page 68)

Plan Governance
The Chair updated the Board on the work of the Subcommittee comprised of Trustees G. Anderson, B. Palk, W. Young, K. Hitchcock and Vice-Principals Morrison and Simpson. The Subcommittee is receiving advice from former Trustee, G. Hall. W. Young said that good progress was being made.

W. Cannon, Chair of the Pension Committee, said he was delighted that G. Hall’s expertise was being shared with the Subcommittee. As noted in the Pension Committee report, at its February 26 meeting, the Pension Committee favourably received a proposal to review the membership of the Committee and to consider increasing the representation from the Board of Trustees, as well as developing a new constitution, code of conduct and guiding principles that will assist in establishing a modern governance structure for the Pension Plan.

W. Cannon reviewed the details of the Fund results. For the fourth quarter the fund lost 1.4% and returned 3.7% for the 2007 calendar year.

While the governance issues are now being addressed effectively, the Pension Plan deficit remains a challenging problem and the solution must be developed with input from all parties concerned.

S. Miklas noted that the Pension issues had caused considerable unrest in the Queen’s community and she urged that members be contacted by letter to explain the issues and the progress being made.

The Chair agreed and thanked all those involved for their efforts to work together.

13. Principal’s Report

The Principal began her report by paying tribute to the retiring student executive teams for the AMS and the SGPS and to the Rector. She welcomed the incoming student leaders.

The Principal announced that Dr. David Saunders had been reappointed as Dean of the School of Business.

The slide summary of the Principal’s report is attached to these minutes.

Federal Budget
The Principal spoke about the recently announced federal budget and the provincial budget expected at the end of March. She welcomed the Canada Student Grant Program and the Vanier Canada Graduate Scholarships.
**Research Funding**

The three federal granting councils will receive a total increase of $80M. Unfortunately, this represents not quite a 5% increase over the last fiscal year. Further, given that only $15 million were added to the institutional costs of research, reimbursement for these unavoidable costs of doing research will slip to 25% of direct costs, much less than the actual costs to institutions of 40%. On the positive side, the proposed Global Excellence Research Chair Program, a Canada Research Chair-like program, will establish up to 20 Chairs and provide up to $10 million a chair over seven years to build major capacity in a number of targeted research areas: the environment, natural resources and energy, health and information and communications technologies. Other research investments in the 2008 Federal Budget include additional allocations to Genome Canada, as well as monies targeted to the private sector for research and development related to the production of innovative, greener and more fuel-efficient vehicles. This Automotive Innovation Fund, intended for the private sector, anticipates the development of collaborative programs between the automotive sector and research universities. Finally, an initial two year, $50 million Development Innovation Fund will be devoted to research related to global health and other areas of research critical to the developing world.

The Principal discussed the need to move forward with the research and innovation agenda quoting Perrin Beatty, President and CEO of the Canadian Chamber of Commerce and Clare Morris, president and CEO of the Association of Universities and Colleges of Canada:

“In light of the potential of a serious shortage of workers and the threats to the long-term health of our economy, we need to further strengthen our universities’ capacity for research and enhance the transfer of research discoveries to our communities and to the marketplace. Canada must invest more in higher education and university research in order to produce the ideas and people Canadian businesses and communities need to be innovative and compete internationally.”

Principal Hitchcock stressed the importance of continuing advocacy and recognized Chancellor Baillie for showing strong leadership in advocacy for the needs of higher education in Ontario.

Principal Hitchcock pointed out the significance of the additional $800 million nominally earmarked for postsecondary education in 2008-09 for the provinces and territories through the Canada Social Transfer, increasing 3% annually. If enacted, Ontario universities would see an increase in the order of $210 million with, approximately a $12 million impact at Queen’s.

**Strategic Goal to Enhance Faculty at Queen’s**

Principal Hitchcock spoke about the importance of faculty recruitment at Queen’s especially in the context of the projected increased demand for university places in Ontario. She noted that the student faculty ratio had been 17:1 in 1988-89 and is 26:1 province-wide in 2008.

**Provincial Investment in Research and Innovation**

In terms of research and innovation, the province has made a number of notable investments in Queen’s programs over the last several years: from the $21 million for Queen’s University Innovation Park to the recent allocation of $23 million for ongoing research in particle astrophysics at the Sudbury Neutrino Observatory and green communication technologies at our Faculty of Applied Science, or some 20% of the total funds available province-wide from the Ontario Research Fund’s Research Excellence program.

Recently, the new Minister of Research and Innovation, John Wilkinson, made it very clear that requests for research funding must reflect provincial priorities and will be advantaged to the degree they represent collaborations with other universities as well as the private sector. The new, $1.15 billion Next Generations Jobs Fund exemplifies this strategic approach and includes funds for the Creative Arts and Information Technology, Health Care and Information and Communications Technology, the Bioeconomy and Health and Life Sciences.
Principal Hitchcock said that she expected targeted research and development funds for industry and universities, as well as monies for infrastructure renewal, will be expressed as major priorities in the provincial budget to be released at the end of March.

**Provincial Investment in Infrastructure**

The Ontario government recently announced $200 million in campus renewal projects for publicly-funded colleges and universities, part of the $1.4 billion infrastructure fund announced in the fall Economic Statement. Queen’s received $8.4 million for campus-wide deferred maintenance, and an additional $6.0 million for specific renewal needs in Botterell Hall.

Ontario universities are hopeful that a long-term capital plan will be reflected in the upcoming budget, clearly a priority given current estimates of the deferred maintenance and new construction needs of Ontario’s universities.

**Research Priorities**

Federal and Provincial research priorities map well to research strengths at Queen’s. The presentation outlined and compared priorities and examined Queen’s specific academic priorities and multidisciplinary constellations in terms of Engaging the World. This provides a powerful congruence of interests. She further pointed out that our success in obtaining Provincial funding for the new technology park positions Queen’s well to be responsive to the Federal and Provincial focus on cross-sector collaboration.

**Provincial and Federal Capital Funding**

The focus on infrastructure of both the federal and provincial governments also provides Queen’s with an excellent opportunity. The Building Canada infrastructure program of the federal government includes the area of cultural development; clearly a good fit with Queen’s proposed Arts Campus. The province has declared an emphasis on the training of health professionals and a commitment to assisting Canadian medical schools in meeting accreditation requirements. As noted earlier, Queen’s has received $6 million for the renovation of Botterell Hall. The province’s recognition of the need for increased enrolment and building capacity at Ontario’s business schools will inform Queen’s strategies to fund the planned expansion of Goodes Hall.

Queen’s initiative to develop a School of Population and Public Health fits both Federal and Provincial recognition of the need for more public health professionals. This initiative is supported by a provincial planning grant and Principal Hitchcock reported that at the federal level she had been invited by Senator Wilbur Keon to be a witness before the Senate Subcommittee on Population Health to share her views on public health policy. Senator Keon is also supportive of Queen’s role in leading a consortium of universities from across Canada in developing a national strategy for public health.

**Annual Giving**

Principal Hitchcock continued by speaking about the importance of enhancing revenues through Annual Giving. She acknowledged with thanks the initiative of David Whiting and Daniel Bader who established the new Trustee Challenge and thanked all the Trustees who had made it a great success. The fine work of Vice-Principal (Advancement) David Mitchell and his team was reflected in the results as of the end of February that show 91.3% of this year’s increased target of $6 million. The participation rate has climbed 10.2% with almost 900 new donors. Further, preliminary results of total giving are already 119% of the goal established for 2007-2008. The 62M raised to date represents the most ever raised by Queen’s in a single year, even during the last Campaign.

**Applications for Admission**

Noting that a robust undergraduate enrolment is pivotal in enrolment strategy, Principal Hitchcock review the preliminary data. She noted an increase in applications over last year at this time of almost 4.0% and referred to the goal of the Strategic Plan to increase Queen’s national and international presence. Queen’s had experienced a 10.9% increase in non-Ontario applicants compared to a 3.9% increase province-wide. The success of recruitment strategies emphasizing
Western Canada and international students is indicated by a 13.2% increase in applicants from Western Canada, and a 6.9% increase in international applicants. She congratulate University Registrar Jo-Anne Brady and Associate University Registrar Stuart Pinchin and their team on their work to realize a number of Queen’s institutional strategic goals and objectives.

**Academic Program Initiatives**
Principal Hitchcock drew attention to the list of recent program approvals noting that faculty, even in the face of constrained finances, had continued to develop new and innovative academic programs at the undergraduate and graduate levels. This in turn will help ensure that Queen’s can be competitive in accessing new government funds targeted at graduate enrolment and specific areas of study.

**The Rhythm of Queen’s**
Principal Hitchcock concluded her presentation by referring to the extensive and creative activities that characterize Queen’s; applauding the enthusiasm, dedication and ongoing commitment of the people of Queen’s; and sharing an overview of the dynamism of the place through examples across the faculties and disciplines, including the fact that Queen’s faculty had been extremely successful in attracting research funding – a 23.5% increase over last year and the first time Queen’s funding surpassed 200M.

   Report from the Principal on the motion in support of Teaching Hospitals

   As requested in the text of the motion, Principal Hitchcock drew attention to the motion in the Senate Report, noting that it had been endorsed individually by the School of Medicine, the School of Nursing, the School of Rehabilitation Therapy, the Faculty of Health Sciences and the Senate.

   Principal Hitchcock invited the Dean of Health Sciences to speak to the Board.

   D. Walker explained that the clinical programs were essential to the operation of the Schools in the delivery of the various Health Sciences degree programs. The budget challenges facing Kingston General Hospital caused 75% of critical patients in the region to be transferred elsewhere. The surgical cancellation rate is at 20%. These problems directly affect the viability of clinical programs for medical students, residents, nursing students and students in PT and OT. D. Walker said he welcomed the appointment of Graham Scott as an Investigator by Minister Smitherman.

   Hospitals in Ontario are accountable to regional health authorities and Kingston General Hospital is regarded as one of the most cost efficient teaching hospitals in the province.

   **Moved by K. Hitchcock**
   **Seconded by W. Young and agreed:**

   That the Board of Trustees of Queen’s University reflect its support of the motion passed by the Faculty of Health Sciences and the Senate.

   **Carried 08-6**

15. **Question Period** – no questions.

16. **Student Affairs**

   a) **Rector – Johsa Manzanilla** (Appendix K, page 75)

   The Rector referred to her written report and highlighted the ongoing work of the Senate on the Student Code of Conduct and the Rector elections. She spoke about “the rhythm of Queen’s” and noted her particular interest in curriculum issues – both the growing concern that courses are not being offered due to financial constraints and the need for more diversification in order to expand Queen’s Eurocentric-focused course offerings.
The Rector concluded by reading the final paragraph of her written report to express her gratitude to Trustees as she concluded her term on the Board.

b) **AMS – President, Kingsley Chak** (Appendix L, page 77)

K. Chak drew attention to his last and lengthy written report to the Board in which he had included a detailed review of the ongoing issues surrounding the governance of the Queen’s Centre. He encouraged all those involved to continue to seek a model that would serve all interests as well as possible.

K. Chak reported that voter turnout in the AMS elections was 41%. Fifty-four days remained until the transition to the new executive takes place on May 1, 2008.

K. Chak concluded his remarks by acknowledging that three out of his four years at Queen’s included involvement with the Board. First, as the undergraduate Trustee, and then as the President of the AMS. He thanked all Trustees for their encouragement and mentoring during this time.

c) **SGPS – President, Arash Farzam-Kia** (Appendix M, page 82)

A. Farzam-Kia commented that he continued to be impressed with the open and collegial discussions at Queen’s. His report noted that UHIP continues to be a priority for the SGPS, together with the need to establish Graduate and Professional student services and to provide adequate academic and social space for graduate students. Since the quality of the undergraduate program is partially based on the quality of the graduate program, resolution of these issues will benefit Queen’s overall.

Graduate Trustee L. Love-Forrester made a statement of clarification to explain that graduate and professional students were not canvassed by the AMS when the AMS adopted its motion on March 6 regarding Principal Hitchcock. The views of the Society of Graduate and Professional students are not reflected in the AMS motion.

### II COMMITTEE MOTIONS AND UPDATES

1. **Finance Committee**

   a) **Goodes Hall Project** – additional planning funds (Appendix N, page 83)

   Moved by G. Anderson  
   Seconded by M. Daub and agreed:

   That the Board of Trustees, on the recommendation of the Finance Committee, and the Campus Planning and Development Committee, approve additional planning funds of $1,115,000 to proceed to construction drawings. The funding is to be provided by the School of Business.

   Carried 08-7

   In response to a request for clarification from D. Whiting, S. Millan (Business Manager, QSB) explained that the business plan to fund the expansion of Goodes Hall is based on fund raising, projected graduate student growth and incremental enrolment in the Commerce program. These sources of revenue will fund the repayment of a loan from the University over a period of twenty years.

   Vice-Principal Simpson, noted that potential federal and provincial support will also be investigated. Commerce expansion is a provincial priority.
2. **Investment Committee**

   a) **Amendment of spending policy for the Pooled Endowment Fund** *(Appendix O, page 84)*

   Moved by L. Cannon
   Seconded by B. Palk and agreed:

   That the Board of Trustees, on the recommendation of the Investment Committee, approve that the spending policy for the Pooled Endowment Fund be permanently amended to remove the spending cap which limits the payout increases from year to year at two times the increase in CPI over the prior year.

   **Carried 08-8**

3. **Nominating Committee** *(In Closed Session)*

   a) **Pension Committee**

   Moved by K. Black
   Seconded by M. Daub and agreed:

   That the Board of Trustees, on the recommendation of the Nominating Committee, appoint David Grace as a member of the Pension Committee effective immediately.

   **Carried 08-9**

   K. Black noted that G. Hall had resigned from the Committee in order to act as a consultant to advise the Board.

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

   a) **Audit Committee**

   M. Daub reported that the Audit Committee received the report on statutory compliance from University Legal Counsel. All units are in compliance with the applicable legislation and regulatory guidelines.

   b) **Advancement Committee**

   D. Rees reported that Advancement results were $22M against a goal of $50M. These very positive results were a tribute to the effectiveness of Vice-Principal Mitchell.

**III OTHER BUSINESS**

**IV CLOSED SESSION**

The Board moved into closed session
V DISCUSSION SESSION

Special Session for Trustees on Strategic Financial Issues

On Saturday, March 8, the Board of Trustees reconvened and participated in a special session presented by the Vice-Principal (Operations and Finance), Andrew Simpson, with a guest presentation by Fred Prager of Prager, Sealy & Co., LLC.

Presentations are retained in official minutes.

VI ADJOURNMENT