Minutes

MEETING OF THE BOARD OF TRUSTEES
Friday May 6, 2011, 6:30 p.m., Robert Sutherland Hall, Conference Room 202


CLOSED SESSION (Appendix A, pages 1 to 5 distributed to trustees only)

1 OPENING SESSION
The Chair called the meeting to order.

With regret, the Chair asked for moment of silence in memory of third-year student Andrew Lloyd, who passed away March 30, 2011 and first-year student Kyle Kinsella who passed away April 5, 2011.

1. Adoption of Agenda

Moved by D. Woolf, seconded by B. Grant and agreed

That the Board of Trustees adopt the agenda as circulated with the provision that items 2 to 10 be approved, or received for information, by consent.

Carried 11-30

Consent

2. Approval of the Minutes of March 4/5, 2011 (Appendix A, page 1) Carried 11-31

3. Naming Dedications (Appendix B, page 67)

Motion:
That the Board of Trustees approves the following naming dedications in recognition of philanthropy, as indicated.
(T. Abramsky, S. J. Dumbrille abstained)

New Medical Building
The dedication of the Abramsky House located at 80 Barrie Street, in recognition of the generous pledge from Mrs. Shirley Abramsky on behalf of the Abramsky Family, in support of Queen’s and the Faculty of Health Sciences.

Carried 11-32

The dedication of a Seminar Room in the new Medical Building, in honour of Annie, in recognition of the generous gift commitment from Raymond Bell, Meds’70, in support of Queen’s and Faculty of Health Sciences.

Carried 11-33
The dedication of the 3rd Floor – Lantern Room in the new Medical Building in memory of:
Walter Connell, Meds’19; Earl Connell and Ruth Connell, BA’36; Dr. Ford Connell, Meds’29
LLD Hon’73 and Merle Connell, in recognition of the generous pledge from Richard, Sarah
Jane Dumbrille, BA’66 and Charles Dumbrille, BA(Hon)’02 and Bruce, Meds’62 and Barbara
Connell, in support of Queen’s and the Faculty of Health Sciences.
Carried 11-34

The dedication of the Lobby – Second Floor in the New Medical Building, in recognition of a
generous gift from Dr. Kaufman, in recognition of Mrs. Rita Friendly-Kaufman and Dr.
Nathan Kaufman, MD, CM, in support of Queen’s and the Faculty of Health Sciences.
Carried 11-35

The dedication of the Information Commons in the new Medical Building, in memory of Dr.
Christopher Lui, Meds’06, in recognition of the generous gift from Ms. Karolyn Lui and Mr.
Robert Cyr, B.Eng’96, in support of Queen’s and the Faculty of Health Sciences.
Carried 11-36

The dedication of a Seminar Room in the New Medical Building, in recognition of the generous
gift from the Class of Medicine 2010, in support of Queen’s and the Faculty of Health Sciences.
Carried 11-37

The dedication of a Seminar Room in the new Medical Building, in recognition of a generous
pledge from John Wing-Chung Wong, Meds’59, in support of Queen’s and the Faculty of
Health Sciences.
Carried 11-38

Amendment to Philanthropic Naming
That the Board of Trustees approve the addition of the name of David Walker to the approved
dedication of the First Floor Atrium in the new Medical Building, in recognition of the generous
pledge from the Medical Students in support of Queen’s and the Faculty of Health Sciences.
This motion supersedes motion number 11-14.
Carried 11-39

4. Appointment of Professor Emeritus/Emerita (Appendix C, page 68)
7. Senate Report (Appendix F, page 90)
9. Exit Poll 2010
10. Committee Reports:
   c. Audit Report (Appendix J, page 112)
11. **Business Arising from the Minutes**
   None

12. **Chair’s Report**

   **University Council**
   The Chair noted that the 136th annual University Council meeting takes place Saturday, May 7 in Ellis Hall. Registration opens at 7:30 a.m., with the program, entitled, “What Keeps the Principal Awake at Night?” beginning at 8:30 a.m.

   Distinguished Service Awards will be awarded that evening to David Bevan (in absentia), Louise Cannon, Brian Cookman, Heino Lilles, Katie Macmillan and David Walker at the Annual University Council Dinner Saturday evening at 7 p.m. at Ban Righ Hall.

   **Charter Changes**
   The Chair gave a brief update on the University’s petition before Parliament to amend the Queen’s Charter to permit the downsizing of the Board.

   [Secretary’s note: Royal Assent was received on June 26, 2011]

   **Trustee Retirements**
   The Chair recognized retiring trustees, presented each with a small gift and thanked them for their outstanding service to Queen’s as Board members: D. Bayne, D. Burns, M. Campbell, L. Cannon, M. Cunningham, J. Hart, I. Johnsrude, D. Masotti and D. Whiting.

   **Elections**
   The Chair announced the results of recent elections to the Board:
   - Rosemary Jolly (elected by Faculty, four-year term)
   - Bob Burge (re-elected by Staff, four-year term)
   - Colin Lynch and Daniel Tisch (elected by University Council, three-year terms).

   Kelley McKinnon was appointed (four-year term); G. Anderson (four-year term) and J. Watson (three-year term) were reappointed.

13. **Principal’s Strategic Update** (Appendix K, page 114)

   **Student Affairs**
   The Principal echoed the Chair’s sadness about the student deaths over the academic year. The University continues to ensure that supports are as effective as possible. AVP and Dean of Student Affairs J. Pierce expanded the outreach for students during exams and also receive additional support from professionals in the community wishing to volunteer their services. Queen’s is grateful for the expressions of sympathy from alumni and peer institutions. He noted that the AUCC has taken up the issue of mental health in post-secondary institutions. Although in the depths of considerable sadness during April, students demonstrated the strength of spirit of the community by organizing a Queen’s Loves U Day, showed videos celebrating the community. An Easter egg hunt and spontaneous sing out took place in Stauffer Library. Another demonstration of the strength of the Queen’s community was the recent recognition of faculty and staff who marked their 25, 30, 35 and 40 years of employment at Queen’s.
Financial Situation
The University has operated in a deficit situation for the last three years. When the Principal was appointed in 2009 he committed to developing a sustainable plan to eliminate the deficit. Difficult decisions have been made and more will be required, but he is confident that Queen’s is on the right track. The University must redouble its efforts to examine every revenue generating and cost-saving measure it can find. Blue-sky sessions with the senior administrative team and with the Deans on revenue generation and cost savings have resulted in a prioritized list of five items. The Provost will provide details in his report. Several initiatives supported by the Principal’s Innovation Fund reflect the creativity of faculty, staff and students. They include:

- On-line course delivery by the School of English that could generate a potential $148,000-a-year profit
- The 3D-modeling of Miller Hall that has leveraged a $160,000 NSERC grant and will provide an interdisciplinary team of students and faculty with the opportunity to develop tools to improve energy efficiency in buildings and integrate solar power generation into parts of building superstructure.

Rankings
Data collection is under way for many of the exercises. The University did not submit last year to the British Times Higher survey because of serious concerns about the methodology, which were shared by several other institutions internationally, including in Britain. He is pleased that the methodology has been adjusted this year as a consequence of these concerns. The University recognizes the importance of the profile that rankings generate for Queen’s.

Campaign Planning and Branding
After extensive consultation, the Queen’s Brand Idea will come before the Board later in the meeting. The Brand Idea has the Principal’s full support and will help to build consistent communications across Queen’s and lift it up from the “sea of sameness.” The Brand Idea will also be presented to councillors at the May 7 University Council meeting and is the topic of a breakout session on how on to apply it to the upcoming Capital Campaign.

Travel
The Principal drew attention to item 13 a) Highlights from the Principal’s Calendar. Advancement-related activities make up 25 per cent of his travel, reflecting the increased emphasis on his role in relation to the upcoming Campaign. As part of a regional strategy, he has met with Queen’s alumni and friends in the key cities of Toronto, Vancouver and San Francisco. In May and June, he will hold “Principal’s Roundtables” in Toronto, Calgary, Vancouver, Montreal, New York, and Ottawa. This is in addition to meetings with alumni and supporters in Kingston.

Academic Planning
The Academic Planning Task Force will submit its framework to Senate for approval this fall. The University community has been encouraged throughout the process to provide input. The Principal thanked the Chair, Trustee, P. Taylor, and Task Force members for their commitment to the planning process.

Political Landscape
Post-secondary education played a role in the pre-election budget. The Principal met twice with each of the four federal candidates. The expectation remains clear that the university will continue to contribute to the economic vitality of the area; however, Queen’s remains vulnerable to funding restraint decisions. Leading up to the fall provincial election, a change in government could change funding priorities for universities. The Principal will continue to build relationships with elected officials and senior diplomats.
The Principal thanked R. Silverman, who was attending his final board meeting as Provost, and welcomed his successor Alan Harrison, who was present. He noted the progress in the transition from the Office of the VP (Academic) to the Provost Office and recent key hires:

- Ann Tierney, who succeeds AVP and Dean of Student Affairs J. Pierce on July 1, 2011
- Bruce Stanley, who succeeds D. Bevan as Executive Director of the Bader International Study Centre (BISC).

14. Provost’s Operational Update

Budget
The pension issue is the University’s major risk. The Provost and VP (Finance and Administration) C. Davis published a web update on the pension plan at [www.queensu.ca/financialupdate](http://www.queensu.ca/financialupdate).
The University has invited the employee groups back to the table to discuss the pensions and the Provost is hopeful that progress will be made. Blue sky initiatives include a session at the May 7 University Council meeting with a subset of the councillors. Several initiatives from previous blue-sky discussions will be pursued, including an evaluation of real estate on campus, a business case for revenue generation in distance studies, study abroad and summer academic programs.

Enrolment Planning
The provincial government is funding 41,000 additional spaces over the next five years. Queen’s has to determine where it wants to place itself in that context. With that in mind, the Enrolment Planning Task Force chaired by the Provost has submitted its report to the Principal and to the Queen’s University Planning Committee for information and then will be implemented.

Queen’s University Quality Assurance Processes (QUQAPs)
The QUQAPs document, approved by Senate on November 25, 2010, was ratified with minor revisions by the COU Quality Council on April 28, 2011. The new processes will ensure cohesion among university programs and allow universities to maintain programs while preserving autonomy. The Provost acknowledged the work of Deputy Provost S. Cole and Vice-Provost and Dean of the School of Graduate Studies B. Brouwer.

Student Life Centre
The University, AMS and SGPS have signed the operations and management agreement for the Student Life portion of the Queen’s Centre. Talks are proceeding well on the students’ capital contribution.

International
The Provost drew attention to Vice-Provost J. Dixon’s annual report on the University’s numerous international initiatives. He highlighted Queen’s successful application for a project under the 2011-2015 Students for Development Program. In its seventh year, the program is funded by the Canadian International Development Agency (CIDA). It provides funding for international internships for Canadian students in developing countries. Over the course of the four-year project, 20 Queen’s students will complete internships with NGOs and community-based organizations in the Cape Town, South Africa region and four University of Cape Town graduate students will spend a term at Queen’s.

Senior Administrator Retirements
The Provost thanked D. Bevan, Executive Director of the Bader International Study Centre, who put the Centre into the black; and J. Pierce, AVP and Dean of Student Affairs, for their accomplishments and service.
The Office of the Provost reached its first-year anniversary on May 1 and is now a high-functioning unit. The Provost thanked several VP colleagues, senior administrators and his staff for their assistance in realizing this accomplishment.

15. **Question Period**
   None received.

16. **Student Reports (Appendix L)**
   a) **Rector**
      No report.

   b) **AMS President** (page 119)
      President M. Campbell referred to her several items in her written report and noted that the University has faced challenges before; its current greatest challenge is to not lose sight of its strong spirit that will carry it through tough times. She thanked Provost Silverman and AVP and Dean of Student Affairs for their help and integrity in approaching controversial issues, and welcomed the incoming Provost, Alan Harrison.

   c) **SGPS President** (page 123)
      The Chair welcomed J. Burford-Grinnell to her first Board meeting as new SGPS President. She reported that in the recent SGPS Referendum, 54 per cent of the membership voted against removal of Rector N. Day; however no bylaw or policies are in place to remove the Rector. She highlighted topics in her written report, including the challenges facing graduate students and how the SGPS supports them. She looks forward to a successful year in her new capacity.

**II COMMITTEE MOTIONS AND UPDATES**

1. **Advancement Committee**

   Committee Chair I. van Nostrand introduced the new Chief Development Officer in Advancement, Tom Hewitt.

   I. van Nostrand reported that the Advancement Committee received with enthusiasm the Advancement Office’s five-year strategic plan outlining campaign and other initiatives at its meeting that day. The committee also discussed the Field and Stadium fundraising initiative, and expects to update the Board with more details at the September 23, 2011 meeting.

   a) **The Queen’s Brand Idea** (Appendix M, page 126)

      I. van Nostrand described the thorough consultation process undertaken by the Office of Advancement. At least three-quarters of Board members have been involved in the process.

      Moved by I. van Nostrand seconded by M. Daub, that the Board of Trustees approve the Brand Idea: “A Spirit of Initiative” for development and implementation. When fully developed through a series of internal workshops, the Brand Idea will become the platform from which to build and execute all future University communication, marketing materials and messaging in order to uniquely and consistently position Queen’s in the marketplace.

      Carried 11-40
The Principal thanked the trustees who participated in the consultation process and noted that the new Brand Idea will be a guiding light for the upcoming capital campaign and will help position the University, setting it apart from the “sea of sameness.”

2. Finance Committee
   a) Residence Society Fees 2011-12 (Appendix N, page 128)

   Moved by G. Anderson, seconded by B. Mitchell, that the Board of Trustees approve the 2011-2012 Residence Society Fees. Carried 11-41

   b) Student Activity Fees 2011-12 (distributed at the meeting)

   Moved by G. Anderson, seconded by B. Mitchell, that the Board of Trustees approve the 2011-2012 Student Activity Fees as outlined in the schedules provided by the Alma Mater Society and the Society for Professional and Graduate Students. Carried 11-42

   G. Anderson noted this is the last year for this particular fee arrangement. The two societies are working to develop a new arrangement by this September. If they fail to reach agreement, the SGPS will be integrated into the larger AMS arrangement.

   J. Burford-Grinnell clarified that the AMS and SGPS submit their fee schedules separately and will continue to do so because the AMS charges some fees to its members that the SGPS does not charge its membership because it does not provide those services. The two student societies are working on a memorandum of agreement on student succession that will address the issues regarding fees.

   c) Brown’s Contract Approval (Appendix O, page 129)

   Moved by G. Anderson seconded by B. Mitchell, that the Brown’s Fine Foods contract be signed. Carried 11-43

   d) Budget 2011-12 (Appendix P, page 150)

   The budget presentation by VP (Finance and Administration) C. Davis is attached.

   Moved by G. Anderson, seconded by B. Mitchell, that the Board approve the 2011-2012 Operating Budget as outlined in the 2011-2012 Budget Report, and that the administration report by March 2012 to the Board on plans for the coming three years that would eliminate the structural deficit from 2012-13. Carried 11-44

   Finance Chair G. Anderson noted that this is to be the last deficit budget and that the University needs a long-term plan to address deficit issues. The growing pressure to do this comes mainly from the pension plan situation. Several universities are similarly struggling.

   Queen’s and other universities also face significant issues with deferred maintenance, and it is important to track this. He would like to see Queen’s benchmark against other universities to compare its progress.

   G. Anderson commented on the thoroughness of the budget report and thanked the finance team for its hard work.
e) Capital Projects – Funding Requests

G. Anderson noted a discussion from the morning’s Finance Committee meeting relating to an earlier discussion in the Capital Planning Committee concerning the development of an integrated capital plan including management of the University’s assets. It was agreed that it would be useful to create a working group with membership from the two committees. The Investment Committee and other individuals are to examine the matter.

i. Mackintosh-Corry Food Services (Appendix Q, page 200)

Moved by G. Anderson, seconded by S. J. Dumbrille, that the Board of Trustees approve the Mackintosh-Corry Hall food services redevelopment at a total project budget of $1,345,132. Full funding will be provided by Residence Reserves and Sodexho.

Carried 11-45

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

a) Senate Academic Planning Task Force

Chair P. Taylor noted that at times the work of the task force can be complex. Simplification is central to the Task Force in its completion of its work.

Chancellor D. Dodge observed that P. Taylor and his group are asking the right questions. They are trying to find the model of what Queen’s will look like in the 2020 and 2030. It will be different from today, partly due to financial realities, but also because the world is changing and the University has not changed as quickly as it might have in response. He praised the brilliant statement of the Brand Idea, endorsed by trustees. The inspiration coming from the branding statement leads to the sense that the individual will have made the maximum contribution when he/she leaves the University.

The Chancellor noted that the Task Force’s work is the first step in how to achieve something better. Queen’s has the opportunity to be a leader in the province because it retains that sense of community that is being lost at other institutions. Queen’s is forced to face these issues right now because it grew more slowly than other Ontario institutions.

P. Taylor observed that Queen’s is probably positioned better than any other university in Canada to get this right – dropping the things the University does not have to do and preserving what is important.

b) Queen’s University Planning Committee

Provost Silverman reported that, in its inaugural year, the Queen’s University Planning Committee (QUPC), whose members include trustees, senators, faculty, staff and students, met five times to discuss finances and key budget pressures in an academic and operational context. The QUPC has proven to be a valuable forum for discussion. He thanked the members for their participation over the year.

The Chair noted that a large number of trustees were retiring this year and observed that the Board committee chairs carry substantial responsibilities. He thanked L. Cannon (former Investment Committee Chair) and D. Burns (Campus Planning and Development Committee Chair). He acknowledged the exceptional service of D. Whiting (Nominating Committee Chair) who also served on the Governance Working Group and made a major contribution to the governance changes to the Board.
4. Nominating Committee

i. Report of the Nominating Committee

The Board of Trustees approved the following recommendations contained in the report presented in the Closed Session. Names of continuing members are provided for information (in plain text) with the date that current terms end. Membership terms on the Board of Trustees and on Committees of the Board are June 1 – May 31, unless otherwise indicated.

Motion I

Moved by D. Whiting, seconded by D. Masotti, that the Board of Trustees approve the following appointments to the Board of Trustees:
George Anderson, reappoint to 2015
Jayne Watson, reappoint to 2014
Kelley McKinnon, appoint to 2015.

Carried 11-46

The first phase of reduction in the size of the Board begins in June 2011. The Nominating Committee continues to review the structure and membership of Board committees. In the meantime, the Nominating Committee submitted the following recommendations for committees, chair and vice-chair appointments, and noted that it has decided in some cases to leave vacancies unfilled for the immediate term.

Motion II:
Moved by D. Whiting, seconded by R. Burge, that the Board of Trustees approve the following recommendations for appointment and re-appointment to Committees as indicated in items 1 – 10 of the Report of the Nominating Committee, May 6, 2011.

1. ADVANCEMENT COMMITTEE (10 members who may or may not be trustees)

   Innes van Nostrand reappoint as Chair
   Vice-Chair - TBA
   Eric Haythorne, appoint to 2013
   Jayne Watson, appoint to 2013
   Joe Lougheed, reappoint to 2012
   Innes Van Nostrand, reappoint to 2013
   Peter Taylor – 2013.
   5 vacancies

2. AUDIT COMMITTEE (6 members – 1 from internal constituency, majority must be trustees and at least two members shall be “financial experts”)

   Karyn Brooks, reappoint as Chair
   Merv Daub, reappoint as Vice-Chair
   Dean McKeown, reappoint to 2013
   Karyn Brooks – 2013
   Benita Warmbold - 2013
   David Pattenden - 2012
   Merv Daub – 2012.
   1 vacancy

3. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE (5 trustees, one of whom shall be a student trustee; 1 student nominated by the AMS; 1 student nominated by the SGPS; 2 faculty nominated by the Senate; 2 staff members nominated by the
Senate; and 4 additional members with relevant professional experience appointed by the Board

**Toby Abramsky, appoint as Chair**  
**David Gordon, reappoint as Vice-Chair.**

**Trustees:**  
**Lauren Long, appoint to 2013**  
**Bruce Mitchell, reappoint to 2012**  
2 vacancies

Members with relevant professional experience  
**Toby Abramsky, reappoint to 2014**  
Harry Angus – 2012  
Julian Smith – 2012.

Members appointed by Senate  
David Gordon – 2012  
Lynn Freeman – 2012  
Nancy Petri – 2013  

Member appointed by AMS  
TBA  
Member appointed by SGPS  
TBA

### 4. ENVIRONMENTAL HEALTH & SAFETY COMMITTEE (not less than 5 or more than 8 members, who may or may not be trustees)

**David Pattenden, reappoint as Chair**  
*Vice-Chair TBA*  
**George Lavery, reappoint to 2012**  
**David Pattenden, reappoint to 2012**  
Mary Balanchuck – 2012  

### 5. FINANCE COMMITTEE (9 trustees, 1 from internal constituency)

**George Anderson, reappoint as Chair**  
**Bruce Mitchell, reappoint as Vice-Chair**  
**Ben Grant, appoint to 2012**  
**Daniel Bader, reappoint to 2014**  
**Barbara Palk, reappoint to 2014**  
Bruce Mitchell – 2012  
George Anderson – 2012  
Karyn Brooks – 2012  
David Grace – 2012  
Merv Daub – 2012.  
1 vacancy

### 6. INVESTMENT COMMITTEE (up to 10 members – at least 3 trustees)

**Barbara Palk, appoint as Chair**
Don Raymond, appoint as Vice-Chair
Peter Copestake, reappoint to 2014
Barbara Palk, reappoint to 2014
Don Raymond, reappoint to 2014
Roger Casgrain – 2012
Edward Speal - 2013
Lea Hansen – 2013
Kelley McKinnon – 2014
2 vacancies

7. NOMINATING COMMITTEE (5 trustees, 1 from internal constituency)

Kim Black, appoint as Chair to 2012
Vice-Chair – TBA
Robert Burge, appoint to 2014
Innes van Nostrand – 2012
Kim Black – 2012
Graham Davis – 2013.
1 vacancy

8. PENSION COMMITTEE (5 members appointed by the Board as representatives of the University and who, where possible, shall have appropriate professional expertise)

As of May 6, 2011, the Chair and Vice-Chair positions were TBA. By July 8, 2011, trustees agreed to the following in an electronic vote:
William Cannon, reappoint as Chair to 2012
David Grace, reappoint as Vice-Chair to 2012

David Grace, reappoint to 2014
Peter Copestake – 2013
Don Raymond – 2013
David Pattenden – 2013
James Angus – 2013
To reflect changes in the University’s administrative structure, the ex-officio membership of the Vice-Principal (Human Resources) shall be amended to be the Associate Vice-Principal (Human Resources).

9. QUEEN’S UNIVERSITY PLANNING COMMITTEE
Toby Abramsky – 2012.
10. BODIES WITH BOARD APPOINTMENTS

   Agnes Etherington Art Centre
   Sarah Jane Dumbrille, reappoint to 2013

   Queen’s University Engineering Society Services Incorporated (QUESSI)
   Dean McKeown, reappoint
   Bob Burge, reappoint

   University Council Executive Committee
   Blair Erskine, appoint to 2013

11. APPOINTMENT OF CHAIR AND VICE-CHAIRS OF THE BOARD OF TRUSTEES

   W. Young asked Chancellor D. Dodge to preside over the meeting while he left the room for Motion III. He asked the Vice-Chairs to leave the room for Motion IV.

   Motion III:
   Moved by D. Whiting, seconded by K. Black, that William Young be reappointed Chair of the Board of Trustees for 2011-2012.

   Carried 11-47

   Motion IV:
   Moved by D. Whiting, seconded by L. Cannon, that George Anderson, Kim Black, Barbara Palk and Bruce Mitchell be reappointed as Vice-Chairs of the Board of Trustees for 2011-2012.

   Carried 11-49

12. RETIRING MEMBERS

   The Nominating Committee advises that the following members of the Board will be retiring effective May 31, 2011.

   Perry Bamji
   Don Bayne
   Dan Burns
   Morgan Campbell
   Louise Cannon
   Peggy Cunningham
   Jocelyn Hart
   Ingrid Johnsrude
   David Masotti
   David Whiting
ii. Terms of Reference: Governance and Nominating Committee

Moved by D. Whiting, seconded by J. Lougheed, that the Board of Trustees approve the following terms of reference and name for the Governance and Nominating Committee, effective immediately. The membership composition (Board Chair, Chancellor, Rector, Principal, who shall be ex-officio, and 5 trustees, at least one of whom shall be a member of an internal constituency of the University) shall remain unchanged.

Carried 11-50

TERMS OF REFERENCE FOR THE BOARD OF TRUSTEES GOVERNANCE AND NOMINATING COMMITTEE

Purpose
The Governance and Nominating Committee is a standing committee with two primary roles that serve the Board of Trustees and its Committees.
1. Oversee and enhance governance integrity and Board organization, procedures and performance.
2. Assess membership needs, in terms of skills and experience, and recommend candidates for appointment

Scope
1) Review the roles and responsibilities of the Board, its committees, chairpersons, Trustees and administrative support; make recommendations to the Board about the governance structure and policies for effectiveness, relevance and clarity; and develop and oversee processes for confidential evaluations of the Board, committees and individuals in their governance capacities against such policies.

2) Identify the required competencies and personal attributes required on the Board and/or committees, to ensure an orderly succession in membership and leadership positions.
   a) Perform gap analyses based on these criteria and identify and recommend to the Board candidates as prospective Trustees and/or committee members, to fulfill the roles and responsibilities of the Board.
   b) Develop and implement a systematic, open and proactive process for seeking nominations for Trustees and/or committee members.
   c) Ensure, where possible, that all Trustees serve on at least one committee and that: chairs are rotated regularly; Trustees from the internal constituencies of the University are included as appropriate; and that committee compositions are balanced as appropriate.
   d) Inform the University Council about the competencies and personal attributes identified as required on the Board and/or its committees from time to time.

3) Review and make recommendations to the Board on the orientation and continuing education program for Trustees, to ensure a thorough and current understanding of University business and good governance practices.

4) Review the information needs and time commitment of Trustees to ensure that information and meeting management systems and practices facilitate the most effective use of Trustees’ time in Board governance matters, including Board and Committee meetings and the annual and longer-term agenda of governance matters.

5) Review periodically the annual effectiveness survey instrument for the Board, individual Trustees, Committee Chairs and the Board Chair, to ensure currency and recommend enhancements or additions to improve the Board’s methods of assessment of its process and structure.

6) Make recommendations for governance improvement within the scope described above.

7) Develop, review, and revise By-Laws for approval by the Board of Trustees.
III OTHER BUSINESS
None

IV ADJOURNMENT
There being no further business, the meeting adjourned at 9:15 p.m.
2011-12 Queen’s University Operating Budget
Board of Trustees

May 6, 2011

Consolidated Budget
Illustration of Approximate Percentage Breakdown of Expenditures by Fund.
The Board approves the Operating Budget

The Board approves the Operating Budget

2011 Provincial Budget Highlights

- Funding for an additional 41,000 University spaces over 5 years
- No new capital announcements
- Enhancements to student support (OSAP, Ontario Graduate Scholarships, Trillium scholarships)
- Reduction in spending in executive office of 10% over 2 years

Budget Projections

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<th>Provincial</th>
<th>Operating</th>
<th>Ancillary</th>
<th>Non-Profit</th>
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Key Factors Impacting the Operating Budget

- Balancing the Budget
- Pension
- Enrolment Planning
- Government Grants
- Tuition Fees
- Student Assistance
- Compensation
- Research
- Investment Portfolios
- Campus Infrastructure & Support

Balancing the Budget

- Mandated pension solvency payments in 2015 requires planning to start now
- 3 years of deficit budgets with projected deficits beyond 2011-12 adds to the challenge
- To be prepared for 2015 requires:
  - Doing all we can to reduce the in-year 2011-12 deficit
  - Surpluses in future years
- Principal and VPs are committed to returning to balanced/surplus budgets, despite the difficulty. 2011-12 will be the final deficit budget.
Pension

Next required valuation is August 31, 2011
- Preliminary Aug. 31, 2010 valuation results:
  - Solvency Shortfall: $325M ($69M Aug. 31, 2008)

Significant increase in deficit position is due to:
- Decline in the value of the Pension Plan assets
- More current employees are projected to retire under minimum guarantee
- Current plan protects existing pensioners from weak investment returns

Queen’s will apply for Stage 1 solvency relief under the new regulations>= 3 years of temporary solvency relief
- Requirement to fund a solvency interest top-up of $9.1M effective Sep. 1, 2011.
- Required to start funding the increased going-concern deficit commencing Sep. 1, 2012 over 15 years
- Next required valuation will be August 31, 2014, with additional solvency payments commencing Sep. 1, 2015
- If requirements for Stage 2 Relief are met, the solvency shortfall will be funded over 10 years rather than 5

The table below shows the projected additional contributions over the existing special payments.

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<tr>
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</thead>
<tbody>
<tr>
<td>Projected Additional Contributions</td>
<td>$2,800</td>
<td>$6,500</td>
<td>$8,600</td>
<td>$8,600</td>
<td>$8,600</td>
<td>$8,600</td>
</tr>
<tr>
<td>Unit: additional charge/employer contributions (1%, 2012-13 and 2015-16)</td>
<td>$2,800</td>
<td>$2,800</td>
<td>$2,800</td>
<td>$2,800</td>
<td>$2,800</td>
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<tr>
<td>Central operating budget:</td>
<td>$5,600</td>
<td>$9,300</td>
<td>$11,400</td>
<td>$11,400</td>
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<td>$11,400</td>
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</tbody>
</table>

Negotiate Plan Changes with Employee Groups

- Investigate all funding options to avoid a $34M or higher annual budget impact after the Solvency exemption period
  - Letter of credit (15% of Solvency Shortfall)
  - Early lump sum payments to increase returns
  - Debt paid over a longer time-frame
  - Sale of assets
Enrolment Planning

• The budget projections are based on limited enrolment growth as per Senate approved plans

• Alternative growth scenarios are being explored by the Enrolment Planning Task Force. The budget implications will be reviewed, but have not been built into current projections

• Tuition fee increases under the existing framework are projected to continue, which includes 10% student assistance set-aside on fee increases

Queen’s System Share

COU Operating Grant Distribution

Student Assistance

Operating Budget Student Assistance

Deferred Maintenance

• A recent audit estimated the University Deferred maintenance backlog at $234M

• $2.8M is critical and must be addressed in the next year.

• The university received over $20M in deferred maintenance a few years ago and will have spent most of these funds by the end of this year.

• The operating budget deferred maintenance allocation was suspended for a few years given the one-time Provincial funding. It will be reinstated in 2011-12. These funds will also be used for classroom upgrade priorities.

Government Grants

Provincial Grants
• No inflationary funding is being flowed to universities
• Majority of grants increases are targeted for growth or specific purposes
• Graduate growth funding is secure up to our target
• Undergraduate growth funding is less so past 2011-12, but government has shown commitment to funding growth
• Provincial government deficit puts all funding at risk

Federal Grants
• The only Federal operating grant we receive is the Federal Indirect Costs of Research Grant, calculated at 16.85% of direct research costs
• It is widely accepted that indirect costs of research are approximately 40% of direct costs
Budget Risks

- Pension Plan funding and amendments
- Managing the $6.3M expenditure reduction/revenue generation in 2012-13
- Compensation restraint
- Enrolment planning
- Provincial grant funding and tuition fee policy beyond 2011-12
- Funding of the capital campaign
- Deferred maintenance backlog