Minutes
MEETING OF THE BOARD OF TRUSTEES
Friday October 3, Saturday, October 4, 2008, Policy Studies, Conference Room

Members Present: Principal and Vice-Chancellor, Thomas R. Williams
                 The Chair, William Young
                 The Rector, Leora Jackson

I OPENING SESSION

The Chair welcomed everyone and introduced new trustees:
Perry Bamji, Susan Cole, Peggy Cunningham, David Masotti, Alfonso Nocilla, Donald Raymond.

1. Adoption of Agenda

The Chair proposed the rearrangement of the Committee Reports to the following sequence:

1. Audit
2. Advancement
3. Investment
4. Pension
5. Environmental Health and Safety
6. Finance

Moved by T. Williams
Seconded by M. Ceci and agreed:

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

And that motions under the Finance Committee 2 a) i) Queen's Centre phase 2 &3 and 2 a) ii) West Campus Fields Project will not be presented for action.

Carried 08-32
Consent

2. Approval of the Minutes of April 25, May 3, and June 23, 2008 (Appendix A, page 1)

Moved by M. Ceci
Seconded by T. Williams and agreed

That the Minutes of April 25, May 3 and June 23, 2008 be approved.

Carried 08-33

3. Naming Dedication – Queen’s Centre (Appendix B, page 25)

That the Board of Trustees approve the dedication of the Student Lounge in the Fitness and Wellness Centre block of the Queen’s Centre in recognition of the very generous gift from George and Sheila Watson.

That the Board of Trustees approve the dedication of the Varsity Gymnasium in the Fitness & Wellness Centre block in recognition of the very generous gift from the Alexander Murray Jeffrey Trust.

Carried 08-34


5. Fall 2008 Convocation Dates and Honorary Degree Recipients (Appendix D, page 38)


Internal Academic Reviews
The Supplement to the Queen’s Gazette, Vol XXXIX, Number 11, June 8, 2008, containing the reports for the following units was enclosed for information of the Board of Trustees:

Department of History
Department of Sociology
School of Computing
Department of Pathology and Molecular Medicine
School of Rehabilitation Therapy

8. Report of Promotion to Professor (Appendix G, page 53)

9. Committee Reports:
Pension Quarterly Report (Appendix H, page 61)

Regular

10. Business Arising from the Minutes – None identified.

11. Chair’s Report

Tributes to David Vice and to Wilda Parkinson
The Chair paid tribute to two former trustees who passed away during the month of September 2008.

David Vice served on the Board from 1990 to 1998. He served on the Campus Planning and Development Committee from 1993 to 1996. He received an Honorary Degree from Queen’s in 1993.

Wilda Parkinson served on the Board from 1979 to 1991. She was a Former President of the Queen’s Alumnae Association.

The Board observed a moment of silence.

**Celebration Events in October and November**
The Chair drew attention to the following:

- **Grant Hall Dinner**, Saturday, October 4 to honour Chancellor Emeritus Charlie Baillie and Marilyn Baillie; to thank outgoing Grant Hall Society Chair, Michael O’Connor, and to welcome new Chair of Grant Hall Society, Kathleen Macmillan.

- **John Orr Award Dinner**, Saturday, November 15, Toronto, will honour Chancellor Emeritus Peter Lougheed

- **Installation of Chancellor David Dodge** as Queen’s 13th Chancellor at Convocation on Thursday, October 30, 9:30 am.

**Update from the Chair of the Joint Board/Senate Advisory Committee to Select the Principal**
D. Dodge provided a brief update of the work of the Joint Advisory Committee at its first two meetings.

On June 20, the Committee determined the process it would follow including: solicitation of input from the community; establishment of guidelines for itself and the process; policy on Confidentiality/Conflict/Collegiality and signing a detailed Undertaking also published on the Committee website; agreement on the appointment of Russell Reynolds Associates to assist the Committee.

On August 15, the Committee reviewed the community input; started Equity training; received a report from Russell Reynolds on stakeholder interviews conducted by consultants Shawn Cooper and Nancy Mistretta; finalized the Position Specification for publication; and agreed on the advertising plan.

The next meeting is on Saturday, October 4.

The objective is for the next Principal to be appointed in the summer of 2009.

**Trustee Code of Conduct**
The Chair referred to the current (adopted in November 1997) Board of Trustees Guidelines on Conflicts/Confidentiality/Collegiality. While these Guidelines have served the Board well, at present the only undertaking that Trustees sign is a declaration of potential conflicts. During discussion at the April and May meetings, it was clear that Trustees should be required to affirm their obligations with respect to their duties, confidentiality, collegiality and conflicts. A draft Code of Conduct in under development in consultation with the Vice-Chairs, University Legal Counsel and the Vice-Principal Human Resources.

**Annual Board Effectiveness Survey**
The first annual survey was implemented in 2007. The Chair indicated that the survey would be conducted online between October 15 and 31 in 2008.
Human Resources Committee
The Chair reported that Kim Black (Board Vice-Chair and Chair of the Nominating Committee) will convene a small working group to look into this matter.

Current Issues Facing the University and the Board
The Chair began by noting the criticality of tonight’s meeting. He referred to Principal Williams’ webcast address on September 25 that outlined for the community the challenges in front of Queen’s.

Revenue
Over the past fifteen years the operating revenue from the province has steadily declined. At the same time, Queen’s plan to constrain growth in undergraduate programs has been somewhat at odds with the province’s desire to expand enrolment to accommodate anticipated demand for postsecondary education. Tuition fees have risen, but tuition caps are an added constraint. Ninety-one percent of the University’s revenue is from provincial grants and tuition fees.

Expenditures
Seventy percent of expenditures are salary and benefits. Cost increases in the budget for the Queen’s Centre will generate incremental costs to service the debt. Like many other institutions, Queen’s Pension Plan has an increasing liability deficit which the University is legally obligated to pay down over fifteen years with interest. Therefore, the current 2008-2009 budget contains provision for a $4M contribution to address this based on a $40M unfunded liability determined by the assessment of the plan deficit conducted in February 2007. Plan actuaries at Mercer have provided another assessment as of August 31, 2008, and the result is now an $80M unfunded liability.

The Chair stressed that these issues are not unique to Queen’s. They are system-wide issues.

Echoing Principal Williams’ remarks on September 25, the Chair said that this meeting is a “call to arms.” All parts of the University must examine their activities with a view to how things could be done more efficiently, while remaining effective, in order to reduce expenditures since “business as usual” will not sustain operations much longer. Transparency and consultation are essential to bring about change and achieve progress. The stakes are high and sacrifices will be necessary. However, the Chair said he was optimistic that Queen’s was strong enough to meet the challenge.

12. Principal’s Report
The following is a summary of the topics covered in the Principal’s presentation:

1. Relationships

The Principal briefly reviewed his activities to date with both external and internal relationship building for Queen’s:

a) **Town-Gown**: City University Committees; Mayor/CAO; Local Council-Performing Arts Centre contribution; Homecoming/Aberdeen

b) **Queen’s Park**: Directions (Senior Level Engagement; Visit by MTCU Personnel; Queen’s networks); Ministerial contacts; New Deputy Minister; COU President visit

c) **Ottawa**: Research contacts; Performing Arts Centre – continuing matter of Correctional Services land; Queen’s networks

d) **On-campus-priority**: AMS/SGPS/Rector/Faculty Societies; QUFA/QUSA/Unions; Faculty/School/Department visits.

2. **Student Matters**: Enrolment; Orientation; Homecoming
The University Registrar gave a preliminary report on enrolment. Admissions have met or exceeded Senate approved targets for new students and no attrition has occurred for returning students. Graduate student enrolment is on target; however, there are fewer Masters students and more Doctoral students at the margin. The preliminary total enrolment is 21,500 students; however these numbers will only be final for the November 1 provincial enrolment count and some change is normal.

Homecoming was very successful. Notably almost 500 alumni celebrating 50 years or more returned to Queen’s to celebrate.

Unfortunately, Aberdeen Street attracted more people this year. The police estimated the crowd at 6,500 and the mood on the street was much edgier than previously. Of the charges laid, 20% were Queen’s students and 80% were high school students and others. Principal Williams stated that all options remain on the table to address the problem, but they are limited. He is in discussion with the QUAA President about the relationship with Homecoming.

3. **Research/Scholarship/Awards:** Innovation Park; NSERC

4. **Senior Management Initiatives:** Capital Plan; Consultation on Curriculum; Homecoming/Alumni and Grant Hall Society events

5. **Other:** Queen’s Mini U; Convocations; Perspective: long view but early stages re. Financial challenges, Cultural change, Strengthening relationships-focus on community

Principal Williams concluded by emphasizing the importance of the long view. Short-term pain should yield long-term gain. Queen’s is in a competitive race with other institutions and stopping is not an option. The financial challenges are acute. To overcome these challenges, the community must come together to work as a Queen’s group to achieve a cultural change and to understand that Queen’s tradition is quality and not necessarily exactly the way things were done fifty years ago.

L. Cannon raised the recent federal legislation that controls lobbying activities and wondered how this might affect the ability of Trustees to influence members of parliament as the Principal had suggested.

S. Rigden (Special Assistant, Government Relations) explained that the legislation applies to paid lobbyists. All Queen’s Vice-Principals are now registered in accordance with the act. Lists of any pre-arranged meetings must be reported on a monthly basis and this would apply to Deans and Vice-Principals.

13. **Question Period** – no questions.

14. **Student Affairs**

   **e) Rector – Leora Jackson** (Appendix I, page 65)

   The Rector spoke about Homecoming and the Queen’s Centre.

   The Homecoming events caused her to think about herself fifty years from now and what Queen’s would mean to her then. She attended the Aberdeen street party as a volunteer to hand out water and plastic cups but felt resentment about the negative effects this event has on Queen’s. The Rector was astounded to discover that students from forty schools, including from Massachusetts and New York City had traveled to Kingston and many were being hosted by Queen’s students. A large proportion of the participants were high school students or non-students. The problem is that many students equate Homecoming with the Football Game, which is a great Queen’s experience and Aberdeen, which does not represent Queen’s. Queen’s students must be encouraged to appreciate and to take ownership of the City as citizens.
The building of the Queen’s Centre is exciting for students; however, there is apprehension about the management of the facility. While the Memorandum of Understanding has been signed, there continues to be a level of miscommunication about ongoing changes to the project. Students want to understand the details and to receive a critical analysis of the issues.

f) AMS – President, Talia Radcliffe (Appendix J, page 67)

The President echoed the Rector’s comments about Aberdeen. She said that volunteers’ efforts to ensure safety and promote peacefulness were not successful. There were instances of racism, sexual harassment and disrespect. Volunteers began to feel unsafe and left the event. The AMS will not ask the City to close Aberdeen Street in the future.

As noted earlier, the Memorandum of Understanding for the management of the Queen’s Centre has been signed. There was much discussion following a presentation at the AMS Assembly on October 2. Concerns were raised about programmability, accessibility and sustainability. Information can be obtained from the Journal online.

The President called on M. Ceci (Undergraduate Trustee) who spoke about the success of the lunches for Student Society leaders and Trustees, and encouraged Trustees to participate in December.

g) SGPS – President, Jeff Welsh (Appendix K, page 69)

The President thanked the Trustees who had responded to his questions about graduate studies circulated in September. He said he would prepare the information requested and address it at the December meeting.

He commented on the recent discussions initiated by the Principal about re-thinking how Queen’s works and how to make changes that will support the future vision and mission of the University. He observed that the administration has become more visible and accessible recently and he encouraged more collaboration between the administration, the AMS, the SGPS, QUFA and QUSA, to coordinate lobbying efforts. The President spoke about the advantage of coordinated efforts and named two examples of powerful affiliations in both the COU (Council of Ontario Universities) and the CFS (Canadian Federation of Students – SGPS is a member).

III COMMITTEE MOTIONS AND UPDATES

1. Advancement Committee – Revisions to the Advancement Funding Model

B. Palk (Advancement Co-Chair) referred to the materials provided in Appendix R, pp 95-98, describing the proposed revisions to the Funding Model for the Office of Advancement.

Moved by B. Palk
Seconded by D. Bader and agreed:

That the allocation to the general university operating fund of 5% of all new gifts is eliminated effective May 1, 2008, and the Funding Model for the Office of Advancement be amended as outlined in Appendix R, pp. 95-98.

Carried 08-35
2. **Audit Committee - Audited Financial Statements April 30, 2008**

Enclosed separately in the Draft Annual Report for 2008

**Moved by G. Anderson**

**Seconded by B. Palk and agreed:**

That the Board of Trustees approve the annual audited Financial Statements for the fiscal year ended April 30, 2008.

**Carried 08-36**

M. Daub noted that the statements started on p. 55 of the draft Annual Report. He referred to some delays experienced in the preparation of the statements and acknowledged the work of VP Simpson and AVP Hogg, as well as additional help from L. Lam and the services of M. Pody from KPMG. The Statements received a clean audit opinion from the Auditors.

M. Daub thanked Trustee G. Davis for his suggestion that information be added to assist comparability with previous years given the adoption of new accounting procedures. This will be addressed by the addition of Appendix 5 on p. 89.

M. Daub drew attention to the “Subsequent Event note,” footnote 26 on p. 86, that was triggered by the recent volatility in the financial markets.

M. Daub concluded his remarks by commenting that while the University actively manages the operating budget, the same is not true for the consolidated budget. VP Simpson concurred and said that a timetable for change will be implemented.

3. **Investment – Appendix R, Page 87**

L. Cannon commented briefly on the recent market turbulence and the resulting decline of almost 8% as of September 30 in the Pooled Endowment Fund since the status reported on June 30, 2008.

**Support for the Office of Advancement**

With reference to the motion from the Advancement Committee approved earlier in the meeting, at its meeting of July 29, the Investment Committee agreed to a one-time adjustment to the funds allocated from the PEF to the Office of Advancement as a temporary solution to address the shortfall in revenues in the current fiscal year. A permanent funding solution will be sought to replace the revenues lost from the elimination of the 5% tax on donations.

**Moved by L. Cannon**

**Seconded by G. Davis and agreed:**

The Investment Committee recommends to the Board of Trustees that additional funding be allocated from the PEF to the Office of Advancement for the 2008-2009 fiscal year to compensate for the revenues foregone due to the elimination of the gift tax.

**Carried 08-37**

In response to a question from D. Dodge about approaches adopted at other universities, VP Advancement D. Mitchell said that they varied. In some cases activities are funded 100% from operating budgets, as well as interest from endowment funds. He said that a charge on gifts is seen as unethical and can reduce donations. The amount allocated from the PEF represents about 10% of the cost of Advancement operations.
4. Pension – Appendix H, Page 61

W. Cannon referred to the report circulated with the Agenda and noted the Mercer asset-liability study that is currently underway.

W. Cannon said he was encouraged by the willingness of the employee groups to consider changes to the Pension Plan, including a willingness to consider contribution increases. He hoped that an agreement could be reached by the end of the year.

The unconfirmed return for the plan year-end as of August 31, 2008, is estimated to be -4.3%. Despite this disappointing return, retirees remain well protected and most will receive increases of approximately 2% because of the 4-year average return used to calculate increases.

He reviewed the challenges encountered by managers in recent months and noted that performance had fallen 4% below benchmarks for the first time in ten years.

5. Environmental Health & Safety

D. Pattenden said a letter of concern to the Whig Standard from an Emergency Room physician at KGH had prompted discussion by the Committee about the Aberdeen Street event. The Committee identified the apparent lack of a clearly defined home for matters of this sort at the policy level in the Queen’s University bi-cameral governance structure.

M. Daub pointed out that Risk Management fell within the mandate of the Audit Committee.

G. Anderson observed that the Senate has responsibility for student well-being, including discipline, and that it has delegated initial responsibility for discipline to the AMS.

D. Bayne commented that Aberdeen Street is a risk management question. It may or may not be an Audit Committee matter.

The Chair said he would discuss it with the Principal and report back in December.

6. Finance Committee – George Anderson

a) Capital Projects
   i) Queen’s Centre
      • Governance Model and Operational Plan (Appendix L, page 70)

G. Anderson referred to the update from VP Simpson, provided for information, noting that it laid out an integrated management model for the Queen’s Centre, including membership of the Advisory Board and the role of the General Manager.

• School of Kinesiology and Health Studies – additional funds (Appendix M, page 72)

Moved by G. Anderson
Seconded by B. Mitchell and agreed:

That the Board of Trustees, on the recommendation of the Finance Committee, approve an increase of $7,000,000 to the Queen’s Centre Phase 1 budget to allow the building of the School of Kinesiology and Health Studies to proceed. This will bring the total Queen’s Centre Phase 1 budget to $169,000,000.

Carried 08-38
Trustees discussed the analysis of estimate change between December 2007 and October 2008 provided on p. 73. The original budget was seriously in error. The School will be built to the original standard; however, Queen’s will forgo formal LEED certification to achieve a savings of $460,000. Some other delays have occurred due to the revisions and to the City of Kingston Committee of Adjustment and Planning approvals.

- Queen’s Centre Phases 2 and 3 update on review – PowerPoint presentation attached Page 15.

As noted under adoption of the Agenda, the motions submitted for Queen’s Centre Phase 2 and Phase 3 were withdrawn.

VP Simpson referred to the additional work to be undertaken and AVP Browne outlined the process and the main issues being addressed.

D. Dymekci, Principal, from Sasaki Architects reviewed the proposed changes through a series of comparisons of the original and revised plans.

A. Pipe (Chair of the Queen’s Centre Executive Committee) commented that the current review is focused on maintaining the vision and achieving the maximum cost savings.

VP Simpson acknowledged the extensive work done by AVP Browne and her team.

T. Valente from PLC confirmed that, because of a glut of work and lack of trades, there appeared to be no prospect of construction costs falling in the current weak economy, although the costs may stabilize.

b) QUASR Project Update – see PowerPoint Presentation Attached page 20

VP(Academic) P. Deane introduced the presentation and the VP (HR) R. Morrison, the University Registrar, J. Brady, the CIO/Director of IT, S. Reynolds, and QUASR Program Director, J. Carse, spoke about the various aspects of the Project outlined in the presentation slides.

It is anticipated that Board approval for the project budget will be sought in December.

The Board moved into Closed Session.

IV CLOSED SESSION

Pension Update

V SATURDAY, OCTOBER 4, 2008

The Board reconvened in Closed Session

a) Nominating Committee

The Board moved into Open Session
Operating Budget

The Principal began with a PowerPoint presentation to provide the context, the actions to date, the assumptions and the next steps. The presentation is attached to these minutes page 24.

The following topics were raised during the discussion:

Queen’s mission with respect to the breadth of its undergraduate programs has been pruned to the core by mandated cuts over the last 5-10 years.

With respect to whether Queen’s should consider focused cuts rather than across the board cuts, cutting curriculum by eliminating courses will not automatically reduce the salary budget. Also, faculties strive to provide both depth and breadth in their curriculum offerings.

Queen’s should assess the metrics on graduate versus undergraduate education to determine what has been successful and what will succeed in the next five years.

Queen’s should consider selling off ancillary services.

Explore successful innovations further to generate additional revenues – for example, Queen’s Mini-U.

In response to a question about reactions from alumni and donors to the shift in Queen’s to expand graduate programs, VP (Advancement) D. Mitchell said there is some anecdotal evidence among older alumni that they feel Queen’s may have lost its way by straying from its strong undergraduate focus. However, he also spoke about recent results from reputational research that yielded six thousand alumni responses. The respondents identified both a broad range of programs, as well as defined areas of specialization, to be the hallmarks of a top quality university.

Champions for small things can be extremely effective.

The Chair anticipated that the next two or three years would be critical ones to get the budget back into balance and that it would be a sober transitional period to reach a level of sustainability.

The Chair of the Finance Committee noted the recent history of both cuts and rising expenditures. The salary budget is beyond what the University can afford and a two or three year workout plan is required along with deep cultural change.

The Principal advised that the focus would be on the workout plan, not just mitigation of cuts.

Competitors are also struggling with year-to-year survival because of the systemic operating challenges and similar, and in many cases worse, pension plan deficits. Many institutions have incurred debt as a result.

Planning for annual deficits is a serious concern.

Principal Williams has started on the right path and it will be critical that the next Principal can carry through without a hiatus.

Queen’s needs the requisite IT infrastructure to provide analysis and understanding of the impact of big decisions on the financial picture and on the overall quality of the programs.

There may be a need for a central bank outside the operating budget to absorb the short term costs of change.

Staff relations are a significant strategic factor.
Faculty retirement incentives would not provide a solution in all disciplines. There is severe salary inversion in some areas and the expansion of graduate student supervision increases demand for senior faculty.

The institution needs to find the tools to initiate change. The undergraduate/graduate issue is a mission based discussion. Queen’s should look for ways to capitalize on the functional overlaps within the university structure and new ways to expand revenues.

The serious financial challenges facing the post-secondary sector may create an opportunity to make changes and strategic adjustments that would be more difficult to achieve in more stable economic times.

**Integrated Capital Planning**

The Principal introduced the topic by noting that currently there are no clear links between the strategic plan and the capital plans of the faculties. Capital development is more often opportunity driven rather than strategic.

The Principal distributed a *Project Summary – Current Status and Current Best-Estimate Budget* (attached page 28) and outlined the main elements of integrated capital planning in a PowerPoint presentation (attached page 30).

c) **Debt (for discussion and approval, Saturday, October 4, 2008)**

i) Short term – Approval to borrow from Infrastructure Ontario (Appendix P, page 78)

VP Simpson explained that Infrastructure Ontario will lend short-term (up to 5 years) based on Bankers Acceptances + 20 basis points (rate as at September 23 is 3.42%). A similar rate from the major banks would be 3.8%-3.9%. Once approved, there is no obligation to actually borrow the funds, although Queen’s would have to borrow a nominal amount within 12 months of being approved. At any point during the 5-year period, Queen’s would have the option of paying the loan down.

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

That, on the recommendation of the Finance Committee, the Board approve a resolution authorizing the Chair of the Board and the Principal and Vice-Chancellor of Queen’s University to sign a financing agreement with the Ontario Infrastructure Projects Corporation (OIPC) to borrow an aggregate amount of up to $180,000,000.

Carried 08-40

The text of the resolution is attached to these Minutes page 32.

J. Hart asked for a report on the parameters of the agreement at the next Board meeting.

ii) Liability Management Policy (Appendix Q, page 80) PowerPoint presentation attached page 34)

G. Anderson, with additional comment from VP Simpson, explained the rationale for the policy. Since maintaining and increasing its capital assets are fundamental to achieving the University’s mission, it is critical to balance the need for both current and future facilities investment. As a result, the University has used and will continue to utilize a mix of funding sources, including
internal resources, philanthropy, external debt and general grants to finance capital projects. The policy will assure that an appropriate mix of financing sources are used and that debt, in particular, is used strategically to support the University’s mission and purpose as a higher education institution. The Policy will be complemented by the Integrated Capital Plan and by policy to govern access to limited debt capacity.

A number of meetings of the Finance Committee and joint meetings between the Finance Committee and the Investment Committee had provided the opportunity to explore and debate the important questions. The main elements were described by VP Simpson’s presentation.

\[
\text{Moved by G. Anderson,} \\
\text{Seconded by B. Palk and agreed:}
\]

That the Board, on the recommendation of the Finance Committee, approve The Liability Management Policy.

\text{Carried 08-41}

J. Hart recommended that the University consider a communications plan to explain the rationale for the policy.

VP Simpson explained the discipline provided by the establishment of a sinking fund to repay the principal and interest, while at the same time there will be a need to keep leveraging the balance sheet and using central funds to reinvest in development.

It may appear unusual to be leveraging while others are deleveraging; however, donors should perceive this as a sensible policy. At the same time, Queen’s should first look for ways to have others put up the capital required and identify revenue streams to finance projects. Debt can fill a need but should be used only after capital planning has exhausted the other financing options. The Board will identify the funding source for each capital project and approve individual debt proposals.

G. Anderson anticipated that the guidelines for a strategic capital plan will be available by the Spring.

**Nominating Committee Report**

The following motions from the Nominating Committee were approved during Closed Session.

\[
\text{Moved by K. Black} \\
\text{Seconded by E. Speal and agreed:}
\]

That on the recommendation of the Nominating Committee, the Board of Trustees approve the appointments:

David Grace, Vice-Chair, Pension Committee, effective October 3, 2008
Donald Raymond, member, Pension Committee, effective October 3, 2008 to May 31, 2009
David Pattenden, member, Pension Committee, effective October 3, 2008 to May 31, 2009

\text{Carried 08-42}

The Chair of the Board noted that K. Black would be stepping down as Chair of the Nominating Committee and thanked her for her diligent and extensive work in this role since 2005.
VI OTHER BUSINESS

I. Van Nostrand asked about Aberdeen Street with respect to liability, relationships with the neighbours and alumni opinion. In his view, it had significant reputational impact that was both a management and a governance issue. It carried a high cost to the personal equity of the Principal that should be shared by the Board.

Principal Williams said he was more than happy to consult further with Board members about the plans for the future. He said that in the short term he was prepared to accept the responsibility for the decision. He proposed a special teleconference to keep the Board informed.

The Chair expressed the Board’s thanks to Principal Williams for what he had accomplished in the twenty weeks since he was appointed.

VII ADJOURNMENT

The meeting adjourned at 12 noon.