



The UNIVERSITY of WESTERN ONTARIO

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

May 4, 2006

The meeting was held at 1:30 p.m. in Room 330, Stevenson-Lawson Building.

PRESENT: Ms. H. Connell, Chair
Ms. I. Birrell, Secretary

Mr. F. Angeletti
Dr. D. Bentley
Mr. T. Brown
Ms. L. Burke
Mr. C. Colvin
Dr. P. Davenport
Mr. T. Garrard
Ms. L. Gribbon
Ms. S. Grindrod
Dr. T. Hewitt
Mr. E. Holder

Mr. H. Kelly
Ms. G. Kulczycki
Dr. F. LongstaffBurke

BG.06-40 **Minutes of the Previous Meeting**

The minutes of the meeting of January 26, 2006 (open session) were approved as circulated.

REPORT OF THE PROPERTY & FINANCE COMMITTEE [Appendix II]

BG.06-41 **Operating and Capital Budgets, Tuition and Fees**

It was moved by M. Noble, seconded by E. Holder,

That the Board of Governors approve the 2006-07 University Operating and Capital Budgets including the additional \$706,000 for the Materials Sciences Building and the Program Specific Fees and Other Supplemental Fees for 2006-07.

Ms. Kulczycki provided an overview of the 2006-07 University Operating Budget and Capital Budget detailed in Appendix II. The presentation included the planning and budgetary context, priorities being addressed in the budget, faculty and support unit budgets, student aid and a summary of the operating budget and capital budget. For 2006-07, the operating budget projects revenues of \$435.9 million and expenditures of \$486.8 million.

The Capital Budget shows a planned expenditure level of \$108.8 million which includes \$54.7 million for new construction, \$22.6 million in major building renovations and \$31.5 million in all other capital expenditures. Overhead slides used to highlight her presentation are attached as [Appendix 2](#) to these minutes.

The 2006-07 Operating and Capital Budgets are attached (*red cover*). Supplemental Fees and Other Charges, shown on pages 5-6 of the Other Fee Schedules and Tuition Deposits report (*yellow cover*), are approved by the President throughout the year, as authorized under the Student Fee Policy (Policy 2.4). These are reported for information.

The Senate considered the budget at its meeting on April 21, 2006 and recommends approval to the Board.

Referring to Expenditures Less Revenue by Faculty, Figure L on page 73, Dr. Davenport explained that Western is the first and may be the only university in Canada to make information available in budget documents concerning comparative program costing. Beginning in 1995, data have been provided showing revenues (tuition and grant) and expenditure by Faculty. Historically, grant funding has been dependent on assigned BIU rates, which are not consistently reflective of the cost of instruction. Other factors, such as enrolment (and enrolment-contingent funding from the University) have made it possible to approach a more stable equilibrium across the Faculties, but as shown in Figure L, Social Science continues to be a net revenue-generator.

Mr. Yamada suggested that the Board receive a

Engineering will direct the vast majority of the increased revenue to project-based learning and design programs as well as special student projects such as the concrete toboggan and the Sunstang. The Faculty of Law plans to direct the additional revenues into its international internship programs and into developing a video conferencing course with a law school in Europe to facilitate courses in international intellectual property law.

The Board engaged in a discussion regarding the level of the operating reserve summarized in Table 12, page 55. Dr. Davenport explained that the projected year-end position for 2005-06 is a surplus of \$5.2 million while for 2006-07 a deficit of \$3.5 million is projected. The Operating Reserve is projected to be \$3.9 million in 2006-07 compared to the Board-mandated minimum of \$2.5 million. The Operating Reserve gives the administration the ability to balance the budget. Mr. Yamada observed that there appears to be several reserve funds that are used to balance the hills and valleys that occur due to funding expenditures that cannot be planned for. He asked how the Board would get a sense of the impact of the various reserves on the operations of the University and what the responsibility of the Board is to understand the choices of transferring funds or borrowing funds. Dr. Davenport explained that the Board-mandated level of \$2.5 million is a governance target that allows the Board to track the administration's progress over time in balancing the budget. Ms. Kulczycki stated that the Audit Committee conducts a review of the reserves every year. The Chair asked that Property & Finance consider these questions and present a report at a future meeting. Ms. Noble remarked that the points of decision making with respect to those reserves should be included in the discussion.

With respect to the Capital Budget, Ms. Kulczycki noted that the Board had received advanced notice of the request for additional funding for the Materials Science Building because the Capital Budget document did not include the expenditure. As the design of the Material Sciences Addition was developed it was found that the space program and needs for the project could be covered within the \$15 million budget that was approved by the Board of Governors. During the development of the design it was determined that there was an opportunity to do some additional excavation at the "lower ground floor level" to effectively create another 4,410 sq ft within the construction project. The unassigned space would be unfinished. The cost to provide this unfinished space is estimated at \$706,000. To finish this space some time in the future, the additional cost would be approximately \$460,000. The opportunity to create this new space exists now but will not exist in the future. The funds to cover this additional cost will come either from a CFI grant (if approved), or from the Capital Budget.

Mr. Vander Laan agreed that it made sense to complete the project with the additional space but queried the cost. Mr. Riddell stated that the amount is an estimate and if approved it will be rolled in to the drawings and will be competitively bid upon. The cost includes construction, design fees and development levies.

The question was called and CARRIED.

BG.06-43 **Student Organization Fees 2006-07**

It was moved by M. Noble, seconded by S. Grindrod,

That the organization fees for the **University Students' Council** for 2006-07 shown in Table 2 (full-time undergraduates) and Table 4 (part-time undergraduates) be approved, as requested by the USC.

That the organization fees for the **Society of Graduate Students** be approved shown in Table 3 (full-time graduate students - three terms) and Table 4 (part-time graduate students), as requested by SOGS.

That the organization fees for the **Business PhD Association** for 2006-07 shown in Table 3 be approved, as requested by the Business Ph.D. Association.

CARRIED

BG.06-44 **Retention of Legal Counsel**

It was moved by M. Noble, seconded by L. Gribbon,

That the Board of Governors approve revisions to Policy 2.6 - Retention of Legal Counsel (Appendix II, Annex 1).

CARRIED

BG.06-45 **Annual Allocation from Western Fund**

It was moved by H. Kelly, seconded by M. Noble,

That the available income from the Western Fund in 2005/06—\$68,600—be allocated to the Ontario Graduate Scholarship/Ontario Graduate Scholarships in Science and Technology Programs.

CARRIED by unanimous consent.

BG.06-46 **Capital Debt Policy**

It was moved by H. Kelly, seconded by M. Noble,

That the amount of principal repayments, included in debt service costs in the calculation of the ratio of Debt Service Costs as a Percentage of Revenues, be limited to those principal repayments that the University is obligated to

addition of a provision that financial statements for the plans will be reviewed by the Audit Committee.

The question was called and CARRIED.

BG.06-50 **Amendment to the Terms of Reference of the Audit Committee, Special Resolution No. 1-L**

It was moved by H. Kelly, seconded by M. Noble,

That the amendments to Special Resolution 1-L: Audit Committee, outlined in Appendix IV, Annex 3, be approved.

CARRIED by unanimous consent.

BG.06-51 **Disposition of Meeting Tapes**

The By-Laws Committee has approved an amendment to the Secretariat's procedures with respect to retention of meeting tapes. It was agreed that tapes would be retained by the Secretariat only until the minutes of the meeting were approved at the subsequent meeting of the body concerned. Prior to the change, tapes had to be kept for a minimum of two years.

REPORT OF THE SENIOR OPERATIONS COMMITTEE [Appendix V]

BG.06-52 **Chair of the University Discipline Appeals Committee**

The Senior Operations Committee approved the appointment of Professor Mel Usselman as Chair of the University Discipline Appeals Committee (UDAC) for May and June 2006. Professor Usselman is replacing Professor John Doerksen who will be serving as Acting Vice-Provost (Academic Programs and Students) [Registrar] during Dr. Harris' leave of absence.

ITEMS REFERRED BY SENATE [Appendix VI]

BG.06-53 **Appointment Procedures, Section G: Change in Title of the Vice-President (Administration)**

It was moved by H. Kelly, seconded by M. Noble,

That references to the position of Vice-President (Administration) in the *Appointment Procedures for Senior Academic and Administrative Officers of the University* and in other university documents be changed to Vice-President (Resources & Operations).

CARRIED by unanimous consent.

BG.06-54 **Information Items Reported by the Senate**

Appendix VI, Items Referred by the Senate, contained the following information items that were received by unanimous consent:

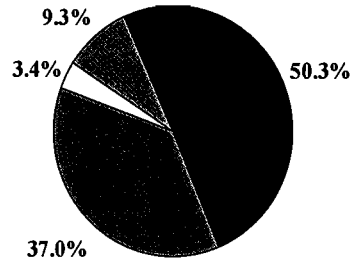
- 2006-2007 University Operating and Capital Budgets
- Academic Development Fund New Research and Scholarly Initiative Award - Major Grant and Small Grant Competitions
- Excellence in Teaching Award Winners for 2005-06

- Honorary Degree Recipients - Spring Convocation 2006
- Huron University College - Theology Convocation - Spring 2006
- Hong Kong Convocation 2006
- Report of the Academic Colleague on the 279th Meeting of the Council of Ontario Universities
- Academic Programs
- Academic Appointments

H. Connell
Chair

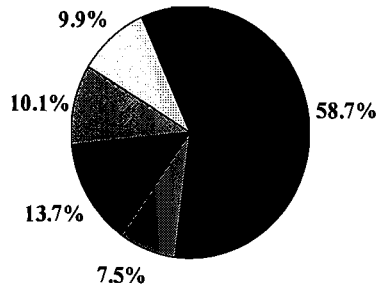
I. Birrell
Secretary

Distribution of 2006-07 Operating Revenues (\$483.4M)



■ Govt Grants ■ Tuition □ Self-Funded/Ancill ■ All Other

Distribution of 2006-07 Operating Expenditures (\$486.8 M)



■ Faculties ■ Schol/Burs ■ Support Units ■ Corporate Exp □ All Other

