

Item: Board of Governors Minutes, September 1999
Call Number: Board of Governors Fonds UA-1, 52.3

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Board of Governors
September 21, 1999
Pension Advisory Committee

RE: Proposed Amendments

The following amendments to the Dalhousie Staff Pension Plan arise relating to the Pension Surplus Use Agreement and are being recommended for approval by the Board of Governors.

Amendment P 4-01.98

1) Pre-1992 Maximum (Attachment #1)

Currently in respect of service prior to 1992, the maximum pension per year of pensionable service is \$1,715, payable at age 60 and guaranteed for 10 years in accordance with income tax requirements. If the member elects a pension at some other age than 60 with a guarantee other than 10 years, the maximum pension payable is adjusted so that it is equivalent in value, actuarially, to the prescribed maximum. The pension may be adjusted higher or lower depending on the member's retirement age.

Thus, for instance, \$1,963 per year of pensionable service paid from age 65 under a single life guaranteed 7 year form of pension is equivalent in value to \$1,715 paid from age 60 under a single life guaranteed 10 year form of pension.

In respect of post-1991 years of pensionable service, the maximum is \$1722.22 per year. Revenue Canada permits the application of this limit to pension earned for pre-1992 years of service as well.

In accordance with Phase Two of the Pension Surplus Use Agreement 1996, the normal form of pension for service before 1992 was upgraded from life guaranteed 7 years to:

- life guaranteed 10 years for members electing a single life form of pension
- joint & 66 $\frac{2}{3}$ % survivor for married members electing a joint life form of pension

These changes to the normal form of pension require changes to the pre-1992 maximum pension limitation which is calculated as the actuarial equivalent of the Plan's normal form of pension.

Since the normal form of pension has been enhanced, the corresponding maximum pension per year of service must decrease. That is, we have increased the value of the Dalhousie pension and therefore the maximum pension payable must be reduced since the maximum limit did not increase (i.e., it is still \$1,715 per year payable at age 60 under a guaranteed 10 year form). In the case of the joint and survivor normal form, the reduction in the limits is substantial because the normal form of pension enhancement was significant.

In many cases, the normal form improvement results in maximum pensions falling below the flat limit of \$1,722 per year of pensionable service which Revenue Canada permits. The Pension Advisory Committee (PAC) has thus recommended that the pension plan maximum for pre-1992 service be changed so that married members who elect a joint and survivor form of pension will have a maximum of \$1,722/year.

As this only affects married members electing joint forms of pension, there is no change to members electing a single life form of pension.

Amendment P52-04.99

2) Pension Contribution Reduction: (Attachment #2)

This amendment which is in accordance with the provisions of the Pension Surplus Use Agreement, is to continue at the current rate of \$1.00 per month to January 31, 2000. Thereafter it will increase to 3% of salary for February and March 2000. Then on April 1, 2000 it will be at 4% until June 30, 2000, followed by full contributions on July 1, 2000.

Amendment P19-02.99

3) Best Average Three Years' Salary: (Attachment #3)

Currently the Dalhousie Staff Pension Plan provides a defined benefit based on the average of the best 3½ years salary. PAC has recommended this be shortened to 3 years.

Amendment P5-01.99 and P6-0299

4) Enhanced Normal Form: (Attachment #4)

Recommendation has been made to modify the current joint and two thirds survivor pension to include a five year guarantee. The change means the benefit will continue to be paid at two thirds of the pension, to the member's spouse should he/she die, however should both the member and spouse die before 5 years of payments have been made, the remaining payments (two thirds of the pension) will be paid to the member's beneficiary or estate.

These amendments have been accepted by the Employee Groups.

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**Board of Governors Meeting
Dalhousie University
Tuesday, September 21, 1999
University Hall, Macdonald Building**

Present were:

| | |
|-------------------------|------------------------------------|
| Mr. Allan Shaw Chair | Ms. Cathy McNutt |
| Mr. Wesley Campbell | Mr. Donald Mills |
| Mr. Gerald Clarke | Ms. Ann Petley-Jones Vice-Chair |
| Hon. Lorne Clarke | Mr. Robert Radchuck |
| Mr. Murray Coolican | Prof. Phillip Saunders |
| Mr. David Craig | Dr. Alasdair Sinclair |
| Mr. John Flemming | Mr. Peter Stuart |
| Ms. Patricia Harris | Dr. Colin Stuttard |
| Ms. Lucy Kanary | Mr. Bruce Towler |
| Dr. Daurene Lewis | Mr. Shawn Tracey |
| Mr. David Lovas | Dr. Tom Traves |
| Ms. Kelly MacKenzie | President |

Also present were: Mr. Bryan Mason (Vice-President, Finance & Administration), Mr. Eric McKee (Vice-President, Student Services), Dr. Sam Scully (Vice-President Academic & Provost); Mr. Brian Christie (Executive Director, Institutional Affairs); Ms. Ann Janega (Director, Public Relations), Mr. W.H. Lord (Director, Facilities Management), Ms. Lynne Sheridan (Director, Alumni Relations, Office of External Relations), Mr. Bill Straitton (Director, Capital Gifts, Office of External Relations); Mr. Peter Murchland (Manager, External Communications, Public Relations), and Ms. Sharlene Drake (Secretary).

Regrets were received from: Mr. James Cowan, Ms. Karen Cramm, Mr. Robert Dexter, Mr. John Risley, and Dr. Dale Godsoe.

1. Approval of agenda

The agenda was approved as presented.

2. Approval of minutes for Board of Governors meeting - June 22, 1999

The minutes were approved with the following changes: Item 5 (d): Dr. Stuttard asked that the statement that “the Senate has not deliberated on this budget” be replaced with “Dr. Stuttard noted that contrary to the agreed operating principles of the University, as expressed in the Constitutional Provisions of the Senate, the Senate has been given no opportunity to consider the draft budget this year; and has had little opportunity in previous years, at least since 1995”.

Item 7: BSc Joint Combined Honours with Concentration in Environmental Science: should read Joint Major/Combined Honours.

Item 8: Dr. Stuttard asked that the following phrase be added - “following discussion and presentations by Dr. Stuttard... who spoke against the motion ... and Dr. Traves...”.

Finally, on Page 5, rather than the meeting adjourned, should read the meeting moved *In Camera*. The minutes were then approved as amended.

3. Report of the Chair

Mr. Shaw welcomed new Board Members: Wes Campbell, Lorne Clarke, David Craig, Jack Flemming, Lucy Kanary, Cathy McNutt, Don Mills, and Bob Radchuck to the meeting.

He then announced that the Dalhousie Annual Dinner, sponsored by the Dalhousie Alumni Association, will be held on October 29, 1999, and encouraged all Board members to attend. Nancy White, a well-known comedian and Dal alumna, will be the entertainer for the evening.

4. Report of the President

Dr. Traves also welcomed new Board Members and expressed his thanks for their service to the University. He also indicated that he and the Vice-Presidents would welcome calls from Board Members to provide background information or address areas of concern.

The President then spoke on various issues including: (a) Enrolment levels, indicating that the official counts would be available in October. (b) The University's involvement in Indonesia was raised as a concern at a recent Senate meeting. The projects which are ongoing in Indonesia are all funded by CIDA (Canadian International Development Agency) and are part of multi-university consortiums. Other projects are aimed at developing the role of women in the local economy. (c) A new externally funded Chair in the area of Environmental Science which will be based in the Faculty of Science. This Chair will complement the efforts of the new degree in environmental science. (d) Two faculty members were recently named as Fellows of the Royal Society of Canada - Dr. Ben Rusak and Dr. Susan Sherwin. (e) The Canada Foundation for Innovation Program (CFI) announced eight new opportunity awards for Dalhousie faculty members as well as funding to support the operations of the Global Information Networking Institute (GINI) in the Faculty of Computer Science. (f) The fall convocations this year will be held on October 16, 1999. Two individuals will be awarded honorary degrees at these ceremonies: Mr. Bern Francis for his work in scholarly linguistic achievements and his cultural and political work on behalf of the Mi'kmaq people and language and Dr. Milton Halem in recognition of his distinguished career with NASA, his role in the creation of one of the worlds most powerful scientific data computing complexes, and his contributions as a founding member of GINI.

Items requiring decision

5. Naming of BA and BSc degrees

Following clarification by Dr. Stuttard of the wording of the motion previously approved by Senate and amended as agreed to with the Registrar, Dr. Stuttard moved and Dr. Traves seconded a motion THAT the name of the three-year B.Sc. Major be changed to B.Sc. (fifteen credits) and the name of the four-year B.Sc. Advanced Major degree be changed to B.Sc. (twenty credits); and that on the official transcripts these degrees be described as B.Sc. (15 credits) and B.Sc. Major (20 credits); and

THAT the name of the three-year B.A. Major be changed to B.A. (fifteen credits) and the name of the four-year B.A. Advanced Major be changed to B.A. (twenty credits); and that on the official transcripts these degrees be described as B.A. (15 credits) and B.A. Major (20 credits); and THAT the parchment for the fifteen-credit B.Sc. degree read "Bachelor of Science" and the parchment for the twenty-credit B.Sc. degree read "Bachelor of Science Major "; and THAT the parchment for the fifteen-credit B.A. degree read "Bachelor of Arts" and the parchment for the twenty-credit B.A. degree read "Bachelor of Arts Major"; and THAT the implementation of these changes shall be effective September 01, 2000, for newly registered students. The motion carried.

6. Amendments to the Staff Pension Plan

Mr. Mason provided background information regarding the proposed amendments and noted that they had been approved by the Pension Advisory Committee and accepted by the Employee Groups. Both Dr. Stuttard and Dr. Sinclair abstained from the vote. Mr. Clarke then moved and Dr. Lewis seconded a motion THAT the Board of Governors approve that amendments P 4-01.98, P52-04.99, P19-02.99, P5-01.99, and P6-02.99 as recommended by the Pension Advisory Committee and accepted by the Employee Groups. The motion carried.

Items for Information

7. New buildings update

Mr. Mason provided updates on the major building projects which are ongoing or have recently concluded on the campus: (1) The Computer Science building will see tenants moving in on October 1, 1999 and classes beginning on October 4, 1999. (2) Construction is underway on the Arts and Social Sciences building including the parkade slab, columns, and auditoriums. (3) During renovations at the Morroy Academic Building, major structural problems were identified and have resulted in a significant increase in the estimated costs for the completion of this project. The Operations Committee will report on this at a future meeting. (4) The steam link between the University's power plant and the DalTech campus, which was required to provide heat to the DalTech campus following the closure of the Halifax Infirmary, is now complete. Negotiations with Nova Scotia Power are underway regarding some issues of concern. (5) The parkade between Henry and Seymour Streets has been operational for some months. (6) Work continues on the installation of an elevator in the Faculty of Architecture Building.

8. Interim financial report

Mr. Mason reported that when the Board approved the Operating Budget at the June 1999 meeting, they were aware that the government grant had not been confirmed. The previous government had committed to a three-year increase in funding to universities. As the new government has yet to bring down a budget, the universities are currently being funded on the basis of the 1998/99 grant level. The anticipated budget is not expected to vary widely from that which was proposed by the former government as institutions are now halfway through the fiscal year and have budgeted based on prior commitments.

9. Report by the Facilities Renewal Strategy Committee

In Mr. Cowan's absence, Dr. Traves reported that the Committee, which was designed to review the problem of deferred maintenance on campus, has been meeting to develop a long-term strategy to deal with this issue. A recent example is evidenced with the recent failure of one of the chillers on campus which provides one-half of the cooling capacity on campus. The Committee is now going forward to the university community for further input by issuing a series of information papers which will provide briefing on what the committee views as the background issues of concern and soliciting further input through a series of public meetings. The Committee will then report to the Board with a series of recommendations on how to deal with deferred maintenance.

10. Strategic Vision for Dalhousie in the coming year

The Chair reported that this would be the first of at least two sessions of reports by the President and the Vice-Presidents on issues of importance to the University in the coming year.

Dr. Traves then reminded Board Members of the *Strategic Directions for Dalhousie University* document which identified four major themes (renewal of academic excellence, strengthening administrative capacity, strengthening community relations, and strengthening the Dalhousie community) and which would frame his remarks.

The President reported that the University had paid down its debt to the point where it will be debt free before the end of this calendar year. Depending on the provincial government grant and enrolment totals, the proposed budget, which was approved in June, should prove to be the eleventh consecutive year of balanced budgets.

The steady decline in government funding has necessitated increases in tuition fees to help offset this deficit. Tuition fees in Nova Scotia have increased by 111% since 1990 and 126% nationally. The decrease in government grants and the increases in tuition fees have not offset each other; tuition increases have accounted for about one-half of the decrease in government funding while the balance has been offset by decreasing expenditures on all aspects of university activities.

Dalhousie has done well in responding to these challenges in recent years; in part, enrolments have been increased, and the pension surplus agreement has provided benefits to the pension holders, as well as to the university, by providing funding for debt reduction and an early retirement scheme. Additionally, the University has recently completed a national fund-raising campaign which has provided funding for opportunities such as new faculty positions, building projects, and improvements to the scholarship program. Fundraising is now a permanent part of all universities activities and will go forward for specific projects such as a new building for the Faculty of Management, completion of the existing plans in the Faculty of Architecture building, and the emerging needs for research space, particularly in the Faculty of Health Professions.

The uncertainty of government funding causes difficulties as budget planning and commitments have gone forward based on the commitments of the previous government to increase funding to universities. If these are not forthcoming, substantial operational problems will result. Maintaining adequate funding for universities is a long-term issue stemming from federal transfer payments for education. Dr. Traves encouraged Board Members to speak to this issue where opportunities permit.

Dr. Traves also reported that Dalhousie has been very successful in raising external funding for research which has added stress to the research administration capacity and the policies which regulate research at the University. As a result, a task force was appointed to review research

policies and procedures and that report will be available in the coming weeks. One of the issues relates to the organizational structure of the research office at the University; currently it is headed by an Associate Vice-President (Research and International Relations). It was recommended that the title be changed to reflect the increased emphasis of research activity and, following consultation, it has been agreed that the title will change to Vice-President Research, and will continue to report to the Vice-President (Academic and Research). A search is currently underway to replace Dr. Fournier, whose term ended last summer. The title of the Vice-President (Academic & Research) will change to Vice-President Academic & Provost.

Mr. Jim Wooder has recently been appointed as Director of the Atlantic Canada Petroleum Institute at Dalhousie University for an eighteen-month period. Mr. Wooder has been seconded from PanCanadian Resources, one of the major supporters of the Institute.

Dr. Scully reported on issues that he has been involved with over the past year and those which will continue to occupy his time in the coming months. He stressed the creativity, responsiveness, self-sufficiency, efficiency, external-internal partnering, and teamwork which is evidenced across the University in the creation of new programs.

The importance of enrolment management which has been made urgent by the environment in which Dalhousie operates, the increasing competition for students, and the significant changes which are occurring in the instructional environment were issues stressed by Dr. Scully. Universities no longer enjoy a monopoly in the area of advanced education; it has now been challenged by the private sector. Recruitment will become even more important as a recruitment tool, especially in essential Dalhousie programs. Retention issues and strategies will also increase in importance.

Dr. Scully then provided information on Banner and the progress made to date in the implementation of this program. Other challenges he noted include establishment of the role of Graduate Studies in relation to the Registrar, a revised mandate for Henson College subsequent to the review of that Faculty, a review of the governance and academic structures at DalTech, four academic searches: Vice-President (Research), and Decanal reviews or searches for Henson College, Graduate Studies, and Engineering. He will also be reviewing the issues of performance management, academic IT, improving communications and a culture of appreciation.

The meeting adjourned at 6:15 p.m. and was followed by an informal reception.

Murray Coolican
Honorary Secretary

Allan Shaw
Chair