



University of British Columbia
Board of Governors
MINUTES

Thursday, February 4, 2010
UBC Vancouver
Ponderosa Centre
8:30 a.m. - 2:00 p.m.

In Attendance: Board Members

Mr. Brad Bennett, Chair
Chancellor Sarah Morgan-Silvester
President Stephen Toope
Ms. Theresa Arsenault
Ms. Bonnie Bates Gibbs
Ms. Alexandra Caldwell
Mr. Michael Duncan
Ms. Anne-Marie Fenger
Mr. Robert Fung
Dr. Nassif Ghossoub
Dr. Maureen Howe
Dr. Andrew Irvine
Mr. William Levine
Dr. Barrie McCullough
Ms. Janet Pau
Mr. Ross Smith
Ms. Susan Yurkovich

Administration

Dr. David Farrar
Dr. John Hepburn
Ms. Barbara Miles
Mr. Pierre Ouillet
Mr. Stephen Owen
Dr. Doug Owram
Mr. Brian Sullivan

Ms. Reny Kahlon

Regrets:

Mr. Barry Lapointe
Mr. Bijan Ahmadian

1. REMARKS

1.1 Chair

On behalf of the Board, the Chair expressed gratitude for the provincial government's decision to provide HST rebates to BC universities and colleges.

The provincial government recently opened a new academic campus at Kelowna General Hospital, part of a \$433-million expansion at both KGH and the Vernon Jubilee Hospital. Construction at UBC Okanagan in support of the distributed medical education program has also begun.

The Chair extended congratulations to Mr. Bijan Ahmadian, elected as president of the AMS, and to Ms. Theresa Arsenault, recently appointed Queen's Counsel.

1.2 President

The President reported that UBC is partnering with the University of Alberta in hosting the third annual G8/G20 University Summit in May 2010 to coincide with the G20 meeting hosted by Canada. The Summit brings together representatives from leading international universities and their national governments.

The President and VP Development & Alumni Engagement travelled to California, where they discovered additional ideas and opportunities for productive partnerships.

NSERC recently awarded two new national strategic networks to UBC, linking research and innovation in the areas of machining technology and biomaterials and chemicals.

The Vancouver campus is in final preparations for the Olympics, just days away. Outside of the immediate venue area, the usual Reading Week activities will be taking place.

1.3 Chancellor

The Chancellor reported that she has received positive feedback to the University's new brand and related marketing campaign, and expressed appreciation for the Louis Riel opera and symposium held the previous evening.

2. AUDIT COMMITTEE

Chair: Mr. Ross Smith **Members:** Mr. Brad Bennett, Dr. Maureen Howe, Mr. Barry Lapointe, Mr. Bill Levine, Chancellor Sarah Morgan-Silvester, President Stephen Toope

2.1 Financial Forecast Quarterly Report – December 31, 2009

The Committee Chair reported that the circulated Financial Forecast Quarterly report was received and approved by the Audit Committee on January 4, 2010.

In addition, the Committee received an overview of capital projects and the potential impact of continued constraints on the University's borrowing capacity.

2.2 Financial Statements Quarterly Report – December 31, 2009

The Committee Chair reported that statements were reviewed by the Audit Committee on January 4, 2010; circulated for the Board's information.

3. PEOPLE, COMMUNITY & INTERNATIONAL COMMITTEE

Chair: Ms. Theresa Arsenault **Members:** Ms. Bonnie Bates Gibbs, Ms. Alexandra Caldwell, Mr. Michael Duncan, Ms. Anne-Marie Fenger, Mr. Robert Fung, Dr. Nassif Ghossoub *Ex officio:* Mr. Brad Bennett, Chancellor Sarah Morgan-Silvester, Professor Stephen Toope

3.1 UBC Fundraising & Alumni Engagement Campaign Quarterly Progress Report

The VP Development & Alumni Engagement provided a summary of alumni engagement highlights and fundraising results against approved metrics.

In response to a Board request, the costs / dollars raised ratio was presented both as a total for the Development & Alumni Engagement portfolio (across both campuses) and with costs related to alumni engagement noted separately.

Results are presented against 2008/2009 numbers; comparison to 2007/08 information was requested.

A clearer picture of costs / dollars raised will be proved at the April 2010 Board meeting, following the end of the University's fiscal year.

Shifts in giving patterns are being noted within the overall North American context of declining endowment donations. Gifts of securities are up and new options are available in response to donor preference.

Each faculty and unit is being asked to review fundraising goals against strategic plans and revise as appropriate, a process that will be undertaken at intervals throughout the campaign. Variances in fundraising success between faculties are expected.

The VP Development & Alumni Engagement assured the Board of strong commitment to projected return on investment within the portfolio, and noted that progress to date is encouraging.

3.2 Sustainability Action Communication

The Committee Chair reported that a presentation from the Sustainability Office was received and discussed at the Committee meeting.

Already a sustainability leader, it is the University's goal to become 'the most sustainable campus on earth' (across all campuses).

3.3 Memoranda of Understanding with the City of Vancouver and BC Hydro

The Committee Chair reported that details of the proposed MOUs were presented and discussed at the Committee meeting, including shared objectives and key areas of focus within the individual MOUs, as circulated in the docket.

The Committee forwarded the motion with a recommendation for approval.

BE IT RESOLVED that *the Board of Governors hereby authorizes the Administration to enter into separate Memoranda of Understanding with the City of Vancouver and BC Hydro to advance UBC's sustainability objectives as outlined in Place and Promise, on terms that are substantially consistent with the information provided in the circulated report.*

CARRIED

3.4 Policy #69 – Student Safety Abroad

The Committee Chair noted that Policy #69 was presented for the second time, revised in response to input provided by the Board of Governors and community consultation.

The Committee forwarded the motion with a recommendation for approval.

BE IT RESOLVED that *the Board of Governors hereby approves Policy #69 (Student Safety Abroad) circulated as Schedule 'A', effective as of February 4, 2010.*

CARRIED

3.5 Student Financial Support 2009/2010

The Committee Chair reported that the interim report on needs-based Student Financial Support (as at December 11, 2009) as circulated in the docket was presented and discussed at the Committee meeting; the Committee was assured that the access commitment under Policy #72 has been fulfilled.

The VP Students said that Administration and the incoming AMS Executive intend to work together to lobby governments on the issue of student debt.

3.6 UBC Campus Security Annual Report (2008 and 2009)

The Committee Chair reported receiving a detailed presentation at the Committee meeting; a generally positive picture of declining property and personal crime statistics was provided.

3.7 UBC Olympic & Paralympic Secretariat Update

An update was received and discussed at the Committee meeting; report circulated for the Board's information.

3.8 Alumni Affairs Activities Report

Circulated in docket for information; no discussion.

3.9a Award Winners - Faculty

Profiled at this meeting:

- Dr. John Grace, Professor Chemical & Biological Engineering
Faculty of Applied Science
- Dr. Robert Rohling, Associate Professor, Electrical & Computer Engineering
Faculty of Applied Science
- Dr. Tim Salcudean, Professor, Electrical & Computer Engineering
Faculty of Applied Science
- Dr. Sally Thorne, Professor & Director, School of Nursing
Faculty of Applied Science

Report on additional awards to and recognition of faculty members circulated in the Board docket.

3.9b Award Winners – Students, Staff, Alumni

Report on awards to and recognition of students, staff and alumni circulated in the Board docket.

4. LEARNING & RESEARCH COMMITTEE **Chair: Dr. Barrie McCullough**

Members: Mr. Bijan Ahmadian, Ms. Alexandra Caldwell, Dr. Nassif Ghoussoub, Ms. Janet Pau
Ex officio: Mr. Brad Bennett, Chancellor Sarah Morgan-Silvester, Professor Stephen Toope

4.1 Academic Presentation

Guest: Tyseer Aboulnasr, Dean, Faculty of Applied Science

Presentation: Sustainable Energy for our Future, UBC Applied Science Initiative

The Dean shared her strong conviction that the UBC Faculty of Applied Science, with its diverse set of disciplines across both campuses, offers unparalleled opportunities to harness the power of education to promote the values of a civil and sustainability society.

The Faculty has adopted as its statement of purpose the creation and application of knowledge and the education of globally responsible professionals empowered to effect enduring positive change for society. When the UBC Faculty of Applied Science is known for its global leadership in tackling and solving the challenges facing society, it will have achieved the goal laid out in the statement of purpose.

Efficient conservation, generation, distribution and use of energy are priority areas, as is consideration of the question: how can Applied Science meet provincial and federal energy goals within its existing programs?

Offering solutions to the complex problems facing society is a powerful demonstration of the value of investment in education and research.

Creating additional links between research and product development is another area of focus. Examples of existing programs and potential future initiatives were provided.

The Dean spoke of her experience with UBC IP policies and potential industry partners, noting that once people become familiar with the content of the policies, comfort levels increase considerably.

4.2 CFI Inter-Institutional Agreement – CFI Project 20070: Ultra-high throughput DNA sequencing platform for large-scale genome analysis

The Vice President Research & International provided a brief review of the proposed motion; details circulated with the docket.

BE IT RESOLVED that the Board of Governors hereby authorizes the execution of an inter-institutional agreement between the University of British Columbia and the British Columbia Cancer Agency and any appropriate related organizations in a form approved by the University Counsel.

CARRIED

4.3 Endowments

University Council explained the variance request presented for the Board's consideration and circulated in the docket.

BE IT RESOLVED that the Board of Governors hereby approves variations to the terms governing endowment funds listed under Part 2 of the docket, as recommended by the President and University Counsel.

CARRIED

4.4a Senate Recommendations – UBC Vancouver

BE IT RESOLVED that the Board of Governors hereby accepts recommendations resulting from UBC Senate (Vancouver) meetings of September 16, 2009, December 16, 2009 and January 20, 2010, effective as of February 4, 2010.

CARRIED

4.4b Senate Recommendations – UBC Okanagan

BE IT RESOLVED that *the Board of Governors hereby accepts recommendations resulting from UBC Senate (Okanagan) meetings of November 25, 2009, December 17, 2009 and January 27, 2010, effective as of February 4, 2010.*

CARRIED

5. FINANCE COMMITTEE Chair: Mr. Bill Levine

Members: Mr. Bijan Ahmadian, Dr. Nassif Ghoussoub, Dr. Maureen Howe, Dr. Andrew Irvine, Ms. Janet Pau, Mr. Ross Smith *Ex officio*: Mr. Brad Bennett, Chancellor Sarah Morgan-Silvester, Professor Stephen Toope

5.1 UBC Investment Management Trust (IMANT) Investment Portfolios Quarterly Review

The Committee Chair reported that the report was reviewed by the Finance Committee on January 28, 2010, noting that the Audit Committee also receives the quarterly investment portfolios review.

At the Finance Committee meeting, Committee members expressed concern about projected short-term and long-term rates of return on the endowment, and the University's ability to meet commitments. It was also noted that risks associated with certain assets may not be fully understood by all Board members; additional details with regard to strategies and associated risks were requested.

The VP Finance, Resources and Operations provided comparison information of UBC's average ten-year return (3.2%) and endowment spend rate (3.5%) against North American university averages (3.3% and 4.3% respectively).

Following the upcoming investment strategy review to be undertaken by the IMANT Board, the UBC Board of Governors will be provided with a comprehensive report. It is expected that completion of the review will require six months.

The Chancellor stressed the importance of retaining the confidence of both the public and government through ongoing responsible management of the endowment.

5.2 Endowment Status as at November 30, 2009

The quarterly review of endowment stabilization and capital accounts was received at the Committee meeting; circulated for the Board's information.

5.3 HST – Implications for UBC Operations and Capital Projects

The Committee Chair noted that details of the provincial government's recent announcement that HST rebates would be provided to post-secondary institutions were circulated in the docket. The President added that the University has communicated extensively with government to express appreciation for the decision.

6. *PROPERTY & PLANNING COMMITTEE* Chair: Dr. Andrew Irvine

Members: Mr. Bijan Ahmadian, Ms. Alexandra Caldwell, Mr. Michael Duncan, Ms. Anne-Marie Fenger, Mr. Robert Fung, Dr. Nassif Ghossoub, Mr. Bill Levine, Dr. Barrie McCullough, Ms. Janet Pau
Ex officio: Mr. Brad Bennett, Chancellor Sarah Morgan-Silvester, Professor Stephen Toope

6.1 Wayne and William White Engineering Design Centre

The Committee Chair reported that the approval request was discussed at Committee and was forwarded with a recommendation for approval.

BE IT RESOLVED that *the Board of Governors hereby approves the following:*

WAYNE AND WILLIAM WHITE ENGINEERING DESIGN CENTRE

BOARD 3 Conditional*

Approval

| | |
|--------------------------|--------------------|
| Capital Budget | \$8,500,000 |
| Operating Budget | \$170,222 |
| Award of Contract | |
| Funding Release** | \$7,900,000 |

* Board 3 approval is conditional on tenders being received at or below budget. Removal of this condition will be based on results from approximately 80% of tenders. This is the typical percentage of tenders which close prior construction start when using the Construction Management project delivery model.

** A funding release of \$300,000 is requested at this time, with the balance of \$7,600,000 to be released upon removal of the condition.

CARRIED

6.2 Bioenergy Research and Demonstration Project

The Committee Chair reported that the approval request was discussed at Committee and was forwarded with a recommendation for approval. Outstanding concerns were resolved prior to the Board meeting.

BE IT RESOLVED that *the Board of Governors hereby approves the following:*

BIOENERGY RESEARCH AND DEMONSTRATION PROJECT

BOARD 1 Revised & BOARD 2 Conditional*

Approval

| | |
|---------------------------------|--------------|
| Capital Budget | \$26,000,000 |
| Average Annual Operating Income | \$845,000 |
| Schedule | |
| Final Location | |

Revised Program
Proceed to Working Drawings & Tender
UBC Funding Release** **\$25,000**

* Board 2 approval is conditional on confirmation that all external funding sources for the project are in place.

** Total funding required for completion of the design and working drawings is \$900,000. It is understood in principle that UBC will release funds for this project up to a maximum 25% contribution or \$225,000. Initial UBC funding release was \$200,000. Current approval request is for \$25,000 UBC funding release. UBC is currently working with Nexterra to free up funds from other sources to cover the additional \$475,000 required to move to the next phase of the project design.

CARRIED

6.3 Totem In-Fill Student Housing (UBC Vancouver)

The Committee Chair reported that the approval request was discussed at Committee and was forwarded with a recommendation for approval. Students have also expressed their strong support for the project.

BE IT RESOLVED that *the Board of Governors hereby approves the following:*

TOTEM IN-FILL STUDENT HOUSING (UBC Vancouver)

BOARD 2

Approval

Capital Budget \$47,645,000

Operating Budget see report

Schedule

Authorization to Issue Development Permit

Proceed to Working Drawings & Tender

Funding Release **\$1,000,000**

CARRIED

6.4 Thunderbird Park Redevelopment (Phase 2A): Tennis Facility Phase 1

Moved to Joint Property & Planning and Finance (Section 7)

6.5 UBC Vancouver Olympic Improvement Plan Update

A visual presentation of improvements to the University Boulevard area was provided.

The inclusion of ‘Olympic’ in the title of the improvement plan refers to the extraordinary effort and cooperation required to complete work in this area of the campus, and the creation of a ‘blueprint’ for improvements elsewhere at UBC Vancouver.

Board members suggested that some perception exists that improvements are only temporary and will be removed following the Olympics. As this is not the case, additional effort is needed around communications to the University community.

6.6 Capital Project Accountability Documentation

The Committee Chair noted that additional information had been requested at the Committee meeting about the impact of life-cycle costs on the GPOF.

The VP Finance, Resources & Operations reported that budget structures have been implemented to build up operating and maintenance funds over time, but gaps remain between available funding and actual life-cycle costs. This continues to be a topic of discussion both internally and with governments.

6.7 Capital Projects Update

The Board received the capital projects update (Board-approved projects at both campuses, as circulated in the docket). In response to a Board request, funding information has been separated from financing/debt details.

For purposes of reporting to the Board, debt (responsibility for repayment) is divided into ‘central’ and ‘faculty’ - under the provincial accounting structure, all is considered UBC debt.

It was noted that an unexpected provincial request for detailed business plans led to delays early in the UBC Okanagan build out, one result of which is rescheduling the target opening date of the Engineering Management Building.

Discussions with the province continue around E/M Building and other change issues arising as a result of the delay.

The Board discussed options for communicating UBC’s achievements (through the very difficult construction environment of the last five years) to a broader audience. The President responded that a recently struck working group will identify strategies for more effective communication; additional information will come to the Board as progress is made.

UBC Okanagan is planning a public open house in conjunction with the upcoming 5th anniversary of its September 2005 opening day.

7. JOINT: *PROPERTY & PLANNING* and *FINANCE*

Lead Chair: Dr. Andrew Irvine Chair: Mr. Bill Levine

7.1 Pre-Board Capital Priorities Update and Debt Impact

The Lead Chair reported that the Working Capital Sensitivity chart (as circulated in the docket) was reviewed and discussed when the Committees met in January.

In response to Board member concerns about projects in the ‘red zone’, the President pointed out that approved projects discussed previously are within the University’s current debt capacity. He reminded the Board that when opportunities such as recent financial stimulus incentive grants are available, UBC has successfully applied for all appropriate funding, allowing many previously stalled projects to move forward.

6.4 Thunderbird Park Redevelopment (Phase 2A): Tennis Facility Phase 1

Moved from Property & Planning Committee.

The Lead Chair reported that the approval request was discussed by the Committees and forwarded with a recommendation for approval.

BE IT RESOLVED that the Board of Governors hereby approves the following:

**THUNDERBIRD PARK REDEVELOPMENT (PHASE 2A):
TENNIS FACILITY PHASE 1**

BOARD 2

Approval

Capital Budget – Phase 1 \$5,200,000

Operating Budget see report

Schedule

Authorization to issue Development Permit

Proceed to Working Drawings & Tender

Funding Release \$250,000

CARRIED

7.2 University Square – Student Union Building

The Lead Chair reported an update was received and discussed when the Committees met in January.

Negotiations will resume between Administration and the incoming AMS executive, with the continued objective of presenting a Board 1 approval request in April 2010, the latest date at which an August 2014 completion date would be possible.

Transit terminal options must be identified prior to Board presentation as well.

7.3 UBC Okanagan Student Housing Phase 4

The Lead Chair reported that the approval request was discussed by the Committees and forwarded with a recommendation for approval.

The completion of Phase 4 will provide 600 beds over the number promised in the early days of planning for the campus build out.

BE IT RESOLVED that *the Board of Governors hereby approves the following:*

**UBC OKANAGAN STUDENT HOUSING PHASE 4
BOARD 3 Conditional***

Approval

| | |
|--------------------------|--------------|
| Revised Capital Budget | \$14,977,000 |
| Revised Operating Budget | see report |
| Award of Contract | |

Funding Release** **\$14,177,000**

* Board 3 approval is conditional on tenders being received at or below budget. Removal of this condition will be based on results from approximately 80% of tenders. This is the typical percentage of tenders which close prior construction start when using the Construction Management project delivery model.

** A funding release of \$500,000 is requested at this time, with the balance of \$13,677,000 to be released upon removal of the condition.

CARRIED

ADJOURNMENT

BE IT RESOLVED that *the Board of Governors meeting be hereby adjourned.*

CARRIED