

July 16, 1992

THE UNIVERSITY OF BRITISH COLUMBIA

A regularly scheduled meeting of the Board of Governors was held on Thursday, July 16, 1992, at 9:00 a.m. in the Board and Senate Room of the Old Administration Building.

Present: Mr. Kenneth M. Bagshaw, Q.C., Chair
Dr. Leslie R. Peterson, Q.C., Chancellor
Dr. David W. Strangway, President
Mr. Jaret F. Clay
Ms. Barbara Crompton
Mr. Ronald H. Granholm
Dr. Arthur S. Hara
Dr. Asa Johal
Dr. Tong Louie
Mr. Derek Miller
Dr. Sidney Mindess
Mr. Richard I. Nelson
Mr. Michael Partridge
Mr. Dennis J. Pavlich

A message of regret for absence was received from Mr. Douglas Napier.

In Attendance: Mrs. Nina Robinson, Secretary to the Board
Dr. Daniel R. Birch, Vice President Academic
& Provost
Mr. A. Bruce Gellatly, Vice President,
Administration & Finance
Dr. K. D. Srivastava, Vice President,
Student & Academic Services
Mr. Peter Ufford, Vice President, External Affairs
Mr. Tim Miner, Director, Campus Planning & Development
Mrs. Mary Risebrough, Director, Student Housing
& Conferences
Mr. Mark Betteridge, President, UBC Real Estate Corporation
Mr. George L. Morfitt, Auditor General
Mr. Frank Barr, Executive Director (Auditor General's Office)
Mr. Terry Sumner, Director, Financial Services,
Ms. Marianne Koch, Controller
Mr. Ian Burgess, Assistant Controller
Dr. James W. Murray, Director, University-Industry Liaison
Dr. James F. Richards, Dean, Agricultural Sciences
Mr. Steve Crombie, Media Relations Manager
Mr. Gavin Wilson, Information Officer

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OPEN SESSION

REMARKS

Chairman

The Chairman formally expressed appreciation to Ms. Barbara Crompton and members of the Board Retreat Committee for the outstanding work that they did in organizing the Board Retreat 1992. The Chairman also particularly noted the extraordinary and energetic contribution made to that result by Nina Robinson who had worked diligently to ensure the success of the Retreat.

The Chairman urged Board members to complete and return the recently circulated survey in connection with the Board Retreat.

Mr. Bagshaw indicated that UBC Reports would be doing a profile on the Board in one of its issues in the fall. In this connection, arrangements had been made to have photographs taken of the Board after lunch.

President

President David W. Strangway advised the Board that Merck Frosst Canada Inc., the country's leading pharmaceutical manufacturer, will invest \$15 million to establish a Centre for Molecular Medicine and Therapeutics at UBC. The President also noted that Bristol Myers Swift had given an unrestricted grant of \$500,000 to Dr. H. C. Fibiger, an outstanding neuroscientist.

AUDIT COMMITTEE

Mr. George L. Morfitt and Mr. Frank Barr were in attendance during the report of the Audit Committee.

The minutes of the meeting of the Audit Committee held July 2, 1992, had been circulated and were received for information.

A lengthy discussion took place on the question of accounting for accruals with the Auditor General and the University Administration expressing their views on this matter.

The Auditor General advised that he would be expressing his opinion on the University's financial statements in terms of whether or not the University complies with generally accepted accounting principles (GAAP). If the University follows the recommendation of the Audit Committee not to account for vacation pay and early termination agreements, the opinion would contain a reservation as to non-compliance with GAAP.

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Mr. Terry Sumner, Director of Financial Services, stated that the Canadian Association of University Business Officers (CAUBO), which developed the accounting policies used by Universities since it issued comprehensive recommendations in 1984, had passed a recommendation at its most recent meeting in June 1992 urging Universities to follow its guidelines and not accrue for vacation pay or items of a similar nature. It was the official position of CAUBO that the university community continue to oppose the Canadian Institute of Chartered Accountants (CICA) pronouncement requiring that non-profit organizations follow a full accrual basis of accounting. It was CAUBO's view that the changes obscure the financial results of university operations.

Appropriations at March 31, 1992

IT WAS RESOLVED,

That the appropriations totaling \$6,158,549 for the year ended March 31, 1992, are hereby approved.

CARRIED.

Financial Statements at March 31, 1992

IT WAS RESOLVED,

That the Financial Statements for the fiscal year ended March 31, 1992, be approved; that the University signing officers (Chair of the Board, Chair of the Audit Committee and the Vice President, Administration and Finance) be and are hereby authorized to sign the statements on behalf of the Board of Governors; and that, as required by Statute (Section 31 of the University Act, 1979), a copy be sent to the Minister of Advanced Education, Training and Technology and to the Secretary of Senate.

CARRIED.

IT WAS RESOLVED,

That the Audit Committee of the Board of Governors, together with the University Administration and in consultation with the Auditor General, investigate, consider, and recommend to the Board of Governors on the current and future C.I.C.A. changes in generally accepted accounting principles as these affect the presentation of financial statements by the University.

CARRIED.

FINANCE

Ancillary Service Budget 1992-93 - Athletic and Sport Services & Facilities

IT WAS RESOLVED,

That the following ancillary service budgets for 1992-93 are hereby approved.

Athletic and Sport Services

Athletics and Sport Facilities

CARRIED.

Insurance Report Fiscal 1991-92

The insurance report for the fiscal year 1991-92 had been circulated and was received for information. It was noted that the overall insurance premium costs were reduced, coverages were improved, and the University's self-insurance reserves were increased. Claims costs, however, showed a marked deterioration over the favourable trend established in recent years.

Mr. Michael Partridge raised a question with respect to insurance coverage for earthquake losses. A response from Mr. Terry Sumner was circulated to the Board on August 10, 1992, and is included here for the record.

"All CURIE subscribers have the same coverage for earthquake losses.

The limit payable on any claim is \$650 million. (\$550 million in 1991). The deductible is always 3% of the loss.

In the event of a catastrophic loss at, say, SFU, CURIE would pay the first \$2.5 million of a claim. The remainder of the loss would be paid by reinsurers, up to the policy limit of \$650 million. Starting in 1992, CURIE has limited its annual aggregate pay-out on property claims to \$2.5 million, so that if, say, both UBC and SFU suffer catastrophic losses, each would be reimbursed to a maximum of \$650 million, but CURIE's risk is capped at \$2.5 million in the aggregate for both losses. Reinsurers would pay out above that level."

Mr. Kenneth M. Bagshaw was pleased to note that there has been a conscious attempt to identify areas requiring enhanced risk management, and he appreciated the report to the Board on a regular basis.

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University Development Fund - Annual Report on Disbursements

The annual report on expenditures from the University Development Fund 1991-92 had been circulated and was received for information. Total expenditures from the Killam Salary and Killam General Fund were \$1,767,202.

Campaign Update - (Campaign Case Statement)

An up-dated Campaign Case Statement had been circulated and was received for information. The Board was alerted that there would be a major celebratory event in connection with the campaign in March or April 1993.

PROPERTY

Minor Capital Budget 1992-93

The proposed minor capital budget had been circulated. The Board Chair noted that this budget has no connection with or bearing on the general purpose operating budget, and that funding is entirely out of specific funds from the province dedicated to this program.

IT WAS RESOLVED,

That, as recommended by the Property Committee, the allocation of the 1992-93 Minor Capital Budget totaling \$14,749,600 is hereby approved as indicated in the attached five point listing on the understanding that there will be some re-ordering of priorities within each of the five categories described.

CARRIED.

See Appendix I.

Thunderbird Housing - Pro forma financial model and request to borrow funds

A recommendation dated July 3, 1992, from Mr. A. Bruce Gellatly regarding Thunderbird Housing had been circulated. The Board also received a copy of the Thunderbird Housing Program as prepared by Waisman Dewar Grout Carter Inc. and the University of British Columbia dated June 1992.

It was noted that the proposed housing project follows the guidelines of the draft campus master plan and the university policy on student housing.

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IT WAS RESOLVED,

That the following action with respect to Thunderbird Housing is hereby approved.

The Site, Program and the Economic Proforma for the Thunderbird Housing Project be endorsed as the basis for detailed design.

The University apply, as required under Section 55 (1) of the University Act, for the approval of the Minister of Advanced Education, Training and Technology and the Minister of Finance to borrow up to \$25,750,000 to construct the Thunderbird Student Housing Project.

CARRIED.

Student Recreation Centre - Planning Study

A recommendation dated July 3, 1992, from President David W. Strangway with respect to approval of the program planning study for the Student Recreation Centre was received. An interim report dated May 1992 entitled "Student Recreation Centre Planning Study" prepared by Professional Environmental Recreation Consultants Ltd. was received for information.

Ms. Barbara Crompton expressed concern that the proposal seemed to be heavily oriented toward an intramural competition sports based facility which was not her understanding of what a Student Recreation Centre should be. She felt that a majority of individuals want a fitness oriented non-competitive situation. She felt that by segregating dance studio, the martial arts and the exercise rooms to different floors, the architectural design did not promote sociability and activity.

Dr. Srivastava indicated that this was a point that would be taken up with the architects.

IT WAS RESOLVED,

That approval is hereby given to the Student Recreation Centre Planning Study Interim Report dated May, 1992 prepared by Professional Environmental Recreation Consultants Ltd. as a basis for further planning.

CARRIED.

University Apartments - Status Report

Mr. A. Bruce Gellatly indicated that there had been some concerns expressed about the siting of the University Apartments. He indicated that the issues had been dealt with over the past few days and he asked Mr. Mark Betteridge to provide a summary of the issues and proposed solutions.

A memorandum dated July 15, 1992, from Mr. Mark Betteridge to Mr. A. Bruce Gellatly was circulated for the Board's information.

A meeting had been held on July 15, 1992, with those concerned. In attendance were Dr. Sam Sheps, Dr. Brenda Morrison and Dr. Judith Johnston from the Mather Building, Susan Hallam (Director of the Berwick Centre) and Lynne Dyson (Director of Child Services for the Vancouver-Richmond Association for Mentally Handicapped People), Mary Risebrough (Director of Student Housing), Andrew Brown (University Planner) Bob Strachan (Acoustical Engineer for the project), Martin Bruckner (Architect for the project), Ron Rule (Landscape Architect for the Project) and Mr. A. Bruce Gellatly.

Mr. Betteridge's memorandum outlined proposed resolutions for each of the following issues:

1. Parking
2. Noise
3. Trees and Vegetation Management
4. Dust
5. Site(s) fronting on Wesbrook Mall

At the meeting, Mr. Gellatly asked Dr. Sheps if he felt that all issues had been adequately addressed. Aside from his preference for building on the Wesbrook site rather than adjacent to the Mather Building or for not having the housing built in this location at all, Dr. Sheps said yes.

Mr. Betteridge indicated that it had been agreed to meet again in about three to four weeks to review the draft landscaping plan and see progress on the designs reflecting the discussions.

Mr. Mark Betteridge reminded the Board that underlying principle was that this project was to be 100% financed and 100% recovery, i.e. all of the debt servicing and all of the operating costs were to be recovered from the rents. In the first project there was also a constraint to obtain preferential mortgage financing from the Provincial Government and to demonstrate that the rents would be approximately 20% below the adjacent project. Unless additional funds are available to cover the additional costs for fencing, lighting, etc., use of the site is not recommended. Mr. Betteridge indicated that he would not know whether the project would be financially feasible until tenders were received in the fall.

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In reply to a question from Mr. Bagshaw, Mr. Betteridge indicated approximately \$350,000 could be spent on the project up to the review of tenders.

Dr. Strangway commented that Mr. Betteridge's memorandum represented a good deal of thoughtful consideration by Mr. Gellatly, Mr. Betteridge and others who met with those concerned about the siting of the project. It was the best compromise that could be worked out on the situation, and a process was in place to consult on various issues. He felt, however, that it would be an overstatement to say that everybody is fully supportive of the project and that there will not be further concerns.

Major Projects Status Report

The major projects status report dated July 10, 1992, had been circulated and was received for information.

ACADEMIC AND STUDENT AFFAIRS

Reports and Recommendations from Senate

Prizes, scholarships and bursaries

IT WAS RESOLVED,

That, as recommended by Senate, the new awards listed in the report dated April 1992 from the Senate Committee on Student Awards (with the exception of the RIO Algom Entrance Scholarship) be and are hereby approved.

CARRIED.

The RIO Algom Entrance Scholarship was referred back to Senate. The problem with respect to the scholarship is that no student is required to declare at the time of admission to the University that he/she intends to pursue studies in earth science or mining. That only becomes evident when they are entering third year and are declaring a major or being assigned to a major in engineering. (That is, declaring a major in Arts or Science or Agricultural Sciences, in each of which one could major in an earth science field, or being assigned to Mining and Mineral Process Engineering in the Faculty of Applied Science). Consequently, the wording contained in the description makes the scholarship impossible to administer.

Curriculum proposals

IT WAS RESOLVED,

That the following recommendation from Senate be approved, subject, where applicable, to the proviso that none of the programs be implemented without formal reference to the President; and that the Deans and Heads concerned with new programs be asked to indicate the space requirements, if any, of such new programs.

CARRIED.

IT WAS RESOLVED,

That, as recommended by Senate, curriculum proposals from the Faculties of Agricultural Sciences, Applied Science, Arts (with the exception of the proposal to change the Calendar statement under Major in Music Theory and Honours in Music Theory, to "...must have at least an overall B- average..."), Education, Graduate Studies (curriculum and a new Master of Science program in Rehabilitation Medicine), Medicine, and Science, be and are hereby approved as required under the University Act, Sections 36 (f)(i)(o) and 37.

CARRIED.

Student Exchanges and Education Abroad Programs

A report dated June 30, 1992, to Dr. Daniel R. Birch from Ms. Libby Nason on the current status of student exchanges and education abroad programs at UBC was circulated for the information of the Board.

Mr. Bagshaw requested that this be placed on the Board's agenda once a year as a standing item.

Conflict of Interest Policy

An up-dated copy of the proposed conflict of interest policy was circulated to the Board for information. The recommendations for change discussed at the meeting of the Board on May 21, 1992, had been incorporated in the re-draft which was again published in UBC Reports for community comment.

Suggestions for change were made by members of the Board in the following areas.

- (1) Code of ethics (Mr. A. Hara)
- (2) Directorships and Memberships in Boards (Dr. Sidney Mindess)
- (3) Acceptance of gifts (Dr. Leslie R. Peterson)
- (4) Use of UBC's name (Mr. Dennis Pavlich)

The Secretary to the Board undertook to provide a verbatim transcription of the suggestions to Ms. Libby Nason. In addition, Board members were invited to provide final suggestions to Ms. Nason, if possible, by August 15. It was hoped that the policy and procedures would be ready for approval at the September meeting of the Board.

CORRESPONDENCE

Marya McVicar to K. D. Srivastava re exterior lighting

A letter dated May 27, 1992, from Ms. Marya Vicar, Coordinator of External Affairs, AMS to Dr. K. D. Srivastava with respect to exterior lighting conditions on campus was received for information. A response dated June 4, 1992, to Ms. Vicar from Mr. Byron Hender, Executive Coordinator, Student & Academic Services was also circulated.

Pit Pub Renovations - Correspondence with Mr. Martin Ertl

A letter dated June 26, 1992, from Dr. K. D. Srivastava to Mr. Martin Ertl, President, AMS indicating that Campus Planning and Development has recommended approval of the renovations to the Pit Pub, subject to the action items agreed to at a meeting held on June 25, 1992, between John Kamada and Poon Gardner Garrett being completed, was received for information.

OTHER BUSINESS

Board Meeting Dates 1993

Proposed meeting dates for Board Standing Committees and Board meetings for 1993 were received for information.

Reminder re Fall Congregation - November 26, 1992

Board members were reminded that Fall Congregation would be held on November 26, 1992. The Board Chair requested that the Secretary to the Board circulate notice of the Spring 1993 Congregation dates to Board members.