



***Board of Governors***

**Meeting**

**December 8, 2018**

**Innovation Hub**

**Present:** Chris Milner (Chair), Carol Geddes, Julia Salo, Judy Gingell, Jocelyn Curteanu, Vera Holmes, Eric Jun Hyeok Kim, John Phelps, Ernie Prokopchuk, Shawn Allen, Piers McDonald (Chancellor), Karen Barnes (President)

**Staff:** Michael Hale (Chief Administrative Officer), Janet Welch (VP Academic & Student Services), Bronwyn Hancock (Associate VP Research Development), Lacia Kinnear (Director of Governance and Strategic Initiatives), Tosh Southwick (VP Indigenous Engagement & Reconciliation), Luzelle Nagel (Director of Finance), Erin Symington (Executive Assistant)

**Regrets:** John Burdek, Shawn Allen, Clint Sawicki (Associate VP, Research Operations)

**Guests:** Community Campus Committee Chairs (In the afternoon)

**REVIEW AGENDA**      **MOVED** by Eric Jun Hyeok Kim, **SECONDED** by Jocelyn Curteanu to approve the agenda as presented. **CARRIED.**

**REVIEW MINUTES OF June 8, 2018**      **MOVED** by Julia Salo, **SECONDED** by Vera Holmes to approve the minutes from September 14<sup>th</sup> & October 19<sup>th</sup> & 20<sup>th</sup>, 2018 as presented. **CARRIED.**

**BUSINESS ARISING**

- Draft language in the Governance Policy Position Paper to be discussed at today's meeting
- Board professional development opportunities are available to all Board Members. Briefing note B3 in the meeting package outlines the details of what is available.

**REPORT FROM FARC**

Chris Milner provided an update on the FARC meetings held November 26<sup>th</sup> and December 7<sup>th</sup>, 2018.

Chris reported that there was a joint FARC and Pension Meeting for the first part of the November 26<sup>th</sup> meeting to review pension plan performance.

## **November 26<sup>th</sup> Joint FARC & Pension Committee Meeting**

### **Investment report**

Andrew Hoffman from Leith Wheeler joined the joint Finance, Audit and Risk Committee and Pension Committee meeting to present the investment management report. The full report is in the meeting package for further review and information.

### **Review Pension plan SIPP**

Stuart Morgan and Phillip Mullen attended the meeting to speak to the Statement of Investment Policies and Procedures (SIPP) which is reviewed annually. The proposed changes to the SIPP have been provided in the package for review. There are no major changes being proposed to the SIPP this year.

**MOVED by Julia Salo, SECONDED by John Phelps that the Board of Governors approves the Statement of Investment Policies and Procedures as presented. CARRIED.**

### **Review Investment Performance**

Stuart Morgan & Phillip Mullen from Morneau Shepell presented the annual investment performance review for the pension plan. The investment performance review is in the meeting package for further review.

### **Review pension plan actuarial valuation**

Actuaries Stuart Morgan and Phillip Mullen were in attendance to present the draft actuarial valuation preliminary results report and assumptions for the pension plan for 2017-18. There is a going concern surplus of \$16,395,300 and the plan is healthy.

### **Commuted values after retirement age**

Actuary Phillip Mullen reviewed the commuted value payment option and the impact it has on the plan. The pension plan currently allows employees to choose whether to take a commuted value payment (in a lump-sum) or to receive their pension on a monthly basis when they reach retirement age.

The commuted value (CV) equates to a lump sum payment upon retirement that is similar in value to taking a monthly pension over an employee's retirement years. The advantages and disadvantages

and financial impacts of the commuted value option are outlined in the meeting package.

#### Review of audited pension financial statements

The auditor Peter Woodruff from Crowe Mackay attended the meeting to present the draft pension audited financial statements for 17-18 that were provided in the meeting package for review. The Pension Committee reviewed the financial statements during the joint meeting with FARC.

#### Review performance and contracts for actuary, pension plan, investment manager, and trustee

Finance, Audit and Risk Committee, and the Pension Committee reviewed the performance of the service providers for the pension plan: actuary - Morneau Shepell, the investment manager - Leith Wheeler, the trustee - RBC Investor Trust Services and the auditor - Crowe Mackay. For 17-18, the College, the CAO reported that the College received good service from all the service providers.

#### **November 26<sup>th</sup> FARC meeting**

##### Motions from Joint meeting

The Pension Committee members Giulia Lucchini, Helen Voogd, Gabor Gyorgy, Doug Graham and Jane Wightman reviewed the Statement of Investment Policies and Procedures, the actuarial assumptions, and the audited pension financial statements and recommended to FARC for Board approval.

FARC approved the pension plan actuarial assumptions and the draft actuarial preliminary report for 2017-18

FARC approved the pension audited financial statements for the year ended June 30, 2018 as presented and authorized the Chair of FARC and one other FARC member to sign the Statement of Net Assets Available for Benefits on behalf of the Board.

##### Preliminary year end results

The preliminary financial results for 17-18 were provided in the meeting package for review. The preliminary results show an operational surplus of \$144,525 and a positive variance of \$144,525 before certain accounting adjustments/expenses such as amortization.

The College is now consolidating the Foundation into its financial results.

With the surplus this year, the reserves will be \$4.7 million and on target for 10% of annual expenses (\$4.7 million). We will have an unrestricted deficit on the statement of financial position of approximately \$9.1 million.

#### Preliminary Board year end results

A briefing note and financial summary were provided in the meeting package for further review and information. No concerns were raised.

#### Approval of pension plan letter of credit

The letter of credit will exceed its limit, based on 15% of solvency liabilities, in May 2020

**MOVED by Vera Holmes, SECONDED by Julia Salo that the Board of Governors authorizes the College to obtain letters of credit up to \$19,415,635 which is the amount required up to April 30, 2020. CARRIED**

#### Housing Agreement

FARC provided a mandate to administration in June to negotiate an arrangement with 360, based on the RFP put out this past spring. After negotiating over the course of summer and early fall, the College and the company arrived at two possible options, both of which were presented and discussed.

**MOVED by Vera Holmes, SECONDED by Eric Jun Hyeok Kim that the Board of Governors approves that the College enter into an agreement to provide first right of refusal to College students (e.g. International students) to rent the units offered by KZA. CARRIED**

#### Pension Merger Scenario

Yukon Government is currently considering options for some form of Pension Legislation that could also deal with the solvency challenges faced by both the Yukon College and Yukon Hospital Corporation pension plans. As the entity ultimately responsible for the pension, the Board needs to be prepared to take steps to protect the pension, if a merger is required at some point in the future.

Information was shared with the Finance Audit & Risk Committee to provide details on NEBS and to begin to frame out what a merger could entail for the College.

While no decision is required at this stage, FARC will need to stay current on pension developments.

### **December 7<sup>th</sup> FARC meeting**

#### **Approve Proposed Tuition/ Review International Tuition & Ancillary Fees**

Yukon College tuition and ancillary fees are to be set every fall for the following academic year as per Board policy #15, whereby tuition fees should not exceed the top of the bottom third of comparable institutions in western and/or northern Canada.

During the consultation process 25 notes of feedback from students, and 6 notes of feedback from staff & community members were received. All related or unrelated concerns have been addressed by the Registrar.

International tuition and ancillary fees were presented as information items and provided in the meeting package for review.

**MOVED by John Phelps, SECONDED by Jocelyn Curteanu that the Board of Governors approve 2019-20 tuition fees as:**

#### **Certificate and Diploma Programs**

- **Increase tuition by 1% (\$1.15/credit) bringing average tuition to a total of \$3,498/year,**

#### **Degree Programs [in which YC controls tuition]**

- **Increase tuition by 2% (\$1.63/credit) bringing average tuition to a total of \$4,069/year**

**CARRIED.**

#### **Review of Audited Financial Statements**

The draft audited financial statements were presented to FARC and provided in the meeting package for review.

**MOVED by Jocelyn Curteanu, SECONDED by Julia Salo that the Board of Governors approves the audited financial statements for the year ended June 30, 2018 as presented, subject to minor audit adjustments, and authorizes the Chair**

**and one other Board member to sign the Statement of Financial Position on behalf of the Board. CARRIED**

**MOVED by Julia Salo, SECONDED by Jocelyn Curteanu that the Board of Governors approves the proposed increase of \$295,318 to reserves as presented. CARRIED**

Review of Audit Results with Office of the Auditor General (OAG)

Auditors David Irving (Principal), Kelsey Hogg, (Director), and Murray Mackwood joined FARC via teleconference to review the audit results.

Review draft Yukon College Annual Report

The draft Annual Report 2017-2018 was included in the December FARC package for review.

Review Interim Variance Report

Interim financial results for July 2018 to October 2018 were included in the December FARC package.

Legislation – Property & Finance

Yukon Government is developing legislation that will include provisions related to property and finances. FARC and the BoG need to approve direction on various items, as part of the consultation process.

At the November 26<sup>th</sup> FARC meeting, the primary land and finance issues were discussed, including potential strategies for dealing with those matters in discussions with Yukon Government.

The Board will be reviewing the Policy Position Paper before it goes to Yukon Government.

**REPORT FROM  
GOVERNANCE  
COMMITTEE**

Vera Holmes provided an update on the Governance meeting held on December 7, 2018.

Board Competency Matrix Review

A revised version of the Board Competency Matrix was provided for review.

### HR Committee Terms of Reference

At the September Governance meeting a high-level outline of a Human Resource Committee Policy was provided for review.

Administration has brought forward a draft Terms of Reference which was provided in the meeting package for an HR Committee to be considered for approval by the board. If approved, the Board would move to establish a committee as soon as possible.

**MOVED by Julia Salo, SECONDED by Jocelyn Curteanu that the Board of Governors approves the Human Resource Committee Terms of Reference with the recommended changes with regards to composition. CARRIED**

#### **Action Item:**

Board members who express interest in joining the HR Committee are to email Board Vice Chair

### Interim Board Evaluation

It was agreed on in April 2017 that the Board of Governors will complete an interim evaluation each December in addition to the annual evaluations. Using the link provided, the interim evaluation shall be completed by all Board members prior to January 1st, 2019 to allow time for collation and review of results prior to the February meeting.

### Policy Position Paper

Lacia Kinnear attended the Governance meeting to provide an update on the progress of the putting together the draft Policy Position Paper which will be submitted to Yukon Government by the end of January.

The Governance Committee reviewed the questions posed from YG for internal consultation to make sure that all were addressed and included in the Policy Position Paper.

Currently the College is working through the consultation process with students, staff, faculty.

Lacia also discussed the timeline to submit the Policy Position Paper to Yukon Government by January 31<sup>st</sup>, 2018.

#### **Action item:**

Director of Governance & Strategic Initiatives to send out the draft Policy Position Paper to the Board on Dec 14<sup>th</sup> with a list of important dates in the timeline to completion.

**HOUSING  
MAINTAINER  
STAGE 1  
PROPOSAL**

The new Housing Maintainer Certificate Program Proposal - Stage 1 document was provided in the meeting package for review.

Janet Welch, VPA attended the meeting to speak to viability of the program and answer questions from Board Members.

**MOVED by Vera Holmes, SECONDED by Jocelyn Curteanu that the Board of Governors approves the Housing Maintainer Certificate Stage 1 Proposal as presented and recommended by Academic Council. CARRIED.**

**CCC-WCC  
APPOINTMENTS**

As per the College Act, proposed CCC members are required to be officially appointed to the CCC by the Board of Governors. There was 1 proposed member to the Faro CCC, 1 to the Haines Junction CCC, 3 to the Teslin CCC, 2 to the Ross River CCC, and 1 to the Watson Lake CCC for the Board to consider.

**MOVED by Vera Holmes, SECONDED by Eric Jun Hyeok Kim that the Board of Governors appoints the proposed members to the appropriate Community Campus Committees as presented. CARRIED.**

**REVIEW AGENDA  
FOR CCC JOINT  
MEETING**

The Board reviewed the agenda for the afternoon joint Board of Governors and Community Campus Committee Chair meeting.

**PRESIDENT  
REPORT**

The President provided a verbal report on Yukon Days and the Toronto meetings that took place over the last month.

**IN CAMERA  
DISCUSSION**

**MOVED by Julia Salo, SECONDED by Eric Jun Hyeok Kim to commence in camera session at 11: 02am. CARRIED.**

**MOVED by Eric Jun Hyeok Kim, SECONDED by Ernie Prokopchuk to close in camera session at 11:07am. CARRIED.**

**JOINT BOG – CCC  
CHAIR MEETING**

The Board of Governors joined the Community Campus Committee Chairs for the afternoon.



**ADJOURNMENT** Meeting was adjourned at 11:05am

**INFORMATION ITEMS PROVIDED IN THE MEETING PACKAGE FOR REVIEW**

**INTERIM EVALUATION** It was agreed on in April 2017 that the Board of Governors will complete an interim evaluation each December in addition to the annual evaluations.

**Action Item:**

Executive Assistant to email the link to the Interim Evaluation survey to Board members for completion before January 1<sup>st</sup>, 2019.

**OH&S REPORT** The November 2018 and year to date statistics on OH&S were provided in the December board package for review.

**ACADEMIC APPEALS ANNUAL REPORT & ACADEMIC COUNCIL UPDATE** The Academic Appeals Subcommittee Annual Report for 2017-2018 was provided in the December Board package for review.

**SUMMARY OF ACTION ITEMS:**

**Action Items:**

- Board members who express interest in joining the HR Committee are to email Board Vice Chair
- Director of Governance & Strategic Initiatives to send out the draft Policy Position Paper to the Board on Dec 14th with a list of important dates in the timeline to completion.
- Executive Assistant to email the link to the Interim Evaluation survey to Board members for completion before January 1<sup>st</sup>, 2019.