

CONCORDIA UNIVERSITY
MINUTES OF THE OPEN SESSION
OF THE MEETING OF THE BOARD OF GOVERNORS

Held on Wednesday, March 20, 2002, immediately following the Closed Session,
in Room GM 407-1, SGW Campus

Attendance

Present: Mrs. Lillian Vineberg, *Chairwoman*, Dr. Steven Appelbaum, Ms. Barbara Barclay, Ms. Joanne Beaudoin, Mr. Alain Benedetti, Mr. Patrice Blais, Dr. William Byers, Dr. June Chaikelson, Mr. Brian Edwards, Ms. Nicole Fauré, Me Pierre Fréreau, *Observer*, Dr. Christine Jourdan, Mrs. Judith Kavanagh, Mr. Ronald Lawless, Ms. Christine Lengvari, Dr. Loren Lerner, Dr. Frederick Lowy, *Rector and Vice-Chancellor*, Sister Eileen McIlwaine Ph.D., Mr. Eric Molson, *Chancellor*, Mr. John Parisella, *Vice-Chairman*, Mr. Alex G. Potter, Mr. Richard Renaud, *Vice-Chairman*, Mrs. Miriam Roland, Ms. Sabrina Stea, Mr. Jacques St-Laurent, Mr. Ivan Velan, Mr. Jonathan Wener

Officers of the University: Prof. Marcel Danis, Mr. Michael Di Grappa, Mr. Larry English, Dr. Jack Lightstone

Absent: Ms. Cristelle Basmaji, Mr. Charles G. Cavell, Mr. Alex Carpini, Mr. Howard Davidson, Me Rita de Santis, Dr. Terrill Fancott, Mr. Leo Goldfarb, Mr. George Hanna, Mr. Paul Kefalas, Mr. Peter Kruyt, Mr. Rocci Luppicini, Mrs. Hazel Mah, Mr. Sami Nazzal, Mrs. Mackie Vadacchino de Massy

Guests: Me Bram Freedman (Assistant Secretary-General and General Counsel), Mr. Garry Milton (Executive Director, Rector's Cabinet)

Documents associated with the Minutes

BG-2002-3-D2	Draft resolution concerning the Series 9D Bonds totaling \$10 million
BG-2002-3-D3	Memo regarding the appointment of a member to Evaluation Committee for the Director of Libraries
BG-2002-3-D4	Report of the Rector

1. Call to Order

The Open Session was called to order at 8:35 a.m.

1.1 Chairwoman's remarks

Mrs. Vineberg reported that during the Closed Session, the Board of Governors had passed a motion to the effect that Dr. Lowy continue his second term until May 2005. Furthermore, the report of the Search Committee for a Dean of the John Molson School of Business had been presented, and the Board had approved the appointment of Dr. Jerry Tomberlin as Dean of the John Molson School of Business, from June 1, 2002 until May 31, 2007.

The Chairwoman encouraged members of the University community to attend the upcoming conference entitled *Robert Bourassa: un bâtisseur tranquille*, organized jointly by

Concordia and Université du Québec à Montréal, held March 21 through March 23. Mr. Parisella, who had worked nine years with Mr. Bourassa, gave some details on the content of the conference.

1.2 Approval of the Agenda

Upon motion duly moved and seconded (Barclay, Edwards), it was unanimously RESOLVED:

R2002-18 *THAT the Agenda be approved as submitted.*

1.3 Approval of the Minutes of the Open Session of the previous meeting (February 13, 2002)

Upon motion duly moved and seconded (Potter, Barclay), it was unanimously RESOLVED:

R2002-19 *THAT the Minutes of the Open Session of the previous regular meeting of the Board, held February 13, 2002, be approved.*

2. Business arising from the Minutes not included on the Agenda

There was no business arising from the Minutes.

3. Presentation by Prof. Corinne Jetté on education for Aboriginal students: A challenge for Concordia University

Dr. Lowy introduced Prof. Corinne Jetté, an expert in technical writing and a member of the Faculty of Engineering and Computer Science. Prof. Jetté is the founder of the Native Access to Engineering Program. Over the years, she has actively participated in several government committees and has been involved in many humanitarian causes. Prof. Jetté was named a member of the Order of Canada in 1992.

The main objective of Prof. Jetté's presentation was to inform the Board of the salient facts on education for Aboriginal people in Canada. A copy of her Power Point presentation was distributed to all Governors, together with a folder containing information regarding the Native Access to Engineering Program. Prof. Jetté gave the details relating to the current demographics of the status and non-status aboriginal population in Canada. Forty-eight percent of status Indians are under the age of 18, while in some communities this figure is over 60%. Prof. Jetté reviewed the implications of those demographics and the impact of the expected growth of the Aboriginal population on the corporate and academic sectors and on government policies and program development.

Prof. Jetté pointed out that in 2001 over 28,000 Aboriginal students were pursuing post-secondary studies in Canada, whereas that number was only 100 in 1979. Of those Aboriginal students currently registered in post-secondary studies, 60% are in non-university programs. She discussed the reasons why so few are attending university, what should be done to redress this situation and who should get involved.

Other Canadian universities and colleges, such as University of Manitoba, University of Saskatchewan, University of Alberta, Lakehead University and University of Northern British Columbia have a significant number of Aboriginal students. Concordia has the largest cohort of Aboriginal students in Eastern Canada and, in keeping with its

tradition, has opened its doors to many first generation Aboriginal university students. Prof. Jetté reviewed Concordia's endeavors with respect to Aboriginal programs namely the establishment a decade ago of the Centre for Native Education, the contractual agreements between the John Molson School of Business and the Cree Nation and the Native Access to Engineering Program.

On behalf of the Board of Governors, the Chairwoman thanked Prof. Jetté for her enlightening presentation.

4. Approval of the construction of the downtown buildings

Dr. Lowy informed the Board that Vice-Rector Danis, Ms. Evelyne Abitbol and himself had been in Quebec City last week, at which time Mr. Sylvain Simard, the new Minister of Education, had confirmed the allocation of \$50 million from the Ministry of Education and \$15 million from the Ministry of Science and Technology toward the new buildings.

Mr. English gave an update since the last Board meeting. He distributed a document entitled *Concordia University Space Plan: Update on the financing of the major projects*. He reviewed the assumptions underpinning the proposed financing plans as well as the capital requirement options and financing options. He then elaborated on the potential project risks and discussed the opportunities not factored in the financial analysis. Mr. English stated that once the specific numbers will have been determined, they will be submitted to the Budget Committee and to the Board for approval.

Mr. Renaud, Vice-Chair of the Advancement Committee and of the University Foundation, updated the Board on the current situation of the University Foundation. A number of large donations are being sought, and a total of \$40 to \$50 million in gifts are in discussion with potential donors. Mr. Renaud suggested that Concordia might follow the example of York University by issuing bonds over a 40-year period, instead of a 25-year period.

Mr. Wener, Chair of the Real Estate Planning Committee, was pleased to report that all building projects were faring very well. The architectural and design process is well underway for the downtown projects. The first stage of the construction of the Engineering and Computer Science and Visual Arts Complex should begin this summer, and shortly thereafter, the John Molson School of Business.

Prof. Jourdan enquired if the renovations to the Hall Building were included in the aforementioned plans. Mr. Di Grappa answered the cost of the renovations to the Hall Building and to the McConnell Library is estimated at \$23 million. These renovations will be paid for out of the annual capital envelope received from the Ministry of Education, in addition to funds received by the federal program for deferred maintenance. Approval of the disbursement of the monies towards those renovations will be sought at the appropriate time. Dr. Lightstone reminded Governors that the implementation and carrying out the overall plan would span over a period of four to five years. As a result, the renovations, like the construction projects, have been staged over that period of time.

In closing, Dr. Lowy took the opportunity to thank all the persons involved in the building projects, namely the members of the University Foundation and of the Real Estate Planning Committee, Vice-Rector Di Grappa and his team, Vice-Rector Danis and his staff, and in particular Ms. Abitbol who was instrumental in securing a meeting with Quebec Premier Bernard Landry.

R2002-20 *WHEREAS at the February 13, 2002 meeting of the Board of Governors, a notice of motion was given regarding the approval in principle for the overall financing plan for the major construction projects (Loyola Science Complex, including the renovation of the Drummond Building, Lots A & B of the Integrated Engineering and Computer Science and Visual Arts Complex and the John Molson School of Business building);*

WHEREAS at the aforementioned meeting, notice of motion was also given concerning the specific approval for permission to proceed with the construction of the integrated Engineering/Computer Science/Visual Arts Complex and the John Molson School of Business building;

WHEREAS approval for the construction of the Loyola Science Complex was given by the Board of Governors at its meeting of April 18, 2001, it being understood at that meeting that a separate approval for proceeding with the renovation of the Drummond Building would be sought when appropriate;

BE IT RESOLVED:

THAT the overall financing plan, as presented at the February 13, 2002 meeting of the Board of Governors meeting as well as at today's meeting, for the major construction projects and the refinancing of the existing capital commitments, be approved;

THAT, based on this overall financing plan, authorization to seek \$224 million in external financing be granted;

THAT, subject to the obtaining of a \$50 million contribution from the Quebec government and adequate external financing, the following authorizations be given:

- *THAT Concordia University proceed with the construction of Lots A and B of the Integrated Engineering and Computer Science and Visual Arts Complex, for a total cost not to exceed \$165 million;*
- *THAT Concordia University proceed with the construction of the John Molson School of Business building, for a total cost not to exceed \$68 million;*
- *THAT Concordia University proceed with the renovation of the Drummond Building, for a total cost not to exceed \$9.5 million;*

THAT the Real Estate Planning Committee be authorized to review and approve the contents of all contractual agreements, tender documents and other documents required for the above-noted projects;

THAT the Budget Committee be authorized to review and approve the contents of all financing documents required for the above-mentioned projects.

5. Borrowing of \$10 million from Financement-Québec

Upon motion duly moved and seconded (Lowy, Potter), it was unanimously RESOLVED:

R2002-21 *WHEREAS the Board of Governors of Concordia University, on June 20, 2001, mandated the Ministry of Finance of Quebec to invest for the account of and in the name of Concordia University, a loan by way, among others, of a bond issue;*

WHEREAS the Board of Governors of Concordia University, on October 17, 2001, authorized the University to borrow twenty million dollars (\$20,000,000) by way of the issue of Series 7D and 8D bonds, having a par value of ten million dollars (\$10,000,000) each;

BE IT RESOLVED:

1. to authorize Concordia University (the "University") from time to time to borrow such amounts as its Board of Governors shall deem appropriate and, for such purpose, to issue bonds in an amount not exceeding thirty million dollars (\$30,000,000);
2. to authorize the University to borrow immediately, subject to obtaining the required authorizations from the Minister of Education, an amount of ten million dollars (\$10,000,000), par value, by way of the issue of Series 9D bonds for such terms, prices and conditions, interest rates, guarantees, and upon such terms and conditions as hereafter determined;
3. to authorize the University, for the purpose of such loan, to create, issue, sell and deliver the Series 9D bonds (the "bonds") of an aggregate par value of ten million dollars (\$10,000,000);
4. that the bonds:
 - a) be dated April 3, 2002;
 - b) consist of a first portion of an aggregate par value of \$5,550,000, bearing interest at the rate of 4.80% per annum, maturing on April 3, 2007 (the "bonds maturing in 2007"), and a second portion of an aggregate par value of \$4,450,000, bearing interest at the rate of 5.80% per annum, maturing on April 3, 2012 (the "bonds maturing in 2012");
 - c) be offered in denominations of \$1,000 or in full multiples thereof and be represented by two fully nominal global certificates registered in the name of the holder for the account designated by The Canadian Depository for Securities Limited (CDS) and deposited with the CDS at its office in Montreal, for the benefit of the non-registered holders of the bonds and whose respective interest therein shall be attested by entries in the registers; the global certificates shall be convertible, under certain circumstances, into an equal aggregate par value of bonds in the form of fully registered bond certificates in denominations of \$1,000 or full multiples thereof and comprising the characteristics of the bonds evidenced by each global certificate concerned;
 - d) bear interest effective April 3, 2002, at the rate of 4.80% per annum for the bonds maturing in 2007 and at the rate of 5.80% per annum for the bonds maturing in 2012, payable semi-annually on April 3 and October 3 of each year until payment in full of the principal, any payment of interest in arrears bearing interest at the same rate as that of the global certificate concerned;
 - e) be payable, in principal and interest, for the bonds registered on account with the CDS and evidenced by the two global certificates, by the trust company hereafter designated in the manner stipulated on the global certificates and be payable, in principal, for the bonds evidenced by the bond certificates, where applicable, upon presentation and remittance of the bond certificates in question at any branch in Canada of the Bank of Montreal, at the option of the registered holder and, as regards the payment of semi-annual interest, by the trust company hereafter designated in the manner stipulated on the bond certificate;
 - f) shall not be redeemable prior to maturity at the sole option of the University, but shall, however, be purchasable by it on the market by tender, over-the-counter or by any

other means as it shall deem appropriate, at a price not exceeding their par value or the early redemption price, where applicable, accrued interest and purchase fees;

5. *that the global certificates and the bond certificates which may, where applicable, be issued in exchange for the global certificates, be signed, in the name of the University, by one or other of the following, namely the Rector and Vice-Chancellor, Chief Financial Officer or Secretary of the Board of Governors, provided that two shall act jointly; their signatures may be replaced by facsimile signatures that are printed, engraved or otherwise reproduced which shall have the same effect as a handwritten signature; that the global certificates and the bond certificates, where applicable, moreover include a certificate from the trust company hereafter designated under the hand written signature of one of its authorized representatives;*

6. *to designate Laurentian Trust of Canada Inc., a trust company, having its head office in Montreal, as trustee for the bondholder;*

7. *to approve the designation made by the Minister of Finance of Quebec, acting a mandatory of the University, of Me Claude J.E. Dupont, of the firm of Bélanger Sauvé, a general partnership and Montreal law firm, to act as legal counsel to draft and review the relevant documentation and to issue a legal opinion on the validity of the loan and the issue of bonds and on the validity of their guarantee;*

8. *to authorize the Minister of Finance of Quebec to designate a printer to print the bond certificates which may, where applicable, be issued in exchange for the global certificates;*

9. *to request the Minister of Education of Quebec to grant the University, in the name of the Government, one or more subsidies, payable from the credits voted annually for such purpose by the Parliament, to provide for the payment of principal and interest on the said bonds and, where applicable, to provide for the payment of the fees and expenses related to said loan;*

10. *to constitute a private trust for the benefit of the bond holders and to charge said trust company to allocate the debt referred to below, administer the trust assets and apply the main trust agreement and the supplementary trust agreement;*

11. *to guarantee the bonds by transferring to a trust held by the trust company the debt which the subsidy, which shall be granted to the University by the Minister of Education of Quebec, in the name of the Government of Quebec, represents for the University, to provide for the payment of the bonds in principal and interest, it being understood that neither the University nor the trust company may demand that the sums to be deposited with the Minister of Finance of Quebec to constitute a sinking fund shall be remitted to them by the Minister of Finance of Quebec prior to April 3, 2007 for \$1,175,000 and prior to April 3, 2012 for \$1,780,000.*

12. *to accept that the proceeds from the sale of the bonds be remitted to the trust company to be used by the latter, for the benefit of the University, in accordance with the instructions of any of the following, the Minister of Education of Quebec, the Deputy Minister or a member of the personnel of the Ministry of Education of Quebec, in the latter case authorized by a resolution of the government adopted under the provisions of the An Act respecting the Ministère de l'Éducation (R.S.Q., c. M-15.1);*

13. *to approve the draft supplementary trust agreement, including the specimen global certificates and the specimen fully registered bond certificates which may, where applicable, be issued in exchange for the global certificates, to be executed between the University and the trust company, a copy of which is being presented to this meeting and to authorize one or other of the following officers, namely the Rector and Vice-Chancellor, Chief Financial Officer or Secretary of the Board of Governors, provided that two shall*

act jointly, for and in the name of the University, to sign the supplementary trust agreement to be executed, to give effect to all clauses and guarantees therein that they deem are not substantially incompatible with the provisions hereof, to authorize that the sale price of the bonds shall be received by the trust company and to do all acts and to sign any other documents which they, in their sole discretion, shall deem useful or necessary to give full effect hereto;

14. to authorize these same persons to deliver the global certificates and the bond certificates which may, where applicable, be issued in exchange for the global certificates of the trust company to allow the latter to certify them, to sign any documents required for such purpose and for their final delivery to CDS or, where applicable, according to the instructions of the CDS;

15. to assume, from the proceeds of the loan, all disbursements, fees, expenses and charges incurred for the purposes hereof, prior to and following the present resolution, including the fees and expenses of legal counsel, the fees of the trust company and, where applicable, the printing fees of the printer for the bond certificates which may be issued in exchange for the global certificates, the whole in accordance with the fee schedule negotiated by the Minister of Finance of Quebec;

16. to pay, from the current revenue of the University, the annual fees of the trust company in accordance with the fee schedule negotiated by the Minister of Finance of Quebec;

17. to authorize the issue of an offering circular with respect to these bonds;

18. to ratify, subject to the Minister of Education of Quebec granting the subsidy required to pay the principal and interest on the bonds, the sale of the bonds by the Minister of Finance of Quebec as mandatory of the University to an underwriting syndicate comprised of National Bank Financial Inc., Desjardins Securities Inc., Laurentian Bank Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc. and Canaccord Capital Corporation and led by National Bank Financial Inc., at the price of 98.19% of their par value for the bonds maturing in 2007 and at the price of 98.44% of their par value for the bonds maturing in 2012 with, in addition, accrued interest in each case.

6. Ratification of a new member to the Evaluation Committee for the Director of Libraries

Upon motion duly moved and seconded (Blais, Stea), it was unanimously RESOLVED:

R2002-22 THAT the appointment of Mr. Sameer Zuberi as the undergraduate student to sit on the Evaluation Committee for the Director of Libraries, be ratified by the Board of Governors.

7. Progress report from the Advisory Search Committee for the Dean of Graduate Studies

Further to the extended search, Dr. Lightstone informed the Board that the Committee had drawn up a list of candidates to interview over the next few weeks.

8. Reports on Concordia's compliance with certain legal obligations

8.1 Report on compliance with fiscal requirements

Chief Financial Officer Larry English reported that, upon review, he had concluded that appropriate procedures were being applied in the computation and remittance of taxes withheld from employees, employers' contributions, and GST and QST claims. Mr. English specified that the University had complied with its statutory obligations: (i) in the area of employee and employer remittances under federal and provincial tax

legislation, for the period December 1, 2001 to February 28, 2002 inclusive; and (ii) with regard to the Federal Goods and Services Tax and the Québec Sales Tax, the University had claimed rebates (net of amounts payable) for the period from November 1, 2001 to January 31, 2002 inclusive.

Mr. English stated that the University's procedures had ensured full compliance with statutory fiscal obligations.

8.2 Report on compliance with environmental legislation and health and safety regulations

The *Quarterly environmental health and safety report on due diligence* was deposited with the Secretary of the Board.

Mr. Di Grappa informed the Board of two minor incidents, the first pertaining to a small fire in a sculpture studio of the Faculty of Fine Arts. Damage was minimal, but the area remains closed until procedures have been reviewed by the University's Environmental Health and Safety Department. The second incident relates to four fines imposed by the City of Montreal on the University for failure to comply with fire prevention citations, which are being contested by the Office of the General Counsel.

Lastly, the Vice-Rector mentioned that additional funds from Quebec will allow the University to address a number of deficiencies on the deferred maintenance list.

9. Report of the Rector

Dr. Lowy's written report had been included in the Board mailing.

Dr. Lowy apprised the Board that the Appeals Panel of the Board had sat from 8:30 a.m. until 1:45 a.m. on Friday, March 15, as well as part of the morning of Saturday, March 16, to review the appeal of Messrs. Tom Keefer and Laith Marouf. He expressed his gratitude to the Chair of the Panel, Rita de Santis, as well as the members of the Panel, Joanne Beaudoin, Rocci Luppicini, Sister McIlwaine, Miriam Roland, and Alex Potter, and Danielle Tessier, the Panel Secretary. He also conveyed his appreciation to Dr. Bill Knitter, who acted as the University representative, and Mr. Garry Milton, who accompanied Dr. Knitter throughout the hearing.

The Rector informed the Board that an important alumni event, planned for May 15 in England, had been rescheduled. As a result, Dr. Lowy proposed that the May 15 Loyola dinner meeting, which had been changed to a morning meeting on the SGW campus, be reverted back to the original plan of an evening dinner meeting. An informal vote was taken, at which time the majority of Governors expressed a preference for the dinner meeting rather than the morning meeting.

10. Reports of the Vice-Rectors

10.1 Provost and Vice-Rector, Research

Dr. Lightstone waived his report.

10.2 Vice-Rector, Services

Mr. Di Grappa apprised the Board that after nine years as Director, Recreation and Athletics, Mr. Harry Zarins had left the University. Mr. Di Grappa thanked Mr. Zarins for his contribution and hard work, and he announced that Mr. Les Lawton had been named Interim Director.

10.3 Vice-Rector, Institutional Relations and Secretary-General

Prof. Danis waived his report.

10.4 Chief Financial Officer

Mr. English waived his report.

11. Correspondence

There was no correspondence to report.

12. Any other business

There was no other business to bring before the Board.

13. Date of next meeting

The next meeting will be held on April 17, 2002, at 8 a.m., on the SGW Campus, in Room GM 407-1.

14. Adjournment

The Open Session adjourned at 10:10 a.m.

Submitted by Danielle Tessier, Secretary of the Board of Governors and Senate, for approval by the Board at its meeting of April 17, 2002.