

**MINUTES OF THE OPEN SESSION**  
**MEETING OF THE BOARD OF GOVERNORS**

Held on Wednesday, February 12, 2003, immediately following the Closed Session,  
in Room GM 407-1, SGW Campus

Attendance

Present: Mrs. Lillian Vineberg, *Chairwoman*, Mr. Normand Beauchamp, Dr. Louise Brunette, Me Gerald C. Burke, Dr. William Byers, Mr. Alexander Carpini, Mr. Charles G. Cavell; Mr. Baljit Singh Chadha, Dr. June Chaikelson, Mr. Youri Cormier, Mr. Chae Dickie-Clark, Mr. Howard Davidson, Me Rita de Santis, Mr. Brian Edwards, Me Pierre Frégeau, *Observer*, Ms. Sabine Friesinger, Mr. George Hanna, Mrs. Judith Kavanagh, Mr. Peter Kruyt, Dr. Lawrence Kryzanowski, Ms. Christine Lengvari, Dr. Loren Lerner, Dr. Frederick Lowy, *Rector and Vice-Chancellor*, Mr. Rocci Luppicini, Mr. Peter G. McAuslan, Sister Eileen McIlwaine Ph.D., Mr. Eric Molson, *Chancellor*, Mr. Desmond O'Neill, Mr. John Parisella, *Vice-Chairman*, Mr. Alex G. Potter, Mr. Richard Renaud, *Vice-Chairman*, Mrs. Mackie Vadacchino de Massy, Mr. Ivan Velan, Ms. Sobia Virk, Mr. Jonathan Wener

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

Absent: Mr. Alain Benedetti, Dr. Terrill Fancott, Mr. Leo Goldfarb, Ms. Suzanne Gouin, Mrs. Miriam Roland, Mr. Jacques St-Laurent

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

Documents associated with the Minutes

BG-2003-1-D1	Report on the events of September 9, 2002
BG-2003-2-D2	Trade-name licence agreement between Concordia University and eConcordia.com
BG-2003-2-D3	Memo from Dean Esmail regarding the Concordia Institute for Information Systems Engineering

1. Call to Order

The Open Session was called to order at 8:05 a.m.

1.1 Chairwoman's remarks

Mrs. Vineberg waived her remarks.

1.2 Approval of the Agenda

The Chairwoman mentioned that item 8 was to be removed since the Communications Committee had not yet met and that the Report of the Real Estate Planning Committee was to be added under item 2A.

Upon motion duly moved and seconded (Vadacchino de Massy, Chadha), it was unanimously RESOLVED:

R2003-11        *THAT the Agenda be approved as revised.*

1.3        Approval of the Minutes of the Open Session of the previous meeting (January 15, 2003)

With respect to item 1.3 of the Minutes, Mr. Hanna asked that it be noted that he had not been consulted with regards to the quote attributed to him. With respect to item 1.2, Mr. Cormier noted the absence of his statement to the effect that the same reason used to exclude the discussion about Hillel could be invoked not to discuss the September 9 issues but nonetheless discussion regarding those events has been on-going over the last months.

Upon motion duly moved and seconded (Byers, Davidson), it was unanimously RESOLVED:

R2003-12        *THAT the Minutes of the Open Session of the previous regular meeting of the Board of Governors, held January 15, 2003, be approved as submitted.*

2.        Business arising from the Minutes

Mr. Carpini noted that the Board had still not received a copy of the CSU's operating budget. As a Governor, alumnus and father of two children attending Concordia and contributing to the CSU coffers, he wanted to see the budget, in light of past indiscretions as well as an article in the February 4<sup>th</sup> issue of *The Link* in which concerns were expressed about the management of the CSU funds.

Mr. Dickie-Clark raised a point of personal privilege, stating that while the four undergraduate student Governors are appointed to the Board of Governors by the CSU, they do not sit as CSU representatives. Therefore, any questions relating to the CSU budget should be addressed directly to the CSU. However, the Chairwoman ruled him out of order, responding that Ms. Friesinger is the President of the CSU and that there is a question being asked of her, to which she could respond.

Ms. Friesinger replied that her answer was the same as at the previous meeting, namely that the CSU has no obligation to disclose its budget to the University's Board but that it would do so if the eConcordia and Concordia Foundation budgets would be disclosed to the CSU. Mrs. Vineberg reminded Ms. Friesinger that this was not a quid pro quo situation.

A lengthy discussion ensued during which several Governors opined that while the CSU is an independent organization, the Board of Governors is asked to approve the increases in fees collected by the University on behalf of the CSU. Therefore, Governors have a strong fiduciary obligation as members of the highest governing body of the University to be apprised of the financial situation of the CSU. By being asked to collect the fees on behalf of the CSU, the University is being tied into the process and therefore it must see the financial statements before approving any further fee collection. Governors noted that public declarations regarding the financial health of the CSU are not acceptable from a fiduciary point of view.

Mr. Carpini then read a quote from the article in *The Link* which he found particularly upsetting in relation to a substantial interest-free loan by the CSU to CUSACORP, a subsidiary of the CSU which is reported to be losing money. Mr. Cormier suggested that the article constituted propaganda by a person who is suing the CSU and suggested that Governors read an article in this week's issue of *The Link* which counters the allegations regarding the CSU and CUSACORP. Many Governors agreed that the truth is not necessarily found in the media, which reinforces the necessity for the Board to get the accurate picture via the audited financial statements. Ms. Friesinger informed the assembly that the CSU Council was meeting this evening, at which time a full report on finances will be made. She added that she would reiterate the concerns raised by Governors.

Mr. Carpini declared himself to be unsatisfied with the aforementioned responses, which resulted in him moving a motion, seconded by Dr. Chaikelson, as follows:

*WHEREAS the Concordia Student Union (CSU) regularly requests that the Board of Governors authorize Concordia University to collect fees from all undergraduate students on behalf of the CSU and remit these fees to the CSU; and*

*WHEREAS the CSU has experienced financial indiscretions in the recent past; and*

*WHEREAS the Board of Governors has made repeated requests to the CSU over the last several months to provide audited financial statements and a budget for the current fiscal year so that the Board can properly exercise its responsibilities; and*

*WHEREAS serious questions with respect to the use of CSU funds were raised in a column in The Link student newspaper of February 4, 2003;*

*THAT the CSU be required to table with the Rector and Vice-Chancellor, no later than 5:00 p.m. on February 21, 2003, the most recent audited financial statements of the CSU and associated and affiliated companies as well as the budget for all such organizations for the current fiscal year; and*

*THAT should these documents not be tabled by such date or should such documents raise sufficient grounds for concern, that no further funds, collected by Concordia University on behalf of the CSU, be transferred to the CSU; and*

*THAT any such funds withheld shall be placed in escrow, in trust, or be paid to the court, as appropriate, until such time as satisfactory explanations have been provided to the satisfaction of the Board.*

However, some Governors, while agreeing with the text of the motion, were uncomfortable with the lengthy preamble that contained many allegations which could not be verified at the present time. Others were reluctant to adopt the motion at this time stating that such a motion was perhaps premature.

Following this discussion, the mover and the seconder of the motion agreed to remove the preamble from the motion. Mr. Carpini re-read the text of the motion, and the vote was called.

Upon motion duly moved and seconded (Carpini, Chaikelson), it was RESOLVED with 18 in favor, 4 opposed and 9 abstentions:

R2003-13      *THAT the Concordia Student Union (CSU) be required to table with the Rector and Vice-Chancellor, no later than 5:00 p.m. on February 21, 2003, the most recent audited financial statements of the CSU and associated and affiliated companies as well as the budget for all such organizations for the current fiscal year; and*

*THAT should these documents not be tabled by such date or should such documents raise sufficient grounds for concern, that no further funds, collected by Concordia University on behalf of the CSU, be transferred to the CSU; and*

*THAT any such funds withheld shall be placed in escrow, in trust, or be paid to the court, as appropriate, until such time as satisfactory explanations have been provided to the satisfaction of the Board.*

2A.      Report of the Real Estate Planning Committee

Mr. Wener apprised the Board of Governors that the Real Estate Planning Committee had met on February 7 to review the various construction projects. He was pleased to report that the Loyola Science Building is 85% completed, with a projected occupation date for September 2003.

Mr. Wener conveyed the Committee's intent to use the maximum resources available to the University and to obtain additional space where required. Accordingly, in connection with Lot 3 of the Integrated Engineering and Computer Science/Visual Arts Complex, Mr. Wener informed Governors that the lowest conforming bid recently received compares favorably to the market. However, the conversion of 4,500 square feet of parking space into additional space for the aforementioned Complex will result in a \$6.8 million change of scope for that project. Regardless of this adjustment, Mr. Wener pointed out that the global construction budget of \$351 million approved by the Board in April 2000 would not be exceeded. The tentative occupation date is December 2004 for the Engineering and Computer Science component of the building, and August 2005 for the Visual Arts component of the building.

Mr. Wener also informed the Board that the John Molson School of Business planning phase was winding down and that the projected opening date for that building is December 2005. He also said that alternate proposals were being considered regarding renovations to the Drummond Building on the Loyola Campus. He completed his report by informing Governors that the student representative on the Committee, Mr. Dickie-Clark, came forward with a concept and financing plan for an eventual student union building. This was well received by the other Committee members. Mr. Dickie-Clark specified that his proposal needed to be vetted with the CSU.

Dr. Byers queried whether the renovations to the Hall Building, which will be required once all the sciences will have moved to the Loyola Science Complex, are included in the overall construction project and asked to be updated from time to time regarding this aspect of the space plan. Mr. Di Grappa replied that he would report back at a future meeting.

Mr. Cormier attempted to ask a question of Mr. Wener with regards to the latter's participation in a Texas real estate venture, which Mrs. Vineberg ruled out of order.

Upon motion duly moved and seconded (Wener, Cavell), it was unanimously RESOLVED with one abstention:

R2003-14      *THAT, on the recommendation of the Real Estate Planning Committee, the total amount allocated for the construction of the Integrated Engineering and Computer Science/Visual Arts Complex approved at the meeting of the Board of Governors on March 20, 2002 be increased by an amount not to exceed \$6.8 million as a result of a change in the scope of the project.*

3.      Presentation on eConcordia

Mrs. Vineberg invited Mr. Andrew McAusland, Director of eConcordia, to make a presentation. Aided by a powerpoint presentation, Mr. McAusland conveyed eConcordia's goals, which are to increase accessibility to Concordia education, increase access to the international market and create a permanent revenue stream for the University.

Mr. McAusland continued by giving information on the products and services offered by eConcordia, consisting of for credit, not for credit and custom designed on-line courses for the academic, professional and corporate markets. However, eConcordia does not offer degree or diploma programs. eConcordia is to be used as a marketing tool to increase exposure to the University's range of academic services by offering services to external markets.

Mr. McAusland reviewed the operating objectives, namely to develop and offer up to 24 on-line courses within three years and to attain revenues exceeding \$1,250,000 within that same period. He apprised the Board of the projected revenues for 2003, 2004 and 2005 as well as the current issues facing eConcordia and the potential international revenues based on the Tunisia model. Operating expenses as of May 31, 2002 totaled \$430,207. Mr. McAusland concluded his presentation by reviewing the balance sheet which indicated a \$229,391 deficit as of May 31, 2002, while stating that the 2003 balance sheet should show a deficit ranging from \$30,000 to \$40,000.

Following a series of questions asked of Mr. McAusland, the following information was provided:

- The Concordia University Foundation is the sole shareholder of eConcordia;
- eConcordia keeps all the registration fees for the courses it provides; however, the FTE revenue attributable to Concordia students registered in eConcordia courses belongs to the University;
- There is no faculty course load issue per se. Course load is covered by the CUFA collective agreement while intellectual property issues are covered by licence agreements entered into between faculty members and eConcordia;
- The list of all courses dispensed by eConcordia is available on its website;
- A copy of the eConcordia By-Laws and the financial statements are available for consultation;
- The members of the eConcordia Board of Directors are appointed by the Concordia University Foundation. There is no student representative on the eConcordia Board.
- Agreements are being drafted between eConcordia and the University;
- The \$250,000 start up funds came from the Concordia University Foundation as well as from the University. Mr. Hanna requested that the Minutes reflect that the aforementioned funds come from those two sources;
- Issues of intellectual property remain to be ironed out, given that eConcordia is still at a developmental stage; and

- Concordia students can take on-line courses from eConcordia as well as from other universities.

4. Approval of the trade-name licence agreement between Concordia University and eConcordia.com

A motion was moved by Dr. Lowy, seconded by Mr. Hanna, that the Board approve that the University enter into a trade-name licence agreement with eConcordia.com, substantially as set out in document BG-2003-2-D2.

Dr. Lightstone mentioned that there were a number of tweaks to be worked out and thanked Me de Santis for her astute suggestions over the last few days. He assured the Board that the agreement would only be signed once all details were properly finalized. Mr. Dickie-Clark mentioned the fact that no student sits on the eConcordia Board and moved an amendment, which was seconded by Mr. Cormier, that the agreement be passed by Senate before being presented to the Board. Dr. Lightstone replied that Senate was fully aware of this issue, specifying that every for credit course must follow the regular curriculum approval route. Consequently, Mrs. Vineberg ruled the amendment out of order.

In any event, since other concerns were also raised, Dr. Lowy withdrew his motion, stating that this agreement should be considered at a future meeting. Me Freedman asked that Governors email their comments or thoughts directly to him, while stating that several of the issues raised are being dealt with in the context of a services agreement to intervene between the University and eConcordia. Accordingly, once both agreements are finalized, they will be submitted to the Board for approval.

5. Approval of the Concordia Institute for Information Systems Engineering

In response to a question, Dr. Lightstone explained the uniqueness of the Institute rests in the fact that it will house exclusively graduate programs. He added the importance of recognizing innovation and going beyond traditional departmental silos. The concept of this trans-disciplinary Institute is to draw expertise from many areas.

While some Governors spoke in favor of the motion, Dr. Byers and Dr. Chaikelson, while declaring themselves in favor in principle of inter-disciplinary centers, expressed reservations with the proposal and raised questions regarding the functioning of the unit given its small size, the fact that the core appointment is done from the Institute rather than from a department as well as concerns regarding the hiring of members doing quasi-research with no undergraduate responsibilities.

Dr. Lightstone responded that the persons appointed to the Institute will also teach at the undergraduate level in the relevant departments. There will be a small number of core appointments as well as Fellows. The collective agreement covers appointments to this unit. Moreover, he opined that the core appointment must be made in the Institute in order to make the unit viable.

Upon motion duly moved and seconded (Lowy, de Santis), it was unanimously RESOLVED with 5 abstentions:

R2003-15      *THAT, upon the recommendation of Senate, the Board of Governors approve the establishment of the Concordia Institute for Information Systems Engineering, as set out in document BG-2003-2-D3.*

6. Report of the Budget Committee
7. Report on the events of September 9, 2002

Given the lateness of the hour, the Chairwoman suggested that the above two items be postponed to the March meeting, with the understanding that they will be placed at the beginning of the Agenda. The Chair of the Budget Committee, Mr. Hanna, stated that the budget presentation could wait until the next meeting, while adding that the University finished the 2001-2002 year with a surplus of \$1.8 million. The other Board members were amenable Mrs. Vineberg's suggestion.

8. Report of the Rector

The Rector apprised the Board of meetings he had with selected senior alumni and friends of the University in Montreal, New York, Calgary and Vancouver, many of whom expressed concerns regarding the events at Concordia. However, they have appreciated the clarifications given by Dr. Lowy, and so far, without exception, have reaffirmed their commitment to Concordia. Dr. Lowy was pleased to announce that an alumnus from Calgary has given indirect support to the University through a \$1 million pledge to the Centre for International and Cross-Cultural Dispute Resolution.

Mr. Dickie-Clark asked the Rector to comment on the allegations made by two student panelists regarding the hearings into the September 9 events. Dr. Lowy replied that he conducted his own inquiry and has spoken to the Advisor of Rights and Responsibilities, Mr. Peter Côté, as well as the Secretary of the Student Hearing Panels, Ms. Tessier. He indicated that he had been assured that there was no validity to the allegations, and the process of the hearings was fair and thorough. The Rector had also asked the two students to call him but he had not yet heard from either of them. Me Freedman suggested that Board members read yesterday's edition of *The Link*, which presents a different point of view from another student panel member on page 22.

9. Report of the Vice-Rectors

- 9.1 Provost – Dr. Jack Lightstone

Dr. Lightstone apprised the Board of the Quebec government's plan to adopt a new funding formula, under which the University will lose a substantial amount of money. However, he added that the Minister of Education, at a recent CREPUQ meeting, indicated his understanding that any new formula will have aberrational effects. As a result, the Minister will use a margin of maneuver outside the formula, which could benefit the two big losers under the new formula, namely Concordia and HEC.

Mr. Cormier asked the Provost why two out of the three last Senate meetings had been cancelled, given that there are so many important issues to be discussed, such as the proposed inquiry on racism, etc. Dr. Lightstone answered that Senate Steering Committee sets the Senate Agenda. He had chaired the last Senate Steering Committee meeting, at which time Steering Committee decided that there was not sufficient academic business to call a meeting of Senate.

- 9.2 Vice-Rector Services – Mr. Michael Di Grappa

Mr. Di Grappa was very pleased to inform the Board that Mr. Les Lawton, the coach of Concordia Stingers women's hockey team, had won his 500<sup>th</sup> game against the UTRQ Patriotes last Friday, which was a historic milestone in women's college hockey.

Mr. Di Grappa said that the search for a new Director of Recreation and Athletics is on-going and thanked Mr. Ivan Velan for his participation as Board representative on the search committee.

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

R2003-16      *THAT the Board of Governors convey its congratulations to Mr. Les Lawton, head coach of the Concordia Stingers women's hockey team, on his 500<sup>th</sup> career win.*

9.3      Vice-Rector, Institutional Relations and Secretary-General – Prof. Marcel Danis

Prof. Danis had left the meeting.

9.4      Chief Financial Officer – Larry English

Mr. English indicated that a complete budget update will be presented at the next Board meeting.

10.      Correspondence

There was no correspondence addressed to the Board.

11.      Any other business

There was no other business to bring before the Board.

12.      Next meeting

The next regular meeting of the Board of Governors will be held on Wednesday, March 19, 2003, at 8 a.m., in Room GM 407-1, on the SGW Campus.

13. Adjournment

The meeting adjourned at 10 a.m.

Danielle Tessier  
Secretary of the Board of Governors