



BG-2003-6

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

Held on Wednesday, June 18, 2003, immediately following the Closed Session,
in Room 407-1, SGW Campus

Attendance

Present: Mrs. Lillian Vineberg, *Chairwoman*, Mr. Normand Beauchamp, Mr. Alain Benedetti, Dr. Louise Brunette, Me Gerald C. Burke, Dr. William Byers, Mr. Alexander Carpin, Mr. Charles G. Cavell, Hon. Baljit Singh Chadha, P.C., Dr. June Chaikelson, Mr. Youri Cormier, Mr. Howard Davidson, Mr. Chae Dickie-Clark, Mr. Brian Edwards, Mr. George Hanna, Dr. Lawrence Kryzanowski, Ms. Christine Lengvari, Dr. Loren Lerner, Dr. Frederick Lowy, *Rector and Vice-Chancellor*, Sister Eileen McIlwaine Ph.D., Mr. Desmond O'Neill, Mr. John Parisella, *Vice-Chairman*, Mr. Alex G. Potter, Mr. Richard Renaud, *Vice-Chairman*, Mrs. Miriam Roland, Mrs. Mackie Vadacchino de Massy, Mr. Jonathan Wener

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

Absent: Me Rita de Santis, Dr. Terrill Fancott, Ms. Sabine Friesinger, Mr. Kamal Fox, Me Pierre Fréreau (*Observer*), Mr. Leo Goldfarb, Ms. Suzanne Gouin, Mrs. Judith Kavanagh, Mr. Peter Kruyt, Mr. Peter G. McAuslan, Mr. Eric Molson, *Chancellor*, Mrs. Miriam Roland, Mr. Jacques St-Laurent, Mr. Ivan Velan, Ms. Sobia Virk

Also present: Me Suzanne Birks (Legal Counsel), Mr. Garry Milton (Executive Director, Rector's Cabinet)

Documents associated with the Minutes

BG-2003-6-D6	Rector's report on 2002-2003 sundry fees
BG-2003-6-D7	Membership nominations to the Advisory Search Committee for Provost
BG-2003-6-D8	Letter from Direction du Financement of the Quebec Ministry of Education regarding \$45,000,000 borrowing plan

1. Call to Order

The Open Session was called to order at 9:45 a.m.

Vice-Rector Michael Di Grappa was pleased to introduce Ms. Katie Sheahan who was recently appointed Director of Recreation and Athletics for a five-year term.

1.1 Chairwoman's remarks

Mrs. Vineberg reported the following events which occurred during the Closed Session meeting:

- She was stepping down as Chair of the Board as were the Vice-Chairs, Messrs. John Parisella and Richard Renaud. However, all three were staying on as Governors. Mrs. Vineberg conveyed her deepest appreciation to Messrs. Parisella and Renaud for their support and work during their tenure as Vice-Chairs;
- The Board elected new executive officers, namely Mr. Alain Benedetti as Chair of the Board as well as Mr. Charles Cavell, Me Rita de Santis and Mr. Peter Kruyt as Vice-Chairs;
- Mr. Eric Molson's term as Chancellor was extended for one year;
- Mr. Noah Joseph, Ms. Natalie Pomerleau and Mr. Adam Slater were elected to the Board as undergraduate student representatives. Mrs. Vineberg welcomed Ms. Pomerleau who was present at the meeting;
- Dr. Sally Cole and Dr. Rama Bhat were elected as faculty representatives;
- Ms. Suzanne Sévigny and Dr. Hani Shennib were elected as the new representatives of the community-at-large;
- Mr. Brian Edwards, Mr. George Hanna, Mr. Peter Kruyt, Mr. Alex Potter, Mr. Ivan Velan and Mrs. Lillian Vineberg were re-elected as representatives of the community-at-large;
- Me Pierre Frégeau was re-elected by the part-time faculty as the non-voting observer.

Mrs. Vineberg thanked retiring Governors Sister Eileen McIlwaine and Leo Goldfarb for their valued contributions over the years. They have both been appointed to the *Associates of the Chancellor*. Sister McIlwaine was also named Governor Emeritus, in recognition of her distinguished service to the University.

The Chairwoman also conveyed her appreciation to retiring faculty representatives Terrill Fancott and Bill Byers, for their dedicated service and participation in many Board initiatives. With respect to the departing student representatives Sabine Friesinger, Youri Cormier, Chae Dickie-Clark and Sobia Virk, Mrs. Vineberg stated that this past year had presented challenges and had been a learning experience for everyone. She wished them well in their future undertakings.

In closing, Mrs. Vineberg expressed her gratitude to Governors for their work and their support during her tenure as Board Chair.

1.2 Approval of the Agenda

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

R2003-64 *THAT the Agenda be approved as submitted.*

1.3 Approval of the Minutes of the Open Session of the previous meeting (May 14, 2003)

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

R2003-65 *THAT the Minutes of the Open Session of the previous regular meeting of the Board of Governors, held May 14, 2003, be approved.*

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

There was no business arising from the Minutes.

3. Sundry fees report for 2002-2003

As required by resolution R2001-3, Dr. Lowy reported on the approval of sundry fee increases by the Rector's Cabinet during the 2002-2003 academic year, all of which are detailed in document BG-2003-6-D6.

4. Election of the members of the Advisory Search Committee for the Provost

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

R2003-66 *WHEREAS, in accordance with the Rules and Procedures for Senior Administrative Appointments approved by the Board of Governors on January 17, 2001, a Search Committee was established by the Board on March 19, 2003 for the position of Provost;*

BE IT RESOLVED:

THAT the following persons be elected as members of the Search Committee for Provost, in accordance with the composition set out in the Rules:

Dr. Muriel Herrington and Prof. Harvey Shulman, full-time faculty members, nominated by the Faculty of Arts and Science;

Prof. Michel Magnan, a full-time faculty member, nominated by the John Molson School of Business;

Prof. Maria Peluso, a regular part-time faculty member, nominated by the part-time faculty; and

Mr. Adam Slater, an undergraduate student, nominated by the Concordia Student Union.

5. Borrowing of \$45,000,000 from Financement-Québec

Governors were apprised that they were being asked to approve the compulsory financing with Financement-Québec. The only difference is that the financing will now be done via a borrowing plan requiring a one-time yearly approval, in lieu of approving a total sum and coming back to the Board for approval of specific transactions within that total sum.

Upon motion duly moved and seconded (Hanna, Burke), it was unanimously RESOLVED:

R2003-67 *WHEREAS pursuant to Section 78 of the Financial Administration Act (R.S.Q., c. A-6.001), the bodies referred to under Section 77 of said Act, which have the power to borrow, may, within the scope of a borrowing plan established by the body and with the authorizations or approvals required by law to exercise their power to borrow, where*

such plan sets out the maximum amount and the characteristics and limits related to borrowings to be effected, conclude, without further authorization or approval, any borrowing transaction under said plan and establish the amounts and other characteristics and fix or accept the terms and conditions relating to each such transaction;

WHEREAS pursuant to Section 83 of the Financial Administration Act, a body referred to under Section 77 of said Act may, notwithstanding any provision of any other act applicable to it, determine, within the scope of a borrowing plan referred to in the foregoing section, that the power to borrow or to approve the terms and conditions thereof, may be exercised on behalf of the body by two or more of its officers authorized by the body;

WHEREAS Concordia University (the "Borrower") is a body referred to under Sub-section 77(2) of the Financial Administration Act, for the purposes of the application of the foregoing provisions;

WHEREAS it is necessary to authorize a borrowing plan related to the borrowings of the Borrower, to establish the maximum amount of the borrowings that may be effected thereunder, to set the characteristics and limits related to the borrowings to be effected and to authorize the Borrower's officers to conclude any borrowing transaction under such plan, to determine the amounts and other characteristics thereof and to accept the terms and conditions relating to each such transaction;

BE IT RESOLVED:

1. to establish a borrowing plan pursuant to which the Borrower, subject to the limits set out hereinafter, may conclude from time to time before June 30, 2004, some borrowing transactions of no more than forty-five million dollars (\$45,000,000) in legal Canadian tender;

2. that the borrowing transactions effected by the Borrower pursuant to this borrowing plan be subject to the following limits:

a) notwithstanding the provisions of above Article 1, the Borrower shall not, during each of the 15 months periods running from April 1 2003 to June 30, 2004 and falling within the period referred to in Article 1, effect borrowing transactions that would exceed the total amount approved for such period by the Conseil du Trésor (Treasury Board) under the long-term university establishments borrowing program;

b) the Borrower shall not effect a borrowing transaction unless it benefits from a Quebec Government subsidy in compliance with standards established by the Treasury Board pursuant to the granting or the promise of subsidies to university establishments and providing for the payment in principal and interest of the borrowing in question even if, moreover, the payment thereof is subject to the annual vote by Parliament regarding the sums required for this purpose;

c) each borrowing transaction shall only be effected in legal tender in Canada, on the Canadian market or with Financement-Québec;

d) *the proceeds from each borrowing transaction shall only be used, besides the payment of the inherent borrowing costs, for one or several of the following purposes:*

- i) *to finance the investment expenditures made by the Borrower in accordance with investment plan approved by the Quebec Government;*
- ii) *to refinance previous borrowing transactions in whole or in part at maturity;*
- iii) *to repay contracted banking borrowing transactions awaiting for long-term financing or refinancing;*

3. *that for the purposes of determining the sum referred to in above Article 1 and the amount referred to in above Sub-section 2(a), only the face value of the borrowings effected by the Borrower are taken into account;*

4. *that the borrowing transactions under this borrowing plan are effected by the issue of debt securities ("bonds") or by loan agreements reached, in this latter case, with Financement-Québec;*

5. *that to the extent a borrowing transaction under this borrowing plan is effected by bond issue:*

a) *the trust company designated by the Minister of Finance, acting on behalf of the Borrower, shall act as trustee for the bondholders;*

b) *the legal advisor designated by the Minister of Finance, acting on behalf of the Borrower, shall prepare the relevant documents and issue a legal opinion on the validity of the borrowing and the bond issue;*

c) *the printer designated by the Minister of Finance, acting on behalf of the Borrower, shall print the bond certificates that may, under the circumstances referred to in Sub-section 9(h) hereinafter, be issued in exchange for the aggregate certificate;*

d) *the Borrower shall issue an offering circular relating to the bond issue;*

e) *the Borrower shall create a private utility trust pursuant to the master trust agreement or, as the case may be, the supplementary trust agreement in favour of bondholders and the trust company to be designated by the Minister of Finance, acting on behalf of the Borrower, shall be responsible for supervising the allocation of the Borrower's debt ensuing from the government subsidy to be granted to it, for administering the trust estate to be created and for applying the relevant trust agreement;*

f) *the following signing officers authorized by the Borrower are empowered to deliver the aggregate certificate and the bond certificates which, as the case may be, may be issued in exchange for the aggregate certificate to the aforementioned trust company to enable the latter to certify them, to sign all documents required for this purpose and for the ultimate delivery to The Canadian Depository for Securities Limited ("CDS") or, as the case may be, in accordance with CDS instructions;*

6. *that the Borrower irrevocably mandates the Minister of Finance, throughout the term of this borrowing plan, to:*

a) *invest, on behalf of the Borrower, the borrowings authorized pursuant to this plan, subject to the limits and characteristics set out herein, by means of bond issues unless these borrowings are contracted with Financement-Québec;*

b) *agree, on behalf of the Borrower, to the financial terms and conditions of the bond issues with the underwriters of such issues which it shall have chosen;*

c) *retain, on behalf of the Borrower, the services of any legal advisor whom it shall choose to prepare the borrowing documents and provide the requisite legal opinions;*

d) *retain, on behalf of the Borrower, the services of a trust company and, as the case may be, a printer in the event of borrowing by means of a bond issue;*

e) *agree, on behalf of the Borrower, to the terms and conditions of retaining the services of the legal advisor, the trust company and, as the case may be, the printer;*

7. *to authorize the Borrower to pay, from the proceeds of each borrowing contracted by bond issue and as per the rate structure established by the Minister of Finance, the fees and disbursements of the trust company, the legal advisors and the printer whose services shall have been retained by the Minister of Finance, acting on behalf of the Borrower;*

8. *to authorize, as the case may be, the Borrower to pay the annual fees of the trust company whose services shall have been retained as per the rate schedule established by the Minister of Finance*

9. *that to the extent the borrowing transactions under this borrowing plan are effected by bond issue, each of such transactions comprise the following characteristics:*

a) *the bonds shall be issued under a master trust agreement or, as the case may be, a supplementary trust agreement reached between the Borrower, the trust company and, as intervenor, the Minister of Education and the bonds shall be governed by such trust agreements;*

b) *to the extent the Borrower has already concluded a master trust agreement with the trust company and the Minister of Education allowing for the issue of bonds book-based with CDS, the master trust agreement referred to above shall be such trust agreement already entered into;*

c) *moreover, to the extent the Borrower has not entered into any such master trust agreement, the aforementioned master trust agreement shall be the one for which the wording shall have been annexed to the bond underwriting contract concluded by the Minister of Finance, acting on behalf of the Borrower and which shall subsequently be concluded between the latter, the trust company and the Minister of Education;*

d) *the aforementioned supplementary trust agreement shall be the one for which the wording shall have been annexed to the bond underwriting contract concluded by the Minister of Finance, acting on behalf of the Borrower and which shall subsequently be concluded between the latter, the trust company and the Minister of Education;*

e) *the bonds shall be sold pursuant to the underwriting contract to be reached between the Minister of Finance, acting on behalf of the Borrower and the bond underwriters in accordance with the prices, terms and conditions to which they shall have agreed;*

f) *the bonds shall be book-based with CDS, as long as the latter remains a self-regulatory organization recognized by the Quebec Securities Commission, or with any*

deposit and clearing corporation having taken over from CDS provided it is a self-regulatory organization recognized as such;

g) the bonds shall be issued in denominations of \$1,000 or whole multiples thereof and shall be represented by an aggregate certificate for their full face value or by an aggregate certificate for each portion of bonds, where there are several tranches, deposited with CDS and registered in the name of the nominal owner designated by CDS, to the benefit of the non-registered bondholders whose respective interests therein shall be evidenced by registration in the ledgers;

h) where CDS would cease to act as depository of the aggregate certificate, where it would cease to be a self-regulatory organization recognized by the Quebec Securities Commission without being replaced by another such organization within thirty (30) days or where the Borrower would want to replace the aggregate certificate with individual bond certificates, the bonds would then be represented by individual bond certificates fully registered in denominations of \$1,000 or whole multiples thereof;

i) CDS shall credit the payment of the principal and interest on the bonds book-based with CDS and represented by an aggregate certificate into the respective account of its members who hold the bonds, who in turn shall credit the payment into the respective account of the non-registered bondholders whom they represent;

j) where bond certificates would be issued to replace the aggregate certificate, the interest on the bond certificates would be paid either by cheque or bank draft payable at par and drawn from a bank governed by the Act respecting banks and banking (S.C. 1991, c. 46) or from a financial services cooperative governed by the Act respecting financial services cooperatives (R.S.Q., c. C-67.3), or by a transfer of funds into an account held by the registered holder of the bond certificate in question with a financial institution, the identification of which shall have been conveyed to the trust company;

k) where the bonds are book-based with CDS and represented by an aggregate certificate, the trust company shall be the paying agent;

l) where the bonds are represented by bond certificates, the paying agent shall be the trust company with regard to the payment of interest and, with regard to the payment of principal, any branch of the Borrower's bankers in Canada or, at the Borrower's choice, any financial services cooperative governed by the Act respecting financial services cooperatives and La Caisse centrale Desjardins du Québec, in Montreal;

m) any interest instalment outstanding on the bonds shall bear interest at the same rate as the bonds in question;

n) the Borrower shall not redeem the bonds but it shall, however, be able to buy them on the market by tender, by mutual agreement or by any other method which the Borrower shall deem appropriate, the Borrower may re-issue the bonds so purchased at any time before maturity;

o) to the extent bond certificates would be issued, they shall be exchangeable at no cost to their registered holders, for an equal aggregate face value of bond certificates of all authorized denominations and same characteristics as long as the claimed number of bond certificates is, in the opinion of the trust company, reasonable under the circumstances;

p) *the aggregate certificate and the bond certificates that may, as the case may be, be issued in exchange for the aggregate certificate, shall be signed, in the Borrower's name, by either one of the signing officers authorized hereinafter, as long as both are acting jointly, such signatures may be replaced by a printed or otherwise reproduced facsimile which shall have the same effect as a hand-written signature; the aggregate certificate and bond certificates, if any, shall also bear a certificate from the trust company, signed by one of its authorized representatives;*

q) *the aggregate certificate and the bond certificates that may, as the case may be, be issued in exchange for the aggregate certificate, shall be drafted in the form, shall bear the serial numbers and include statements substantially compatible with the provisions hereof as determined by the Borrower's representatives who shall sign them*

r) *the bonds shall be secured by the transfer to a trust estate held by the trust company of the debt which, for the Borrower, represents the subsidy to be granted to the Borrower by the Minister of Education, on behalf of the Quebec Government, to provide for the payment in principal and interest of the bonds of such issue, it being understood that neither the Borrower nor the trust company shall require that the sums to be deposited with the Minister of Finance to form a sinking fund be remitted to them by the Minister of Finance before the dates scheduled for the payment of the principal on the bonds;*

s) *the bonds shall include the financial terms and conditions approved by the Minister of Finance, acting on behalf of the Borrower and by the underwriters of the bonds when they are sold;*

10. *that to the extent the borrowing transactions under this borrowing plan are effected by a loan agreement reached with Financement-Québec, each of such transactions shall include the following characteristics:*

a) *the borrowing shall be contracted under a loan agreement to be reached between the Borrower, Financement-Québec and, as intervenor, the Minister of Education, and it shall be governed by such loan agreement and by the promissory note set out hereinafter;*

b) *the borrowing shall further be evidenced by a promissory note made out to the order of Financement-Québec;*

c) *the wording of the loan agreement and the promissory note shall substantially comply with the wording of the sample loan agreement and sample promissory note annexed to the minutes of this meeting subject to the amendments that their signing officers may make thereto in agreement with the following provisions;*

d) *the borrowing shall include the financial terms and conditions acceptable to Financement-Québec and the signing officers authorized by the Borrower, in accordance with the criteria established by the Government pursuant to Order-in-council 238-2000 dated March 8, 2000, as modified or replaced at any time;*

e) *any instalment of principal or interest outstanding on the contracted borrowing shall bear interest at the same rate as the borrowing in question or at the prime rate equal, for any interest period, to the arithmetic average of the prime rates or base rate, calculated by Financement-Québec, of three of the six major Canadian chartered banks listed in Schedule I of the Act respecting banks and banking, whichever rate is higher;*

f) unless the financial terms and conditions of the borrowing expressly provide otherwise, the borrowing shall not be redeemed in whole or in part;

g) the promissory note shall be signed, on behalf of the Borrower, by either one of the signing officers authorized hereinafter, provided both are acting jointly;

h) to ensure payment of the principal of the borrowing and the interest owed thereon at maturity, the debt which, for the Borrower, represents the subsidy to be granted to it by the Minister of Education, on behalf of the Quebec Government, shall be allocated to a movable hypothec without delivery in favour of Financement-Québec;

i) the wording of the movable hypothec deed shall substantially comply with the wording of the sample movable hypothec annexed to the minutes of this meeting subject to the amendments that their signing officers may make thereto in agreement with the following provisions;

11. to authorize the Borrower to pay, from the proceeds of each borrowing contracted by loan agreement, the agreed upon issue expenses and management fees;

12. to authorize, for and on behalf of the Borrower, Frederick Lowy, Rector, and Larry English, Chief Financial Officer, provided both are acting jointly, to sign the master and supplementary trust agreements, the loan agreements, the aggregate certificates, the individual bond certificates, the promissory notes and all other contracts and documents pertaining to the borrowings contracted under this plan, to agree to all clauses and warranties substantially compatible with the provisions hereof, to accept the net proceeds from the borrowings or, as the case may be, to allow such proceeds to be accepted by the trust company whose services shall have been retained and to give good and valuable release and discharge, to make all amendments to such documents substantially compatible herewith, to do all things and sign all documents, necessary or useful to give full effect hereto;

13. that to the extent the Borrower has already passed a resolution establishing a borrowing plan, this resolution supersedes the prior resolution.

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

6.1 Report on compliance with fiscal requirements

Chief Financial Officer Larry English reported he was satisfied with the procedures followed for computing and remitting taxes withheld from employees' and employers' contributions as well as for GST and QST claims, and that the University had fully complied with its statutory fiscal obligations. A copy of his written report for the three-month period ending May 31, 2003 was deposited with the Secretary of the Board of Governors.

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

Vice-Rector, Services Michael Di Grappa was pleased to inform Governors that there were no serious injuries or interventions from external agencies during the last quarter. There has been a great deal of effort directed to support the move of the Science Departments. Mr. Di Grappa gave a summary of the main items outlined in the

Quarterly environmental health and safety report on due diligence, dated June 5, 2003, a copy of which had been deposited with the Secretary of the Board of Governors, regarding CSST assessments and SARS advisory.

7. Report of Standing Committees

7.1 University Advancement Committee (May 28, 2003)

The Committee Chair, Peter Kruyt, had conveyed his regrets.

Mrs. Vineberg took the opportunity to thank the outstanding team of senior administrators for their support during her tenure as Chairwoman of the Board.

8. Report of the Rector

Dr. Lowy expressed his gratitude to the outgoing Chairwoman and Vice-Chairs for their hours of dedicated and helpful work, indicating that they had been an inspiration to all Board members. The Rector also expressed his personal gratitude to all retiring Governors.

9. Report of the Vice-Rectors

9.1 Provost – Dr. Jack Lightstone

Dr. Lightstone reported that while this year FTEs reached 22,300, based on 2003-2004 enrolments, the University should reach an all-time high of 23,400 FTEs for next year.

9.2 Vice-Rector Services – Mr. Michael Di Grappa

Mr. Di Grappa has nothing to add.

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

Prof. Danis conveyed his appreciation to Mrs. Vineberg for her tenure as Chair of the Board.

9.4 Chief Financial Officer – Larry English

Mr. English had nothing to report.

10. Correspondence

There was no correspondence to bring before the Board.

11. Any other business

There was no other business to bring before the Board.

12. Next meeting

Mrs. Vineberg asked the Board that to disregard the schedule of meeting enclosed in the mailing since the meetings will be moved to Thursdays. Accordingly, a revised

schedule of meetings will be prepared and circulated to Board members in the beginning of July.

13. Adjournment

The meeting adjourned at 10:15 a.m.

Danielle Tessier
Secretary of the Board of Governors