



Meeting of the Board of Governors, January 20, 2023

January 13, 2023, minutes were approved as circulated.

Action Required

2. Updated Projection

C. Milner reviewed this year's budget projection. He said there are still a lot of unknowns including uncertainty around the government grant. Academic salaries will be confirmed soon. Known changes will roll over. All collective agreements are in place for next fiscal year which means salary increases are known. Utilities are going to go up significantly due to rate increases and changes made during COVID including addition of fresh air exchangers. We still have some soft funded positions that need to be built into the operating budget but external funding exists past 2023-24.

Unique and unusual to this year:

- Change to operating budget funding formula for government grant
- Applications different and unusual to previous years
- We are in a high inflation environment
- Flat endowment returns will impact us
- Change to Canada Research Chairs funding income
- Change in other interfunds as source of government funding has now changed and is no longer available

Bottom line is a \$2 million dollar deficit which is a big deal as this would be the fifth year in a row running a deficit. This number includes \$950,000 in internal loans, is based on an entering class of 700 students, and 3% tuition increase.

C. Milner explained how the Interfund Transfers and MY Bell funding works.

R. Inglis said it is within the committee's purview to question if we are using all of our endowment funding to the best of our ability.

3. Establish Principles and Priorities for Decision Making

C. Milner provided an overview of the guiding principles from Policy 7203 – *Budget Development Principles and Guidelines*.

Overall principle of this policy is generational neutrality. O