

**Kwantlen University Student Association**  
Board of Directors Meeting Agenda  
Friday, September 1st, 2006 @ 5:00 PM  
Surrey Campus –Conference Centre

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- A. Introductory Procedures**
  - 1. Call to Order
  - 2. Confirmation of Chair
  - 3. Adoption of the Agenda
- B. Membership**
  - Introduction
  - New Members
  - Declaration of Vacancies
- C. Presentation to the Board**
- D. Approval of Minutes**
- E. President's Report**
- F. Staff Report**
- G. Unfinished Business of the Previous Meeting**
- H. Campus Council Reports and Motions**
  - 1. Langley Campus Council Report
  - 2. Newton Campus Council Report
  - 3. Richmond Campus Council Report
  - 4. Surrey Campus Council Report
- I. Liaison and Governance Representative Reports and Motions**
  - 1. Disabilities Report
  - 2. LGBT Report
  - 3. Aboriginal Report
- J. Executive and Executive Committee Reports**
  - 1. Vice President Internal Affairs Report
  - 2. Vice President Events & Student Life Report
  - 3. Treasurer Report
- K. Other Business**
  - 1. Letter of Concerns (Attachment 1)
- L. Submissions**
- M. Next Meeting**
- N. Adjournment**

**Kwantlen University Student Association  
Board of Directors Meeting Agenda**

**September 1<sup>st</sup>, 2006**

**Attachment No. 1: Letter of Concerns**

**Prepared by: Steve Lee**

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**O. Attn: Staff, Elected & Appointed Officials as well as  
P. Members of the Kwantlen Student Association**

**Q.**

**1. CRO Selection**

I apologize for not getting back to you Aaron about meeting to discuss CRO selection. I have been very busy lately with other commitments.

Rest assured, I am working to fulfill the settlement order (attached) by referring possible CRO suggestions to my legal representative. The settlement order made no mention of any adhoc committee being formed to discuss this further, so although it may be nice to form such a committee, it does not appear to be absolutely necessary.

If it is felt that such a committee is needed, I think it would be appropriate for voting representatives of the interim KSA Board of Directors to meet and discuss CRO selection, but I respectfully submit that it would not be appropriate for Mr. Takhar to be involved in the decision making process related to this matter, due to the allegations that have been made regarding his own possible inappropriate involvement in the January 2006 General Election and Referendum.

**2. Structure of the Interim Council**

First off, it is very important to note that the individuals named in the settlement as being voting members of the board of directors hold no specific position. We are all equals on this interim board, each with one vote. There are no interim executive board members or specific campus council members.

Secondly, although the settlement does not address remuneration specifically, the regulations were reset to the old ones that were in place before January 2006. As of August 21, the wage increases that had been supposedly passed in January 2006 and even prior to that in June 2005 are out of order and the following schedule would be in order, as per Section IX: Article 2 of the Regulations:

- Executive Board Members – bi-weekly sum of \$412.00

- Chairperson of the Executive Board – an additional bi-weekly sum of \$51.50
- Campus Directors – bi-weekly sum of 20 hours per week at \$0.75 above minimum wage per hour
- Campus Representatives – bi-weekly sum of 10 hours per week at \$0.40 above minimum wage per hour
- Campus Officers – bi-weekly sum of 5 hours per week at minimum wage per hour

It is prudent that people be remunerated for their contributions to the KSA during the interim period, and I would recommend that all voting members named in the settlement be remunerated at a rate of a Campus Representative.

Concerned students will be watching the interim council's actions closely, so I think that it is extremely important we act in the highest possible ethical and transparent manner possible. The KSA should strive from now on to be as open, transparent and accessible as possible.

### **3. Copy of the Constitution, Bylaws and Regulations Online**

R.

This should be updated to reflect the settlement order which struck the bylaws of both the September 2005 and November 2005 SGMs, and declared that the pre-September 2005 Bylaws were in effect.

The constitution on the website is also incorrect as per the copy filed with Victoria.

Attached are the copies of the Constitution and Bylaws that I have on hand in word and html format. They are correct and true, as compared to what is filed with Victoria.

S.

### **4. Fulfilling Other Requirements of the Settlement Order**

It is important to meet on or before September 1, 2006. To not meet or achieve quorum on or by this date would be in violation of the settlement order. If you could not live up to this then you should not have agreed to this date. It is my understanding that those who fail to attend could in future be held in contempt of court.

It is curious that the Association appears to have been extremely cautious and diligent about trying to meet on a by-weekly basis since June 2006, that it would now again appear to be a difficulty.

In order to ensure that sections 11 and 13 of the settlement order are met, it is important that the following information should be prepared and presented in the agenda for the September 1, 2006 meeting:

- To ensure compliance with section 11, a complete list and detailing of all projects individuals of the KSA is currently working on should be prepared and presented. This would include, but would not be limited to complete information on:
  - The Advocacy and lobbying efforts of the Association;
  - The Legal activities regarding any outstanding or ongoing legal disputes which the association may have been involved in since May 2005 until now (in addition to the two petitions surrounding fall 2005 SGMs that were recently resolved through settlement);
  - The dialogue between the Association and the Institution since May 2005;
  - Any renovations or capital projects that have taken place since May 2005 until now. This update should include complete financial information regarding all related expenditures, who approved those expenditures and any other information regarding any contracts that have been signed to complete those renovations or capital projects;
  - An update regarding past and upcoming events. This update should include information on events that have occurred since January 2006, as well as information regarding any events that are planned to occur over the next three months. It should also include information regarding all related expenditures that have occurred or plan to be occurred (furthermore, it is important to note that section 11 would essentially forbid any events other than the normal August Orientations and the Welcome-Week event in early September. Concerts, dances and other similar events are not traditional / annual day to day events and as such would be considered extraordinary);
  - Human Resource Issues, including but not limited to the “Bassi situation.” A complete disclosure on the incident that occurred and the resulting impeachments and firings should be prepared to be presented, along with any information regarding the related RCMP investigation and / or any

possible civil proceedings that may or may not be ongoing. Because the “Bassi situation” appears to be of a sensitive nature, disclosure of this information does not have to be in the agenda and may be given in-camera with all who may be present at the meeting being allowed to remain for the in-camera session;

- A detailed update regarding the “post-audit issues” surrounding the 2005 audited financial statements. These “issues” were referenced in a very general manner by both executive and staff members in the agendas and minutes for Board of Directors as posted since the June 15 AGM. What are these issues?
  - An update regarding the activities of Campus Councils since January 2006; *and*
  - An update regarding any other activities not specifically covered above, as conducted by Executive Members, Staff and Liaisons of the Society and the activities of any related committees.
- In order to ensure compliance with section 13, the Association should address in a report included with the September 1, 2006 Council meeting agenda, answer to the following outstanding questions, which were presented to the KSA by student Lisa Coan on Sunday, July 9, 2006:
    1. Why was the audited report for the 2005 fiscal year dated on May 26, 2006? The audited report for the 2004 fiscal year was dated as being completed by March 7, 2005. Why was there such a huge delay?
    2. Do you have any comment(s) on the quality of record keeping in the auditor’s management letter?
    3. As per the balance sheet, the operating fund balance has gone from surplus to significant deficit during the year resulting in a cash shortfall in the operating fund, requiring \$224,000 being borrowed from the Capital Fund long-term investments. This represents 18% of the long-term pool of funds, which proportionately diminishes the KSA’s external investment income. Please answer the following questions based on this circumstance:
      - a. Why is there a deficit?

b. Why were the details of this deficit not disclosed in the notes to the Financial Statements or in the report of the Treasurer?

4. I have a few questions about the mortgage and promissory note receivable. It would appear that the KSA has not only risked the funds by investing such a large portion in a single instrument, but the KSA has chosen an instrument which is inherently of a higher risk and therefore seemingly inappropriate given the circumstances presented. Please answer the following questions:

a. Why was \$620,000 of long term investments (representing approximately 49% of the investments) invested in a mortgage receivable and promissory note receivable?

b. Why were both secured by a SECOND charge on a borrower's property, both bearing a very low 5% rate of return, and both including an exceptionally long repayment term?

c. When was this investment approved, and by whom?

d. Does this show up in the auditor's management letter?

e. Who is the borrower?

f. What is the Fair Market Value for the properties in question?

g. How saleable are the properties provided as security?

5. Accounts Payable appears to be up 24% over the last year. Is the KSA staying current with suppliers or is the KSA at risk here due to unpaid accounts?

6. The Statement of Operations Operating Fund went from slightly less than breakeven last year to a significant

deficit this year (\$323,000). The KSA entered the year arguably knowing they had to cut expenses and instead increased wages by \$168,000 (38%). Based on this circumstance, please answer the following questions:

- a. Why were additional staff hired *and* / or what pay adjustments occurred during the year?
- b. Does this show up in the auditor's management letter?
- c. Finally, why was there such a substantial increase in professional fees during the year? What necessitated this increase? Why were there no notes in the financial statements or in the Society Reports to the Membership regarding the specific use of these professional fees?

7. In a year of cash-flow pressures, why:

- a. Was \$27,000 spent on Café-Lounge equipment?
- b. Did the Café-Lounge double its loss during the year, from approximately \$16,000 in 2004 to more than \$30,000 in 2005?
- c. Was more than \$51,000 spent on other furniture and / or equipment? What was purchased?
- d. Who authorized the above purchases?

8. The lobbying fund expenditures more than doubled to \$56,000. Presumably the auditors are satisfied that these expenses have been appropriately charged to this fund. But specifically, what activities comprise them? What type of "Lobbying" had occurred in 2005 that is consistent with the referendum restrictions that are in place on the fund?

9. Please provide the specifics of the bursaries awarded during 2005, which amounted to \$14,000.

- In order to further ensure compliance with sections 11 and 13, the Association should produce electronic copy (in MS Word or Adobe PDF) of:

- the management letter that should have accompanied the 2005 audited financial statements;
- all executive board meeting agendas and minutes from Executive Board meetings as held from January 1, 2005 until now;
- all Board of Directors / Council meeting agendas and minutes for all meetings of the KSA Board of Directors as held from January 1, 2005 until now, including, but not limited to copies of documents as related to the following meetings:

- i. April 29, 2005
- ii. May 13, 2005
- iii. May 27, 2005
- iv. June 10, 2005
- v. June 15, 2005
- vi. June 24, 2005
- vii. July 8, 2005
- viii. July 22, 2005
- ix. August 5, 2005
- x. August 19, 2005
- xi. September 30, 2005
- xii. Mid-October 2005
- xiii. October 28, 2005
- xiv. November 4, 2005
- xv. November 18, 2005
- xvi. December 2, 2005
- xvii. December 16, 2005
- xviii. January 6, 2006
- xix. 2<sup>ND</sup> January 2006 meeting (if any)
- xx. February 2, 2006
- xxi. February 10, 2006
- xxii. February 24, 2006
- xxiii. March 17, 2006
- xxiv. April 4, 2006
- xxv. April 13, 2006
- xxvi. April 28, 2006
- xxvii. May 12, 2006
- xxviii. June 2, 2006
- xxix. June 16, 2006
- xxx. June 30, 2006
- xxxi. July 14, 2006

xxxii. July 28, 2006

xxxiii. August 11, 2006

- the March 23, 2005 KSA Annual General Meeting including an electronic copy of the membership sign-in list;
  - the September 29, 2005 KSA Special General Meeting including an electronic copy of the membership sign-in list;
  - any other relevant document(s) that support any and all of the above inquiries.
- Many of the above documents were also requested by student Lisa Coan in her e-mail of July 9, 2006 and should have been made available to the auditors in order to complete the 2005 audit – as such, they should be easy for the KSA to produce these documents (I also believe that these same documents were also requested earlier in the year during the January 2006 election by candidate Rob Mumford). Finally, the Bylaws and Regulations require that these documents be accessible to the student body. Traditionally, this has taken place by having said documents placed on the Society's website;
  - In the past the Association has maintained a schedule for its Board of Directors, showing:
    - In respect of each employee, the total remuneration paid to the employee and the total paid for the employee's expenses; and
    - A consolidated total of all remunerations paid to all other employees.

To ensure compliance with sections 11 and 13 of the settlement agreement, the Association should present such a schedule to the September 1, 2006 meeting of Council.

- Article 13(2)(6) of the "RAF BILL2K5" Bylaws stated that the Senior Staff Members shall:

"submit to the Board quarterly financial reports, with the approval of the Operations Supervisor, in the manner specified in the Regulations and in accordance with the individuals and procedure listed in Article 13(2)(ii);"

Further, Article 17(1)(vi) of the old pre-September 29 Bylaws stated that the General Manager shall:

“submit to Council quarterly financial reports in the manner specified in the Regulations;”

And Section V. Article (2) (4) and (5) of the pre-December 31, 2005 Regulations states:

4. In accordance with Bylaw 17(1)(vi), the General Manager shall deliver written financial reports to Council four (4) times per year; in January, April, July and October. Such reports shall include:
  - a. expenditures to-date in each budgeted line item;
  - b. revenues to-date in each budgeted line item;
  - c. reference, in a form determined by the General Manager, to the previous year's Budget comparing the current financial status to the same reporting period of the previous year;
  - d. such other information as the General Manager may determine, or that has been requested by Council or the Executive Board.
5. At the request of Council, by Resolution, the General Manager shall provide interim reports at times other than those specified in paragraph (4) above.

As such, the Association should produce at the September 1, 2006 meeting of Council copy of all quarterly financial reports as issued to date during the 2005 and 2006 fiscal years.

Ensuring that the Society's finances are in order should be a priority for this interim council. If they are, it should be very easy to answer and provide information regarding all of the points outlined in this e-mail.

Respectfully,

Steven H. Lee