



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF APRIL 17, 2019
PUBLIC SESSION
2:00 p.m. – 4:10 p.m., ERC 3023**

Attendees: Nigel Allen (Chair), Doug Allingham, Stephanie Chow (via videoconference), Dale MacMillan (via teleconference), Steven Murphy

Staff: Kay Ali, Robert Bailey, Becky Dinwoodie, Cheryl Foy, Doug Holdway, Brad MacIsaac, Pamela Onsiong

Guest: Mike Eklund, Kimberly Nugent

1. Call to Order

The Chair called the meeting to order at 2:00 p.m.

2. Agenda

It was noted that P. Onsiong will be presenting for Craig Elliott and D. Holdway will be presenting for Justin Gammage.

Upon a motion duly made by D. Reiner and seconded by S. Murphy, the Agenda was approved as amended.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Chair's Remarks

The Chair kept his remarks brief.

5. President's Remarks

The President shared that the launch of the new brand was well received internally and externally. Institutions from across the globe sent positive feedback. The launch was the first stage in a long process. The university also announced its partnership with OCAD that morning.

(D. Allingham & M. Eklund joined at 2:04 p.m.)

The institutions will work together to give our students the opportunity to study at both campus locations. The partnership is kicking off with six projects this summer. The partnership reflects the focus on continuing to develop a well-rounded tech university.

6. Finance

6.1 2019-2020 Budget

R. Bailey discussed the strategic focus of the budget presentation, which was included in the meeting material. The university budget is about strategy and planning as opposed to only numbers. He discussed the importance of maintaining focus on the university's values (e.g. additional \$3.7M allocated to people in 2019-2020 budget despite the budget cuts). R. Bailey presented the core performance targets defined in SMA2 and advised that the university is performing well against those metrics.

(C. Foy joined at 2:17 p.m.)

There was a discussion regarding how the number of students graduating with experiential learning is calculated. B. MacIsaac advised that it is easy to do for some programs, such as engineering and nursing.

Budget development is the outcome of the strategic planning process. Sustainable budget development is a key aspect of integrated academic and operational planning. Strategy drives budget as opposed to the other way around. P. Onsiong reviewed the budget development process. She highlighted the effect of the government's tuition reduction. It was emphasized that strategic reductions were made to the budget as opposed to across-the-board cuts. P. Onsiong reviewed the key budget assumptions and responded to questions from committee members.

It was clarified that there is approximately \$20M in reserve for deferred maintenance and it is restricted if not used in its entirety. It was also highlighted that the Regent Theatre is showing a surplus for the first time. A member commented that the graph was very helpful in reviewing the budget as it clearly identifies where the deficits lie. There is a \$3.6M increase in full-time labour. R. Bailey added that the \$900,000 decrease in part-time labour is primarily a result of conversion to full-time labour. There are significant fixed costs in operating expenses and carry-forward expenses.

B. MacIsaac responded to questions from committee members. A question was asked about the student ancillary fees opt-out and how the university will be responding. He informed the committee that when a student chooses to opt out of ancillary fees, the opt-out page will have a detailed explanation of what services those fees help provide. There was a discussion about the risk of not meeting the enrolment targets. There was also a discussion regarding the risk of any further government funding reductions.

The committee also discussed what the tuition framework might look like in year three. B. MacIsaac advised that they are anticipating an inflationary increase, at best.

Upon a motion duly made by D. Allingham and seconded by D. Reiner, the Audit and Finance Committee recommended the 2019-2020 budget, as presented, for approval by the Board of Governors.

D. Allingham thanked the university team who worked on the budget; the team did a great job under challenging circumstances. He expressed appreciation for the continued focus on students and the student experience.

6.2 10-Year Financial Plan

P. Onsiang delivered the 10-year forecast presentation, which was included in the meeting material. There was a discussion about the forecast process. P. Onsiang reviewed the common elements of the long-term forecast, as well as the variable factors. The committee was presented with the worst case, best case, and most likely scenarios. R. Bailey added that these scenarios are in the context of a conservative envelope.

6.3 2019-2020 Tuition Fees Amendment

B. MacIsaac presented the proposed amended tuition fees for 2019-2020. He explained the change in the government's framework for calculating the tuition reductions.

Upon a motion duly made by D. Allingham and seconded by D. Reiner, the Audit and Finance Committee recommended the updated 2019-2020 tuition fees for approval by the Board of Governors.

6.4 2019-2020 Ancillary Fees Breakdown

B. MacIsaac reviewed the 2019-2020 ancillary fees breakdown. He advised that approximately thirty dollars per student would be eligible for opt-out. Since most students register at the end of June and start of July, we will have a better sense of the percentage of students opting out around then. Before opting out, students will be given a description of the services those fees support.

7. Project Updates

7.1 New Building

B. MacIsaac advised the committee that through the design-assist process, the new building project budget is now within the \$48M budget. The university has a locked in price with the contractors as long we sign back by April 30. He reminded the committee that there was only one change-order with the SIRC building and they will be working to minimize the changes to the new building once the project begins. The portable move will be completed over the next 2 months and is expected to be complete by August 15. B. MacIsaac confirmed that Eastern would be responsible for the subcontractor budgets going forward. He also confirmed that no contingency was used for the SIRC project.

7.2 Land Exchange

C. Foy provided an update on the status of the land exchange with the City of Oshawa. The university has been working with the City on the land diligence and finalizing the agreement. The archaeological site conditions have been completed, as well as the title search. An

updated valuation must be completed before the transfer agreement can be finalized and the deal closed. She responded to questions from the committee.

7.3 ACE Enhancement

P. Onsiong reviewed the ACE Enhancement update, which was circulated as part of the meeting material.

7.4 Campus Recreation & Wellness Centre Expansion (CRWC)

P. Onsiong delivered an update on the status of the CRWC expansion project, which is on track for construction to start next month.

(D. MacMillan joined at 3:16 p.m. and O. Petrie arrived at 3:18 p.m.)

7.5 AVIN

D. Holdway delivered the AVIN project presentation, which was also included in the meeting material. The AVIN project is building momentum on research, outreach and marketing opportunities. We hosted an AVIN conference in March, which was a huge success. The focus moving forward will be on establishing new partnerships. D. Holdway discussed the challenge of meeting the 2018 spending plan and commended the work of Justin Gammage as Director of AVIN. He responded to questions from the committee. There was a discussion regarding staff training to respond to autonomous vehicle fires.

8. Risk, Compliance & Policy

8.1 Policy:

(a) Student Sexual Violence Policy & Procedures

O. Petrie discussed the extensive consultation process throughout the review of the policy. Based on the recommendations of the Advisory Committee on Student Sexual Violence Prevention and Support (“Advisory Committee”), they have come up with a fully redeveloped policy. R. Bailey commented that he was impressed with the level of engagement of the Advisory Committee and the amount of work done to arrive at the recommendations. The Advisory Committee’s recommendations were accepted by the Provost. The feedback received on the redeveloped policy are set out in the accompanying report. O. Petrie confirmed that those students who expressed concern during the initial policy implementation were involved in the review process.

O. Petrie met with representatives from Durham College (DC), who are also conducting a review of their sexual violence policy. She shared our redeveloped policy with them to assist with their review. The Director of Campus Safety was also involved in the review process. O. Petrie responded to the committee’s questions. There was a discussion regarding government’s expectation of review. C. Foy referred the committee to the proposed change in Appendix A, which would be able to accommodate what the government might request. C. Foy also explained how the policy would apply if an incident involves an individual on campus who is not a member of the university or DC. Scenarios have been used to test how the policy would cover various situations. She also advised that the university does not have unrestricted jurisdiction over respondents, especially when they are no longer students of the university.

Upon a motion duly made by N. Allen and seconded by D. Reiner, the Audit and Finance Committee recommended the amended Student Sexual Violence Policy and Procedures for approval by the Board of Governors, as presented.

8.2 Compliance & Risk Management Update

C. Foy provided a risk management update. She advised the committee that the current focus is on high risks and strategic risks. Time is allocated at the upcoming meeting of the senior leadership team (“SLT”) to review and confirm the high-risk register, which will be included in the annual report to the Board. SLT will also confirm who the risk owners are, who will then be responsible for mitigation plans.

C. Foy also provided a compliance update. The Board has been interested in establishing a compliance program over the past few years. She informed the committee that there is now a compliance person in place, whose initial focus will be on copyright compliance and a few other high priority projects. C. Foy responded to questions from the committee. She explained the process for identifying high risks.

9. Consent Agenda:

Upon a motion duly made by D. Allingham and seconded by S. Murphy, the Audit and Finance Committee approved the following items on the Consent Agenda:

9.1 Minutes of Public Session of Meeting of February 20, 2019

10. For Information:

10.1 Policy Activity Update

11. Other Business

12. Adjournment

There being no other business, upon a motion duly made, the public session of the meeting adjourned at 3:45 p.m.

Becky Dinwoodie, Secretary