



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF APRIL 26, 2018
PUBLIC SESSION
12:30 p.m. – 2:10 p.m., ERC 3023**

Attendees: Nigel Allen (Chair), Jeremy Bradbury, Steven Murphy, Dietmar Reiner

Staff: Becky Dinwoodie, Craig Elliott, Cheryl Foy, Doug Holdway, Brad MacIsaac, Susan McGovern, Pamela Onsiong

Regrets: Fardan Ali, Doug Allingham, Stephanie Chow, Mary Simpson

Guests: Mike Eklund (UOIT FA), Christine McLaughlin (UOIT FA)

1. Call to Order

The Chair called the meeting to order at 12:31 p.m.

2. Agenda

Upon a motion duly made, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Approval of Minutes of Meetings of February 21, 2018

Upon a motion duly made by D. Reiner and seconded by N. Allen, the Minutes were approved as presented.

5. Chair's Remarks

The Chair welcomed S. Murphy to his first Audit and Finance Committee meeting – the Board is happy to have him here. The Chair invited guests to introduce themselves.

6. President's Remarks

Pilot Agenda Format

The President discussed the new pilot agenda format. The goals of the new format are to increase transparency and reduce duplication. He welcomed the committee's feedback on the format. It will also be discussed with the Board as a whole.

Moving Ground Plane

The President updated the committee on the installation of the moving ground plane (MGP), which is currently being stored in a hangar. When installed, the MGP will make the ACE wind tunnel a one-of-a-kind facility. While the university awaits government funding for the project, the President has instructed the project team to be shovel ready so that they can move quickly when they get the green light.

7. SIRC Building Construction Project

C. Elliott confirmed that the SIRC Building project is winding down. There remain some warranty clean up items to be done. The exterior graphics for the penthouse cannot be put up until the temperature reaches 12 degrees. The final audit requirements from the Ministry are still being discussed. Once completed, the project close out report can be finalized.

(J. Bradbury arrived at 12:38 p.m.)

8. Finance

8.1 2018-2019 Budget

C. Elliott delivered the budget presentation. He highlighted the consultation process that the draft budget underwent. R. Bailey reviewed the strategic choices included in the budget. He presented several examples of how the budget items align with the university's Strategic Plan. R. Bailey discussed the partnership that the university is launching with OCADU, which is included in the \$1.3M allocated to "partnerships that increase student and programmatic diversity." Several choices involve opportunities for future funding. While unable to provide additional support to certain initiatives this year, the initiatives will be considered for future funding:

- supporting student engagement;
- attracting & retaining highly qualified personnel;
- university recognition/reputation;
- organizational effectiveness;
- technology; and
- space, infrastructure & capital refurbishment.

R. Bailey clarified that these items are already being funded, but that there are opportunities for increased investment.

While presenting the overall draft 2018-2019 budget, C. Elliott noted that it is a balanced budget. He showed a graph demonstrating that the overall budget has increased by \$11.2M (6.1%). The largest revenue increase is derived from tuition (\$5.7M). He noted that the decrease in prior year reserves is a result of the decrease in TELE reserves. He also presented a snapshot of the budget expense increase. Out of the \$11.2M increase in expenses, \$10M is allocated to full time and part time labour. He noted that in prior years, the funds allocated to library subscriptions had been reduced and are being put back into the library's budget.

C. Elliott reviewed the 2018-2019 estimated internally restricted fund schedule, focusing on the 2017-2018 budget forecast. There was a brief discussion regarding the roles of the Academic Council Executive Committee and Academic Council in the budget consultation process, particularly with respect to the strategic priority of faculty hiring. R. Bailey advised that the strategic choices of faculty hiring/renewal come directly from the Integrated Academic Plan. The Integrated Academic Plan directly informs the budgeting process. A concern was expressed about ensuring the voice of faculty is heard and incorporated into strategic academic planning and the budget planning process. R. Bailey confirmed that as Provost, one of his priorities is ensuring the faculty perspective is included in the budget planning process. They have been as transparent as possible at Academic Council during the budget consultation process.

Upon a motion duly made by N. Allen and seconded by D. Reiner, the Audit and Finance Committee recommended the 2018-2019 budget, as presented, to the Board of Governors for approval.

8.2 10-Year Financial Plan

C. Elliott reviewed the updated 10-year financial forecast. He advised that the new baseline for 2018-2019 is approximately \$13M less than previously forecast. The forecast reflects the increased revenue from items discussed during the budget presentation. There is approximately \$1.5M per year that can be allocated towards strategic initiatives.

8.3 Tuition & Ancillary Fees

2019-2020 Tuition Fees

B. Maclsaac summarized the tuition discussion at last meeting, as well as the report included in today's meeting material. He advised that in arriving at the proposed tuition fees, consideration was given to remaining competitive with other Ontario institutions and whether the tuition fees for graduate students should be reduced. As the Ministry has not yet distributed its framework for 2019-2020, the university is basing its recommendations on a rollover of the existing framework. If there is a change to the Ministry's framework for 2019-2020, amendments to the proposed tuition fees might be required. The graduate student support taskforce is still working on the matter, as consultation takes time.

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

Ancillary Fees

B. MacIsaac reviewed the report on the 2019-2020 ancillary fees. The university is still awaiting confirmation of the amounts for the UPASS and Health Plan. In response to a question regarding the ancillary fee for the Faculty of Engineering & Applied Science (FEAS), B. MacIsaac advised that FEAS is still part of the laptop and software TELE program and that one of the pieces of software increased in cost more than others.

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

9. Policy

9.1 Contract Management & Signing Authority

S. Murphy provided an update on the review and amendment of the Contract Management and Signing Authority Policies. The exercise is almost concluded and the amendments are being made to ensuring there is appropriate authority in place across the institution. Louis Charpentier, the governance consultant working on the review, has conducted a lot of work on the policy and the review is in the final stages of implementation.

10. Other Business

11. For Information:

- **Compliance Update: Policy on Sexual Violence for Students and Procedures for Responding to Incidents of Sexual Violence – Annual Report**

12. Termination

There being no other business, upon a motion duly made by J. Bradbury and seconded by D. Reiner, the public session of the meeting adjourned at 1:30 p.m.

Becky Dinwoodie, Secretary