



**BOARD OF GOVERNORS**  
**Audit & Finance Committee**

---

**Minutes of the Public Session of the Meeting of Wednesday, April 14, 2021**  
**2:00 p.m. to 3:45 p.m., Videoconference**

**Members:** Laura Elliott (Chair), Stephanie Chow, Mitch Frazer, Dale MacMillan, Steven Murphy, Dietmar Reiner, Roger Thompson

**Staff:** Jamie Bruno, Becky Dinwoodie, Cheryl Foy, Barb Hamilton, Les Jacobs, Lori Livingston, Brad MacIsaac, Pamela Onsiong

**Guests:** Shay Babb, Chelsea Bauer, Jackie Dupuis, Mike Eklund,

**1. Call to Order**

The Chair called the meeting to order at 2:01 p.m.

**2. Agenda**

*Upon a motion duly made by S. Murphy and seconded by R. Thompson, the Agenda was approved as presented.*

**3. Conflict of Interest Declaration**

None.

**4. Chair's Remarks**

The Chair hoped everyone is keeping well in light of the third state of emergency and stay-at-home order. She encouraged people to participate in permitted activities for their mental health.

The Chair thanked the staff and faculty for prioritizing providing a good student experience during this challenging year.

She noted that the agenda was structured to allow for robust strategic discussion and she encouraged everyone to actively participate in the meeting.

**5. President's Remarks**

The President discussed the planning for the future. How are we preparing our students for the future? The focus is on valuing the whole student, including the need to consider the mental health of our students. We must not only teach our students skills such as writing and communication, but empathy, working as part of a team, and getting things done when faced with a crisis. Employers are looking for people who can work from anywhere. Many institutions are trying to incorporate more technology in their offerings.

As a younger institution, we have a number of trailblazers who have done excellent work during the pandemic. The President noted that we must examine our core business and how that is changing.

A member commented that in her organization, there is a desire to return to the office and employees have expressed a need to work together and a desire for mentorship. A member asked whether we are anticipating something like a double cohort because of the pandemic. The President advised that in focus groups with students, maybe only 1-2 out of 10 would prefer online learning only. They are examining what we can offer when on campus. There is a desire to return to a dynamic learning environment, with students wanting to make the most of their time on campus. The President informed the committee that they have not observed a drop in enrolment in Ontario, rather they are seeing that high school students are being drawn to the older, more recognized universities.

There was a discussion regarding how we can assess whether we are meeting our value proposition statements. The President remarked that it takes an adjustment to shift people's thinking from the current situation to what the future of education can look like post-COVID. The following are some measures that can be used to measure the university's success in meeting the value proposition statements: student satisfaction surveys and improved student retention. The President emphasized that our students are part of a caring, compassionate community rather than a competitive one.

## **6. Strategic Discussion: Alternate Sources of Revenue**

The Chair led the strategic discussion. She asked the committee to keep in mind the mission of the university, as well as the associated costs of establishing potential alternate sources of revenue. The discussion was guided by the following questions:

- In a world where the revenue generated by degree programs is not likely going to cover increasing costs, what are some alternative ideas institutions can turn to, to diversify their revenue streams?
- When thinking about alternatives, consider how they would relate to the university's mission and also consider start up costs might be.

Comments from the committee included:

- Oshawa is closely tied to GM – it is important to look at what is happening in the community that Ontario Tech could contribute to.
- There will be opportunities coming out of the pandemic – the university could provide niche skillset training that could be provided on a revenue or cost-recovery basis.
  - B. MacIsaac advised that over the last few years, Brilliant Catalyst has helped several local organizations; he referred to the example of the Teaching City in Oshawa, where over 1000 students have worked with the City of Oshawa to help address the City's issues.
  - L. Jacobs added that the wastewater project continues to expand across the province; he also noted that during a recent university town hall, there was a research initiative related to Long Term Care that was discussed – there is a demand for knowledge mobilization and evidence-based decision-making; this is a potential revenue source as there is government and private investment money available.

- A member suggested offering seniors enrichment programs.
  - L. Livingston advised that the university does have some offerings for seniors and noted that the university has an age-friendly designation status; she also advised that a “Seniors Ridgebacks” program is being developed; the university has close ties with the Oshawa seniors community centres and seniors have access to our library – we are becoming a community hub for community members and seniors.
- Another member commented that seniors have time and money to spend.
- It is important to keep focused on the university’s mission and ensure new initiatives align with the university’s mission, vision and values.
- Selling products and services would likely not generate a lot of revenue, but would promote a sticky campus and outreach.
- The growth of strategic partnerships has great untapped potential, but also carries a significant amount of risk (contractual).
- The university’s speaker series has potential to highlight the work being done by faculty and could potentially generate revenue through Ontario Tech Talent (OTT).
- There is also the opportunity to tie strategic partnerships to engagement with alumni – alumni could mentor current students, which would also provide an opportunity to build strategic relationships with the employers of alumni, as well as improve student retention.
- What can Board members do to assist with current priorities?
  - Strategic partnerships help build connections that allow the university to continue to build our brand – it is not always about fundraising, but looking for opportunities that are mutually beneficial (e.g. if lease a new building, could share space with another company that provides professional training).
  - It is important for governors to think about making connections to potential new strategic partners.
- With respect to long-term care initiatives, it is important to act on this sooner rather than later given the Canadian crisis.
- Our competition only has to be the GTA universities – for customized corporate training, GTA corporations could use our facilities for training over the summer months, as well as use our residence space; this also ties into OTT.

## **7. Finance**

### **7.1 2021-2022 Budget**

B. MacIsaac and L. Livingston presented the budget to the committee and responded to questions. The provincial COVID relief funding of \$4.8m was highlighted.

The committee members had the following questions and comments:

- In order to achieve a balanced budget, where is the additional \$900,000 coming from?
  - B. MacIsaac advised that the additional \$900,000 has been allocated out of existing reserves.
- There was concern expressed about the depleted capital reserves – how would we deal with unexpected repairs (e.g. roof)?

- B. MacIsaac noted that there would be money available in the salary reserves and that a plan to build back the reserves will be presented at the June A&F meeting.
- What are the risks of presenting a balanced budget?
  - B. MacIsaac noted that not contributing to the reserves poses a risk.
- What else would they have spent money on if they could have?
  - B. MacIsaac responded that money would have been spent on recruitment and brand recognition.
- What is the risk associated with the limit on the number of students who can return to campus?
  - B. MacIsaac advised that they are looking at equipping classrooms with streaming technology and because of the \$4.8m in COVID relief, the university has greater flexibility.
- A member suggested giving thought to what is needed to achieve the forecasted revenues.
- What is the likelihood of the government unfreezing domestic tuition for 2021?
  - B. MacIsaac confirmed that it is very unlikely.

*Upon a motion duly made by D. MacMillan and seconded by S. Chow, the Audit and Finance Committee unanimously approved the following motion:*

*WHEREAS the budget has been prepared based on a forecast using the best information available at this time;*

*WHEREAS the COVID-19 pandemic necessitated the effective closure of most of the university's physical operations in 2020-2021 and we are working on numerous scenarios for 2021-2022; and*

*WHEREAS there is additional risk to the budget this year because of the economic uncertainty precipitated by the COVID-19 pandemic (i.e. international travel) and the expenses required to offer safe partial return to campus in compliance with safety protocols;*

*NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends that the Board of Governors approves the 2021-2022 budget, as presented.*

## **7.2 2021-2022 Tuition & Ancillary Fees**

B. MacIsaac presented the proposed 2021-2022 tuition fees for recommendation. He explained that the proposed fees are based on the assumption that a domestic tuition freeze will remain in effect. He responded to questions from the committee. B. MacIsaac provided the rationale for the reduction for the Masters of Science Computer Science program.

*Upon a motion duly made by D. MacMillan and seconded by S. Chow, the Audit & Finance Committee unanimously recommended the 2021-2022 tuition fees, as presented, for approval by the Board of Governors.*

B. MacIsaac presented the proposed 2021-2022 ancillary fees for recommendation. He explained the proposal for a new fee for student success support, which will allow for the hiring of new academic advising positions. He responded to questions from the committee. There was a discussion regarding whether students are informed of the total fees involved when enrolling at the university (total of tuition and ancillary fees). B. MacIsaac confirmed that in the university's viewbook, the tuition and ancillary fees are stated separately and that there is a budget calculator provided to students to give them the total cost. He added that the demand for postsecondary education is inelastic. Our students are educated as to the benefits of the ancillary fees (e.g. saving on cost of purchasing software).

*Upon a motion duly made by D. Reiner and seconded by D. MacMillan, the Audit and Finance Committee unanimously recommended the 2021-22 ancillary fees, as presented, for approval by the Board of Governors.*

## **8. Project Updates**

### **8.1 ACE Enhancement Project**

B. MacIsaac presented the proposal to increase the ACE Enhancement project budget for consideration. He provided an overview of the additional costs of the project and responded to questions from the committee. B. MacIsaac advised that within the ACE business plan, as it gets up and running, they are anticipating a surplus starting at \$500,000 growing to \$1m. The additional costs will be paid out of the operating budget for now, and will be paid back out of ACE. There was a suggestion to include this information in the report for the Board meeting.

There was a discussion regarding whether there is an option to suspend the project at some point until project experts could be brought in at a later date. There was also a discussion regarding whether there are sufficient contingencies in place to cover other non-COVID related risks. B. MacIsaac confirmed that the majority of the work involved in the \$16m project budget has been completed and there is a 15% contingency for the digital aspect of the project. He also confirmed that this amount has been included in the proposed budget that was presented.

*Upon a motion duly made by D. MacMillan and seconded by R. Thompson, the Audit and Finance Committee unanimously approved the following motion:*

*WHEREAS the university's ACE Enhancement Project (AEP) is being funded through FedDev Ontario (up to \$9.465M), a provincial grant (\$1.5M), a contribution from Magna (\$1M), and the remainder from the institution unless other gifts are received;*

*WHEREAS the AEP is being conducted in two stages and the first stage of modifications of the ACE building to accommodate the installation of the moving ground plane (MGP) is complete;*

*WHEREAS the second stage of the AEP has begun, which involves the integration of the MGP into ACE's current technical systems and is targeted for completion by March 31, 2020;*

*WHEREAS on November 29, 2018, the Board of Governors approved the award of the ACE Building modification contract in an amount not to exceed \$4.1M and multiple MGP integration contracts in a sum not to exceed \$10.4M;*

*WHEREAS on February 20, 2019 A&F was presented with an information update that the forecast costs to completion are \$14.86M, which have increased \$360K from last report. The increase was based on initial quotes received for the MGP Integration component, where inflation, tariffs, and obsolete controls on MGP have increased costs;*

*WHEREAS on November 28, 2019 the Board of Governors approved increasing the sum of the multiple MGP integration contracts by \$575,000 to a total of \$10.975M which included a two percent reserve or \$215,000 (a total project budget of \$15.075M);*

*WHEREAS the administration has reviewed the revised timelines due to COVID restrictions and is anticipating an additional \$1.45M of expenses;*

*WHEREAS the additional project expenses include ten months of additional labour (including internal project management and US company), a new contract for a local mechanical company, and repairs to the existing flooring and turntable equipment;*

*WHEREAS these additional expenses will be offset by \$390K of earned revenues for a total net ask of \$1.06M;*

*NOW THEREFORE, pursuant to the recommendation of management, the Audit and Finance Committee hereby recommends:*

- that the Board of Governors approves increasing the total project budget from \$15.075M to \$16.525M; and*
- that the Board of Governors authorizes and directs the President and/or the Vice-President, Administration, for and in the name of the university, to execute and deliver (under the corporate seal or otherwise) all such other documents and do all such other acts as may be necessary or desirable to give effect to this resolution.*

## **9. Consent Agenda:**

*Upon a motion duly made by D. Reiner and seconded by D. MacMillan, the Consent Agenda was approved as presented.*

### **9.1 Controlled Goods Program Policy**

### **9.2 Radiation Safety Policy**

### **9.3 Minutes of Public Session of Meeting of February 17, 2021**

## **10. For Information:**

### **10.1 Risk, Compliance & Policy Updates**

### **10.2 New Building Project Update**

### **10.3 AVIN Project Update**

There was a discussion regarding insurance premiums being driven by COVID-related impacts and whether the university's insurance could be used to offset COVID impacts.

C. Foy advised that they are observing anticipation on the part of insurers that COVID will lead to COVID related claims, based on what they are worried about happening as opposed to what is actually happening. Reinsurers are using it as an opportunity to implement greater exclusions (e.g. any infectious or injurious disease). CURIE has reinstated \$1m in COVID coverage. The university is managing the risk by ensuring we adhere to the required protocols

**11. Other Business**

**12. Adjournment**

*There being no other business, upon a motion duly made by D. MacMillan, the public session adjourned at 4:00 p.m.*

Becky Dinwoodie, Secretary