



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

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**Minutes of the Public Session of the Meeting of Wednesday, April 15, 2020**

2:00 p.m. to 3:30 p.m.

Videoconference

**Attendees:** Nigel Allen (Chair), Doug Allingham, Stephanie Chow, Dale MacMillan, Steven Murphy, Dietmar Reiner

**Staff:** Becky Dinwoodie, Cheryl Foy, Andrew Gallagher, Lori Livingston, Brad Maclsaac, Susan McGovern, Pamela Onsiong

**1. Call to Order**

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

**2. Agenda**

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

**3. Conflict of Interest Declaration**

There were none.

**4. Chair's Remarks**

The Chair noted the strange times we are living in and how virtual meetings are becoming the norm. Everyone is adapting and moving on as best they can. The community is facing a tremendous amount of uncertainty as to what the future looks like. This uncertainty is causing some angst. Everyone is working together to move forward. The Chair acknowledged the good work of the team as they handle the crisis.

**5. President's Remarks**

The President updated the committee on the university's COVID19 response initiatives. The university is active on a number of fronts, including working with OPG and GM on designing and producing face shields, and working on producing an Ontario Tech designed ventilator. The Faculty of Health Sciences has exhausted their supply of PPE. Further, Academic Council passed a motion allowing our nursing students to graduate early and join health care service teams on the front lines. So many students have volunteered to participate in these COVID19 initiatives that some have had to be turned away. The university is also in the initial phases of a wastewater project proposal. Examining whether COVID19 is in the waste water system has been proven to be an effective way of determining how the virus is progressing through the community and when it has left the community. The initial response from the provincial government regarding this proposed project has been positive.

The President noted the tremendous amount of uncertainty facing the university community. The COVID crisis will have significant financial consequences for students and their families. The university's financial situation was not ideal before the pandemic and is less so as a result of the pandemic. The situation will provide the university with an opportunity to differentiate itself by being at the forefront of technology and offer an enhanced hybrid model of learning. An enhanced hybrid model would make core course content available online and provide students with intensive experiential learning opportunities on campus. The goal is to have all courses ready for online for the fall and then transition to a hybrid model when possible. Other institutions have expressed a desire to return to "normal" and we are unsure of whether that will even be possible. The President remarked that what we will be able to offer in September will be a differentiator for the university and will continue to improve over time. We cannot underestimate how difficult the next few years will be, but it helps to have a plan as to how to move forward.

### **5.1 Pandemic Update – Federal & Provincial Financial Initiatives & Community Initiatives**

L. Livingston discussed how the university has differentiated itself, so far. The university was one of the first to make the decision to move courses entirely online and the transition was relatively seamless compared to the experience of other institutions in the province. This speaks volumes to the good will of our faculty, staff and students. Approximately 94% of the university's courses were already linked to the learning management system before the pandemic. Because of the university's TELE program, almost all of our students already had a laptop prior to the pandemic. As a young institution, we have a culture of embracing technology. Other institutions have struggled with transitioning to online exams; whereas the university already had an exam monitoring software in place for online exams.

A communication was sent out to the institution that morning about the plans to transition online and the hybrid approach. The intention was to inform faculty about going online for the fall as soon as possible to provide them with time to prepare. S. Murphy shared that university Presidents have been meeting several times a week since the crisis began. While there was a desire among many in the group to wait to make announcements until June 1, waiting until then would preclude the university from moving quickly.

C. Foy provided an overview of the risks related to the pandemic. She responded to questions from the committee. There was a discussion regarding the measures in place to ensure the safety of individuals on campus. C. Foy explained the clearance protocols in place, which include a list of individuals allowed to be on campus. Physical distancing is required and there are signs posted to remind people of that requirement. A question was asked about whether members of the senior leadership team are doing periodic visits to campus. C. Foy advised that the Director of Risk has been on site periodically. The focus has been to demonstrate that if individuals can work from home, they should be working from home and the senior leaders are leading by example.

There was also a discussion about the implications of having a shared campus during this time. C. Foy advised that the university has been working closely with Durham College and it is going smoothly. The institutions have a shared Emergency Response Team and the Risk Directors and communications teams have also been working closely together.

## **6. Finance**

### **6.1 2020-2021 Budget**

The Chair introduced the budget presentation. He noted that it is difficult to anticipate the full impact of the pandemic and he acknowledged the tremendous work being done by everyone at the university to assess and respond to these uncertainties.

L. Livingston and A. Gallagher delivered the budget presentation and responded to questions from the committee. L. Livingston noted that the financial status of students is uncertain given the limited summer employment opportunities available and parental supports may be reduced as a result of the pandemic. For our faculty and international students, travel restrictions will likely be in place for the foreseeable future. The Ministry of Colleges and Universities asked Ontario institutions for their top three priorities and ours included student support. S. Murphy added that the Executive Heads have also raised the issue of student support at the federal level.

A. Gallagher reviewed the short-term impact of the pandemic on the university's finances. An initial impact assessment suggests the university faces a sizeable deficit in the short to medium term (\$3M in 2020-21 and \$11.2M cumulatively in the next three years). Establishing the traditional \$2.5M building reserves is no longer feasible for the next three years. He advised the committee that this is the initial draft and the budget will continue to be updated as new information becomes available. The plan is to return to the committee with a full budget presentation for recommendation at the June meeting. If new information becomes available before then, a meeting in May might be required.

There was a discussion regarding potential financing options for the new building project, which include obtaining a loan or relying on an existing line of credit. A member of the committee asked whether any consideration has been given to changing the scope of the new building project to reduce the costs. B. MacIsaac advised that they are working with Eastern and all options are on the table.

A question was also raised about whether the pandemic situation will affect the timing of the audited financial statements. A. Gallagher informed the committee that they are proceeding with the proposed timeline and the goal is to present the audited financials at the June meeting.

L. Livingston discussed the strategic response to survive the short-term, which includes:

- commence capital financing discussions for the new building \$25M;
- retaining current students; and
- attracting new students.

She also discussed the university's positioning for the future, which involves:

- organization and process redesign for course delivery;
- assessing our existing "brick and mortar" capital assets; and
- post-pandemic strategy for new programs and research priorities.

## **7. Project Updates**

### **7.1 New Building**

B. MacIsaac provided a status update on the new building. Over 94% of contracts with the subtrades have come back and we are approximately \$500,000 under budget. On April 3, the government directed the closure of non-essential construction effective April 4, 2020 for 14 days, with the possibility to extend. If construction is shut down for the next month, there is a plan for how the building could still be up and open for September 2021 based on some concurrent opportunities. Over the next few weeks, the university will be working with Eastern on different scenarios.

### **7.2 ACE Enhancement**

It had been forecasted that the physical works would be completed by July 2020 (4 months behind original schedule) while the integrated commissioning was still on track, thus overall completion by September 30, 2020 was achievable. With COVID19, the project is anticipated to be further delayed. The forecast completion date will be assessed once the hold directive is removed. If the delay continues, it may impact revenues that were forecast for next year. There was a discussion regarding whether there would be an opportunity to tap into stimulus funding for any of the university's capital projects.

## **8. Compliance & Policy**

### **8.1 Policy, Compliance & Risk Report**

C. Foy provided an overview of the report. She informed the committee that the Controlled Goods project had been completed. She also discussed the work being done related to COVID19.

## **9. Consent Agenda:**

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

### **9.1 Minutes of Public Session of Meeting of February 19, 2020**

### **9.2 Technology Use Policy**

## **10. For Information:**

### **10.1 AVIN Update**

## **11. Other Business**

## **12. Adjournment**

*Upon a motion duly made by D. Allingham and seconded by D. MacMillan, the public session adjourned at 3:40 p.m.*

Becky Dinwoodie, Secretary