



BOARD OF GOVERNORS' 113th REGULAR MEETING

Minutes of the Public Session of Thursday, November 28, 2019
1:00 p.m. to 2:50 p.m.
55 Bond Street, DTB 524

GOVERNORS IN ATTENDANCE:

Doug Allingham, Board Chair
Nigel Allen, Chair of Audit & Finance Committee
Stephanie Chow, Chair of Investment Committee
Francis Garwe, Chair of Governance, Nominations & Human Resources Committee
Thorsten Koseck, Chair of Strategy & Planning Committee
Kevin Chan
Owen Davis
Laura Elliott
Ferdinand Jones
Steven Murphy, President
Mark Neville
Dietmar Reiner
Maria Saros
Trevin Stratton
Jim Wilson
Lynne Zucker (*via videoconference*)

REGRETS:

Noreen Taylor, Chancellor
Liqun Cao
Lisa Edgar
Kori Kingsbury
Dale MacMillan

BOARD SECRETARY:

Becky Dinwoodie, *Assistant University Secretary*

STAFF:

Cheryl Foy, *University Secretary & General Counsel*
Andrew Gallagher, *Interim Chief Financial Officer*
Barb Hamilton, *Assistant to the University Secretary & General Counsel*
Krista Hester, *Assistant to the Provost & VP Academic*

Lori Livingston, *Provost & VP Academic*
Brad MacIsaac, *Assistant Vice-President, Planning and Analysis, and Registrar*
Pamela Onsiong, *Acting Chief Financial Officer*
Susan McGovern, *VP External Relations & Advancement*

1. Call to Order

The Chair called the meeting to order at 1:02 p.m.

2. Agenda

Upon a motion duly made by T. Koseck and seconded by N. Allen, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There was none.

4. Chair's Remarks

The Chair welcomed everyone to the first Board meeting of the year. He also welcomed Owen Davis, the student governor, to his first meeting of the Board as a whole. The Chair commented that the year is off to an exciting start. The committees are busy and already advancing significant projects for the university. He thanked those governors who attended campus activities and engaged with the students over the past few months. The Chair reported on the events he attended, particularly the transportation forum. He continues to meet with the President on a weekly basis.

The Chair encouraged all Board members to engage in the discussions, keeping in mind their role of oversight and not operations. He discussed his Board priorities, which include succession planning and student engagement. He is hopeful that there will also be more community events in Ottawa and Toronto, hopefully supported by governors. The Board will continue to have discussions with Durham College (DC) about fostering a collaborative relationship. He has already met with DC Board Chair, who agrees that it is important to strengthen the relationship between the institutions.

F. Garwe reported that he attended the Campus Cup. It was his first time at the event and he got a sense of the healthy campus rivalry. F. Garwe also discussed his attendance at the mini Pow Wow. He noted the event was well attended by elementary students and members of the local indigenous communities. The key message was the connection shared among the institutions, indigenous communities and community partners.

5. President's Report

The President started by thanking P. Onsiong for stepping in as the acting CFO for the past several months; she made the transition seamless. He thanked her on behalf of the senior leadership team for all of her contributions. He confirmed that P. Onsiong would continue to be a key member of the finance team. The President introduced Andy Gallagher, the new acting CFO, and provided an overview of A. Gallagher's background.

The President also thanked the governors for attending campus events. He noted great attendance at the university's sporting events (e.g. campus cup, basketball games, etc.) The athletes and their friends and families are using the games as a gathering place. It is great to see the athletes supporting one another. This is creating a positive energy and community on campus. He gave special thanks to O. Davis and the Student Union (SU) for all of the work they are doing. They are helping to create a holistic community. The President noted a tremendous energy on campus – it is a moment in time when faculty, staff, and students feel that things are moving in the right direction and are starting to dream big.

The President acknowledged the Provost for revamping the integrated planning process by focusing on units' top priorities. He also reported that the rebrand continues to be well received internally and externally. F. Garwe shared that the SU is reaching out to local community partners and expressed his thanks.

5.1 Strategic Mandate Agreement 3

The President provided an update on the SMA3. The university is treating it as an economic exercise and is remaining focused on the strategic priorities. The bilateral dialogue is ongoing. He discussed the strategy of metrics not using a student head count.

5.2 Strategic Discussion: Durham & the Future of Energy

The President introduced the strategic discussion. He noted that the biggest area of faculty strength at the university is energy. The university will be embarking on an initiative to fill the gap in Canada with respect to a national energy strategy. If the goal is to become carbon neutral by 2030, a strategy is required to get there. The average citizen is not aware of where their energy comes from. The university needs to play a role in educating people and serving as neutral arbiters of science.

A national energy consortium would:

- assess the optimal mix of energy;
- develop energy tech ideas – energy sectors tend to work in silos; companies coming together with researchers to consider new technologies
- equip governments with the tools to consider energy options/solutions; and
- bring people together around energy – energy discussion should not be at odds with climate action.

The initiative is in the early stages and would be a great example of “tech with a conscience”. The President confirmed that any university/think tank could participate in the initiative but Ontario Tech would lead it. This could have a profound effect on the university's reputation. The President responded to questions.

A comment was made that the initiative aligns well with the strength of Durham Region as an energy leader with two nuclear plants. There was a discussion regarding what role, if any, colleges would play.

There was a discussion regarding whether the university has its own sustainability plan. The President reminded the Board that the university campus has one of the biggest geothermal

fields under Polonsky Commons. A member commented that it would be helpful to prioritize getting information out there about the university's sustainability efforts. It would also be helpful to show potential energy partners the university's sustainability plan. It is important to develop a PR strategy on sustainability.

(P. Bignell arrived at 1:44 p.m.)

There was also discussion regarding who the university's main competitors are in the energy field. University of Calgary is best known for its work on energy, which is primarily focused on policy. There are few competitors in the energy tech space. Further, nuclear energy is uncommon at other institutions, which makes the university unique. The university is already attracting individuals interested in solving energy issues (e.g. autonomous vehicles).

From a federal perspective, there might be money allocated to this area of research in light of the climate crisis. The initiative would also involve the provincial governments in order to ensure it is a truly national effort.

6. Academic Council (AC)

The President delivered the AC report on F. Jones' behalf. The work of Academic Council and its committees was well underway. He highlighted the Terms of Reference for the Steering Committee (formerly Curriculum & Program Review Committee) and Graduate Studies Committee that were included on the Consent Agenda for approval. He informed the Board that they were being updated to reflect the new By-laws and to be more consistent. Further, they were previously part of the Academic Council Handbook and, upon approval by the Board, will be standalone documents. As Council's work on governance continues, the Board will see additional committee Terms of Reference being recommended for approval.

AC hosted its first Colleagues Exchange of the year in October, which focused on Digital Badges. It was a very informative and engaging session. Several governors also participated. He reminded the Board that at the AGM, the Board was provided with a draft of the university's updated Institutional Quality Assurance Process (IQAP) Policy & Procedures for consultation. He was pleased to report that AC approved it at the October meeting. AC also confirmed the eligibility for graduation of those students who have fulfilled all degree requirements at the end of the Summer and Fall Terms of 2019 and recommended the conferral of degrees by the Chancellor.

The President noted that the Governance and Nominations Committee of AC has taken on a leadership role and, with C. Foy's leadership, continues to implement good governance practices. The Chair noted the importance of the continued evolution of governance of AC.

7. Co-Populous Report

The Chair thanked J. Wilson for his continued commitment as co-populous. J. Wilson reported on recent activities at DC. DC held an Open House on November 2, which included an interesting new activity called "Ask a Governor", in which J. Wilson participated. He reported on the successful varsity teams Durham Lords celebrated national and provincial championships for rugby and baseball. He remarked that it is important to continue to engage with the college and perhaps sustainability would be a good topic for collaboration. He also noted that the Chair of

the DC Board confirmed his commitment to continue to have positive relations with the university's Board.

Committee Reports

8. Audit & Finance Committee (A&F) Report

N. Allen thanked P. Onsiang for her ongoing great work.

Finance

8.1 Second Quarter Financial Reports

N. Allen reviewed a few of the key aspects of the second quarter financial reports, including:

- on the asset side, there is \$12M construction in progress (new building, MGP, new basketball change rooms);
- the university paid \$6.7M in debt over last 12 months;
- net deficit at end of second quarter (typical because of relatively higher start up costs);
- revenue fairly flat year over year;
- on expenses side, there has been increase in salary and benefits (\$2.2M annual salary increases for staff and faculty over past 12 mos.); and
- \$8.7M deficit, largely due to increase in salary and benefits.

The year-end operating forecast shows a slight surplus of \$1.0M against the approved budget, with an additional \$15.0M to be spent on the new building from prior year internally restricted reserves. There is an anticipated surplus of \$1.4M on a GAAP basis at the end of the year. N. Allen noted that the committee goes through the financials and asks questions about variances, which are answered to the committee's satisfaction.

8.2 Budget Assumptions, Targets & Outcomes

B. Maclsaac reviewed the 2020-2021 budget assumptions, focusing on enrolment. He discussed the increased targets for international enrolment and advised that the university is engaging external recruiters for several countries. He also discussed the proposed increases for international tuition. They are also assuming that the \$12.9M subject to performance funding will be received in its entirety.

Budget Rollover

P. Onsiang presented the draft operating budget, which was included in the meeting material. She reviewed the one-time-only asks and advised that they are examining whether there are any capital projects/deferred maintenance that can be delayed by a year. She discussed other possible reductions that could be implemented in order to achieve a balanced budget.

L. Livingston discussed the university's approach to the deficit. She reminded the Board that the university took a 2-year budget cut approach last year. This approach differed from that of many other institutions that decided to fund the government's tuition reduction by dipping into their reserves. L. Livingston advised that they are concerned about morale and did not ask the unit leaders to go through the same budget reduction exercise again.

It was decided to roll the unit budgets over for the next year and ask that units cut their professional development and travel expenses. She clarified that these reductions would not affect money in faculty contracts. They are continuing to work on finding funds to balance the budget. L. Livingston advised that there are 42 vacant positions and filling those positions will be done on a strategic basis. There was a discussion regarding the risk of keeping positions vacant.

Project Updates

8.3 ACE Enhancement Project

N. Allen reported that the committee also received an update on the status of the ACE Enhancement project. The building extension stage of the project is complete. Although there was a slight delay due to union strikes, it did not have a negative impact on the project timing or the other activities running in the facility. The integration phase of the moving ground plane has commenced. The committee also received an overview of the history of the project. Funding for the project was initially requested many years ago. The long gap between when the funding request was submitted to FedDev and when it was approved has caused inflationary and systems cost increases. In February 2019, management noted to A&F a forecasted increase. Now that most quotes are finalized, the committee is recommending an increase of \$575,000 for the project, which includes a \$215,000 contingency.

Upon a motion duly made by N. Allen and seconded by T. Koseck, the Board of Governors approved the following motion, as presented:

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 MGP integration component, where inflation, tariffs, and obsolete controls on MGP have increased costs;

WHEREAS all contract quotes are now complete; however, there is no additional contingency in the budget;

AND WHEREAS the recommendation of management is to establish a two percent reserve or \$215,000;

AND WHEREAS on November 20, 2019, the Audit and Finance Committee accepted management's recommendation and recommends increasing the sum of the multiple MGP integration contracts by \$575,000 to a total of \$10.975M;

NOW THEREFORE, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors hereby:

- *approves increasing the sum of the multiple MGP integration contracts by \$575,000 to a total of \$10.975M; and*
- *authorizes and directs the President and/or the Chief Financial Officer, 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.*

Risk, Compliance & Policy

8.4 Accessibility Policy

N. Allen referred the Board to the policy documents included in the meeting material. Organizations are required to submit accessibility compliance reports under the Accessibility for Ontarians with Disabilities Act (AODA), which is a self-assessment of the organization's status with all provincial accessibility requirements. The Office of the University Secretary and General Counsel (USGC) is currently working towards completing the 2019 AODA Compliance Report that is due on or before December 31, 2019. At the A&F Committee meeting in November, the committee reviewed and recommended the proposed amendments to the Accessibility Policy and approved the related Procedures for Accommodating Employees with Disabilities and updated Procedures for Accommodating Students with Disabilities. C. Foy responded to questions from the Board.

There was a discussion regarding enforcement of the AODA. C. Foy clarified that while the policy is about compliance, it also forms part of the university's broader equity, diversity, and inclusion work. A concern was expressed about expending a large amount of effort on compliance with no follow up by the AODA Office.

Upon a motion duly made by N. Allen and seconded by K. Chan, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the updated Accessibility Policy, as presented.

8.5 PCI Compliance

(a) Information Security Policy

(b) PCI Sustainability Policy

N. Allen reported that the PCI DSS was established in 2006 to protect the major global credit card transaction processors from financial exposure due to merchants' security practices.

PCI DSS sets stringent standards for how credit card information is received, processed and stored. The credit card consortia focused on merchants with the heaviest volumes first, and is now turning its attention to the lightest merchant category – the category that includes the university. In 2016, DC and the university jointly launched a project to secure PCI DSS compliance. DC and the university will be positioned to apply for certification of compliance in January 2020 - the target date for achieving compliance is August 2020, which is when our agreement with transaction acquirer Chase Paymentech expires.

The university's assessor, MNP, has reviewed the draft policies and procedures and has indicated that they are sufficient to meet requirements for certification.

At the committee meeting, the PCI Sustainability Procedures were approved.

Upon a motion duly made by N. Allen and seconded by T. Stratton, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the Information Security Policy and PCI Sustainability Policy, as presented.

9. Investment Committee Report

9.1 Quarterly Report

S. Chow delivered the Investment Committee report. She informed the Board that as of September 30, the value of the university's investment portfolio was \$27M and cash account was \$432,000. The portfolio's performance was a bit behind benchmark for the last quarter due to the market neutral funds.

(F. Jones arrived at 2:34 p.m.)

10. Governance Nominations & Human Resources Committee (GNHR)

F. Garwe delivered the GNHR report. He reported that at the committee's first meeting of the year, they reviewed and recommended editorial amendments to the GNHR Terms of Reference, which are included in the consent agenda for approval. The university continues to make good progress on the implementation of the new by-laws. The most substantial impact of the new by-laws has been the formation of the AC Governance & Nominations Committee. GNHR also discussed Board engagement, which included reviewing the proposed Board PD work plan for 2019-2020. As already mentioned, the Board was invited to attend the Colleagues Exchange on Digital Badges. F. Garwe was pleased that several governors participated in the discussion. He also reported that the USGC will be developing a committee practices assessment and the goal will be to implement it this year. F. Garwe also reported on the presentation on Student Mental Health given by Olivia Petrie, AVP of Student Life, which was followed by a lengthy, engaged discussion.

In an effort to minimize governors' travel time, as well as minimize expenses, we have transitioned to conducting committee meetings by videoconference only this year. The university's staff will continue to meet in ERC 3023 in order to present to the committees. After the next series of committee meetings, GNHR will be soliciting the Board's feedback on the transition.

11. Strategy & Planning Committee (S&P) Report

T. Koseck delivered the S&P report. The committee reviewed and recommended the proposed editorial amendments to its Terms of Reference, which are included in the consent agenda for approval. The committee also reviewed the Strategic Risk Annual Report and is pleased with the progress that has been made on the identification and mitigation of strategic risks over the past year. S&P also received an update on the status of the SMA3.

The topic of strategic discussion at the committee's first meeting was also Durham and the Future of Energy. The committee had a very enthusiastic and engaging discussion. As part of the committee's oversight of planning, they received an Enrolment & Optional Ancillary Fees Model update. The university's enrolment on day 10 was up a bit from last year. Approximately 5% of the university's students opted out of ancillary fees. There will be an update on the recent legal developments with respect to ancillary fees during the non-public session.

S&P also received an update on the Integrated Plan process. The Provost and VP Research have asked units to identify their top 3-5 priorities over the next 3-5 years, which should align with the five key strategic pillars. After identifying their top priorities, they will then set out an action plan for the next 18 months. It is a 5-year rolling plan approach - a rolling plan allows units to respond year over year. They will also be asking the unit leads to evaluate their progress against the plan.

T. Koseck advised that the committee also started its annual Board Retreat planning and set the retreat dates for the evening of May 27 and morning of May 28.

12. Consent Agenda:

Upon a motion duly made by T. Koseck and seconded by L. Elliott, the Consent Agenda was approved as presented.

12.1 Steering Committee (formerly Curriculum & Program Review Committee) Terms of Reference

12.2 Graduate Studies Committee Terms of Reference

12.3 GNHR Terms of Reference

12.4 S&P Terms of Reference

12.5 Investment Terms of Reference

12.6 Minutes of Public Session of Board Meeting of June 26, 2019

12.7 Minutes of Public Session of A&F Meeting of June 10, 2019

12.8 Minutes of Public Session of GNHR Meeting of May 16, 2019

12.9 Minutes of Public Session of S&P Meeting of April 1, 2019

12.10 Minutes of Public Session of Investment Meeting of August 22, 2019

13. Information Items (also available on the Board portal):

A&F

13.1 Compliance, Risk and Policy Update

13.2 Freedom of Expression Annual Report

13.3 HEQCO Freedom of Speech on Campus Report 2019

13.4 New Building Project

13.5 Campus Recreation & Wellness Centre Expansion

GNHR

13.6 Policy Against Violence, Harassment and Discrimination in the Workplace 2018-2019 Review Report

13.7 Board PD 2019-2020

S&P

13.8 Strategic Risk Annual Report

14. Other Business

15. Adjournment

Upon a motion duly made by S. Chow and seconded by T. Koseck, the public session adjourned at 2:46 p.m.

Becky Dinwoodie, Secretary