



## BOARD OF GOVERNORS' 110<sup>th</sup> REGULAR MEETING

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Minutes of the Public Session of Thursday, February 28, 2019

55 Bond Street, DTB 524

Noon to 1:50 p.m.

### **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

Lisa Edgar

Laura Elliott

Ferdinand Jones

Kori Kingsbury (*via videoconference*)

Dale MacMillan

Mark Neville

Jessica Nguyen

Dietmar Reiner

Maria Saros

Trevin Stratton (*via videoconference*)

Jim Wilson

Lynne Zucker

### **REGRETS:**

Liqun Cao

Noreen Taylor, Chancellor

### **BOARD SECRETARY:**

Becky Dinwoodie, *Assistant University Secretary*

### **UOIT STAFF:**

Robert Bailey, *Interim Provost & VP Academic*

Craig Elliott, *Chief Financial Officer*

Cheryl Foy, *University Secretary & General Counsel*  
Barb Hamilton, *Legal Executive Assistant*  
Doug Holdway, *Interim VP of Research, International and Innovation*  
Andrea Kelly, *Assistant to the University Secretary & General Counsel*  
Brad MacIsaac, *Assistant Vice-President, Planning and Analysis, and Registrar*  
Susan McGovern, *VP External Relations & Advancement*  
Rich Seres, *Executive Director, Communications & Marketing*

**Guests:**

Mike Eklund (*via teleconference*)

**1. Call to Order**

The Chair called the meeting to order at 12:03 p.m.

**2. Agenda**

The Chair noted a proposed amendment to agenda item 12.1 – a request has been made to provide a presentation on branding instead and the strategic discussion will be deferred until a later date.

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

**3. Conflict of Interest Declaration**

There were no conflict of interest declarations.

**4. Chair's Remarks**

The Chair welcomed the Board to the first full Board meeting of 2019. He thanked Matthew Mackenzie and B. Dinwoodie for coordinating the tour of ACE that morning. He commended John Komar, the Director of Engineering & Operations of Ace, for his passion for the facility. The Chair noted the wide breadth of the research being done at ACE and the unique experiential opportunities this provides for our students. The addition of the moving ground plane will expand upon the potential of ACE. The Board members echoed the Chair's comments about the tour and enthusiasm of J. Komar. The Board thoroughly enjoyed the tour and would like another tour arranged for later in the year.

The Chair congratulated the university's bargaining teams on reaching a tentative agreement the week before. This was an excellent result for the university. The Chair also reported on the CCOU Conference, which was held in November. Many governors attended and it was an excellent professional development opportunity. He encouraged all Board members to participate in next year's conference.

The Chair acknowledged the work of staff in developing the budget in the context of the tuition cuts. The university is focused on ensuring the student experience is not negatively affected by budget reductions.

The Chair advised the Board of the joint meeting with the Durham College Board scheduled for May 9, 2019. He also reviewed several key donations received this year and acknowledged the work done by the Advancement Team.

(J. Wilson arrived at 12:20 p.m.)

## **5. President's Report**

The President remarked that ACE is only one example of the many hidden gems of the university. He also commended the bargaining teams on their tireless efforts to arrive at a fair agreement. The President discussed recent events on campus, including the Ice Rink in Polonsky Commons. Recently, the new visual identity was introduced and they are receiving positive feedback. The university community's comments are being considered and adjustments are being made as a result. The new brand will enhance the ability to tell the university's stories. The President also discussed the strategic partnership with OCAD. They are exploring boot camp opportunities and opportunities for students to take classes at each institution.

The President discussed the domestic tuition cut of 10%, which will result in a \$9M budget reduction for 2019-2020. During times of cuts, while some competitors put their heads down to ride them out, the university will have an opportunity to leap frog.

(K. Chan arrived at 12:32 p.m.)

The President reflected on his first year anniversary at the university. He shared that he has been welcomed with open arms and is impressed with the tremendous amount of support the university receives from the region. He expressed his appreciation for the support of the faculty, students, and staff. He also thanked the Board and Board Chair, in particular, for all of the support they have given him during his first year.

The President invited questions from the Board. T. Koseck commented on the timely communication from the university to the students regarding the collective bargaining outcome. There was also a discussion regarding the importance of partnerships and how the university's partnerships with industry were evident during the ACE tour. The President acknowledged the work being accomplished by the university's Partnership Office. A member remarked that she enjoys the regular communications from the university to the Board (e.g. budget video) and thanked the staff for facilitating this.

## **6. Academic Council Report**

The President noted it has been a busy year for Academic Council (AC). He informed the Board that two new programs were recommended at the last AC meeting and will be coming forward for approval at the next Board meeting. He emphasized the commitment to bicameral governance. He discussed the work of the AC's new Governance and Nominations Committee (GNC). The GNC has begun reviewing the terms of reference for all of AC's standing committees. The addition of the GNC is allowing the governance of AC to evolve. He responded to questions from the Board. A suggestion was made that an interesting topic of discussion would be the evolution of libraries in the digital age. The President reminded the Board that the library is a joint resource of the university and DC.

## **7. Co-Populous Report**

J. Wilson delivered the Co-Populous Report. On January 4, 2019, DC held an orientation session for almost 400 new international students. He also reported that several new programs were approved at the last Board meeting, including Autism and Behavioural Sciences and Sustainable Systems and Energy Audits. The DC Board also received a report on the 2017-2018 key performance indicators.

## **Committee Reports**

### **8. Student Speaker**

The Chair introduced Sinan Mohsin, one of our Bachelor of Commerce students. S. Mohsin is a co-founder and CEO of Snippt Inc., which is a mobile shopping app that is driven by videos. S. Mohsin delivered a presentation explaining the application and describing its unique market. Snippt was one of only two Canadian companies that participated in the K-Startup Grand Challenge in Korea. While there, their team also had the opportunity to appear on a Korean tv show. S. Mohsin discussed Snippt's short-term and long-term goals. Snippt will also be participating in the Rise tech conference in Hong Kong this year.

S. Mohsin responded to questions from the Board. He discussed the benefits of working with the Brilliant program at the university. With the help of Brilliant, he overcame his fear of public speaking. S. Mohsin would share this advice with other student entrepreneurs: "Keep taking chances". Only by taking chances were he and his team able to get to the next level. It is also important to learn the value of taking calculated risks. There was also a discussion regarding what the university could do to further help students. S. Mohsin commented that it is incredibly helpful for students to have access to tools, such as the Google Jamboard, and modular spaces at the university. S. Chow congratulated him on the success of Snippt.

### **9. Audit & Finance Committee Report (A&F)**

N. Allen delivered the A&F report.

## **Finance**

### **9.1 Third Quarter Financial Reports**

N. Allen thanked the committee and staff for all of their hard work. He noted the university is dealing with a particularly challenging time in light of the tuition cuts and commended them for reacting swiftly to the changes. The university's balance sheet continues to be stable. There is \$40M in AR, which includes winter term tuition fees that were not collectible until January 2019. The university has collected \$34M since the end of 2018. The university continues to repay its long-term debt. The current forecasted operating surplus for the end of the fiscal year is \$4.7M. Following the government's announcement of tuition cuts in January, budget holders identified a savings of approximately \$1M in expenses. There is also a forecast net savings of \$2.8M in vacant positions. The forecast will be updated with new assumptions and presented to the committee at the next meeting. C. Elliott responded to questions from the Board.

## **9.2 2019-2020 Budget**

At the last meeting, A&F received an updated presentation on the 2019-2020 budget process. The tuition cuts will reduce revenue by \$9M in 2019/20 and \$12M in 2020/21. Budget development is being guided by the university's priorities and values, also keeping in mind the strategic priorities. The senior leadership team continues to focus on providing an excellent learning environment and student experience. The university is committed to minimizing the impact of budget challenges on people by finding efficiencies and doing things differently. There is also a continued commitment to communication. Strategic cuts are being implemented as opposed to across the board reductions. C. Elliott responded to questions and advised that projects put on hold will be revisited as revenue increases.

## **9.3 2019-2020 Tuition Fees**

N. Allen noted that an updated schedule of tuition fees was distributed to the Board immediately prior to the meeting. The recommended tuition fees include strategic increases to international tuition. The recommended fees allow the university to remain at or below the Ontario median fees for all programs and levels. While tuition is being increased for graduate students, it is often given back through scholarships. B. Maclsaac responded to questions. He provided a brief overview of the Ministry's tuition framework. He discussed the reasons for lower international student enrolment at the university. He also clarified that the cost of tuition is not the determining factor of enrolment levels.

*Upon a motion duly made by N. Allen and seconded by L. Elliott, pursuant to the recommendation of the Audit & Finance Committee, the Board of Governors approved the 2019-2020 tuition fees, as presented.*

## **9.4 Revised 2019-2020 Ancillary Fees**

After years of no fee increases, the committee is recommending an inflation increase for 2019-20. The Ministry has verbally released new requirements on mandatory and optional ancillary fees. Based on the technical briefings to date, it is believed that all of the university administrative fees will be classified as mandatory and that the fees the university collects on behalf of the Student Union will be optional. The Board is being asked to approve maximum amounts, but management is working with the Student Union on creating a breakdown of funds to provide additional clarity for students. The breakdown will be brought back to the Board for information. Further, the university is working with the Student Union to educate students about the associated benefits of ancillary fees.

B. Maclsaac responded to governors' questions. He explained the difference between our ancillary fees and those of other institutions. The university's ancillary fees include the TELE software costs for students. There has been a reduction in ancillary fees for programs that are no longer in the traditional TELE program and have switched to the TELE-BYOD program.

*Upon a motion duly made by N. Allen and seconded by D. Reiner, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the 2019-20 student*

*ancillary fees, as presented.*

## **Project Updates**

### **9.5 New Building**

A&F also received an update on the new building project. At the November Board meeting, the Board approved proceeding with prep work for the new building and directed that the final negotiated guaranteed maximum price (GMP) be presented at the February meeting. The university has completed the preliminary design phase, with design drawings at the 70% stage. Pre-construction drawings are being developed. Site services have now been completed to the west side of the F2 parking lot, where the portables will be relocated. The RFP for the portable move has been issued. The university has also completed the Design-Build Stipulated Price Contract with Eastern using the CCDC14 as the basis for the agreement, with Supplemental Conditions to address areas of risk for the university.

Eastern has provided preliminary costing now that they have more detailed designs for the GMP portion of the project and the cost is coming in above the initial target of \$48M. The overall project cost increases are coming from the sourcing of design work with subcontractors, modifications to the building specifications, tariffs on material, FFE costs, and increased competition for construction work in general. The university has engaged in a value engineering exercise with Eastern, and has realized approximately \$500K in savings to date. The next step is for Eastern to engage vendors in the value engineering exercise by creating Design-Assist tender packages for major project components such as mechanical, electrical, form works, etc. Changes have also been made to the design of the building (e.g. reducing the size of hallways) to reduce costs without compromising AODA compliance.

## **Policy:**

### **9.6 Continuity Policy**

The need for a comprehensive approach to continuity planning was first identified as a risk and reported to the Board in the second University Risk Management Report presented to and accepted by the Board in June 2017. Business continuity was identified as having more significance than many other operational risks and, as such, was described as a “foundational” risk. In January 2018, the Office of the University Secretary and General Counsel facilitated discussions with the Office of Campus Safety to develop a draft Continuity Framework Policy to sustain operations in the event of a disruption. This development work (including the community consultations) continued throughout 2018. C. Foy responded to questions from Board members. She explained that the estimated 2-year timeframe to implement the Continuity Policy Framework is primarily due to resource constraints. She added that an implementation plan will be presented to A&F.

*Upon a motion duly made by N. Allen and seconded by L. Elliott, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the University Continuity Management Framework Policy, as presented.*

## **10. Investment Committee**

### **10.1 Quarterly Report**

S. Chow delivered an update from the Investment Committee. She summarized the third quarter investment results. The portfolio fell short of benchmark by about 20 basis points. Over the longer term, the portfolio has had a good absolute return. The month of January 2019 was highlighted because of the market rebound.

## **11. Governance Nominations & Human Resources Committee (GNHR) Report**

F. Garwe delivered the GNHR report. He thanked the committee and staff for all of their contributions.

### **11.1 Board of Governors Recruitment, Appointment and Leadership Policy**

The Board was provided with the background to the proposed policy changes at the November Board meeting. As a reminder, in response to concerns raised during the spring 2018-2019 Board of Governors Election regarding Teaching Staff governor eligibility requirements, GNHR formed a Faculty Governor Working Group to review the matter over the summer months. The proposed changes to the Board Recruitment, Appointment and Leadership Policy reflect the recommendations of the working group. The amended policy underwent community consultation and no comments were submitted.

C. Foy responded to questions. She reviewed the consultation process and commented on the level of feedback. The consultation and approval pathway is governed by the Policy Framework. She explained that receiving few or no comments is not reflective of the general university environment – it is more reflective of the fact that the changes relate to a discrete issue. Further, the faculty's perspective was represented by the Teaching Staff governors on the working group.

*Upon a motion duly made by F. Garwe and seconded by T. Koseck, pursuant to the recommendations of the Governance, Nominations & Human Resources Committee and Faculty Governor Working Group, the Board of Governors approved the amendments to the Board of Governors Recruitment, Appointment and Leadership Policy, as presented.*

## **12. Strategy & Planning Committee Report (S&P)**

T. Koseck delivered the S&P report. At the last committee meeting, S&P received an update on strategic risk (included in the meeting material for reference). The second University Risk Management Report was presented and accepted by the Board on June 22, 2017. A key area of focus was to support the Senior Leadership Team (SLT) and Board to finalize the list of strategic risks. In April 2018, twelve strategic risks were collaboratively drafted by SLT as risks to the University. These draft risks were shared and discussed in detail with the Board of Governors during its Annual Board Retreat in May 2018.

The third University Risk Management Report was presented and accepted by the Board on June 27, 2018. Key objectives identified for 2018/2019 included supporting SLT and the Board to determine next steps with the University strategic risks, and to continue to engage in discussion of strategic risks and strategic Risk Management through identification of assignment and

mitigation activities. On December 10, 2018, the members of SLT met to discuss the proposed assignment of Risk Owners for the University Strategic Risks.

T. Koseck also discussed upcoming Pi Day, happening on March 14. He thanked Algoma Pies for donating the pies needed for the event. The university will also be hosting a free community movie night, Ralph Breaks the Internet. S. McGovern invited Board members to participate in handing out pie on campus at one of the Faculties.

### **12.1 Branding Presentation**

R. Seres delivered the new visual identity presentation and responded to questions from the Board. C. Foy clarified that the university has the authority to change its brand and the official name of the university is remaining the same. S. McGovern discussed the feedback and support of external stakeholders for the brand change.

The university's legal name will always appear on official documents; such as, degrees, contracts, and President's letterhead. R. Seres advised that they have worked closely with the Athletics Department and the teams will continue to be the Ridgebacks. The Athletics teams are supportive of the change.

There was also a discussion regarding rolling out the rebrand during a time of fiscal restraint. The President emphasized that the brand is so fundamental to who we are that it would represent a huge opportunity cost to not do this. The rebrand is a prudent investment to bring the university to the next level. He confirmed that there are sufficient funds available and the project promotes the university's strategy.

### **13. Consent Agenda**

*Upon a motion duly made by F. Jones and seconded by N. Allen, the following items on the Consent Agenda were approved, as presented:*

#### **13.1 Statement of Investment Policies Amendments**

#### **13.2 Minutes of Public Session of Board Meeting of November 29, 2018**

#### **13.3 Minutes of Public Session of Audit & Finance Committee Meeting of November 19, 2018**

#### **13.4 Minutes of Public Session of Governance, Nominations & Human Resources Committee Meeting of October 11, 2018**

#### **13.5 Minutes of Public Session of Investment Committee Meeting of November 19, 2018**

### **14. Information Items (also available on the Board portal)**

#### **14.1 Compliance & Risk Management Update**

#### **14.2 Annual ESG Report**

#### **14.3 Strategic Risk Update**

#### **14.4 ACE Enhancement Project**

#### **14.5 Campus Recreation & Wellness Centre Expansion**

#### **14.6 AVIN**



**15. Other Business**

The Board Chair noted that in light of the budget cuts, the Board's travel expenses and retreat budget will also be reduced in order to contribute to achieving a reduced budget.

**16. Adjournment**

*There being no other business, upon a motion duly made by J. Wilson, the public session adjourned at 2:24 p.m.*

Becky Dinwoodie, Secretary