



BOARD OF GOVERNORS' 127th REGULAR MEETING

Minutes of the Public Session of the Meeting of April 27, 2023
12:30 p.m. to 1:38 p.m., Hybrid

GOVERNORS IN ATTENDANCE:

Laura Elliott, Board Chair
Maria Saros, Vice-Chair and Chair of Governance, Nominations & Human Resources
Lynne Zucker, Vice-Chair and Chair of Strategy & Planning Committee
Steven Murphy, President
Mitch Frazer, Chancellor
Carla Carmichael, Chair of Audit & Finance Committee
Kathy Hao
Thorsten Koseck
Dale MacMillan
Matthew Mackenzie
Joshua Sankarlal
Kim Slade
Dwight Thompson
Jim Wilson

REGRETS:

Eric Agius
Ahmad Barari
Kevin Chan
Kori Kingsbury
Roger Thompson, Vice-Chair of Audit & Finance Committee
Trevin Stratton

BOARD SECRETARY:

Lauren Turner, *University Secretary*

STAFF:

Jamie Bruno, *Chief Transformation and Organization Culture Officer*
Sarah Cantrell, *Associate Vice-President, Planning and Strategic Analysis*
Sara Gottlieb, *General Counsel*
Barb Hamilton, *Legal Executive Assistant*
Lee Hays, *Executive Director, Advancement*
Krista Hester, *Chief of Staff*
Les Jacobs, *Vice-President, Research and Innovation*
Lori Livingston, *Provost & Vice-President, Academic*

Brad MacIsaac, *Vice-President, Administration*
Kimberley McCartney, *Assistant University Secretary*
Fiona Reddy, *Stewardship Officer, Advancement Office and Alumni Relations*

1. Call to Order

The Chair called the public session to order at 12:30 p.m. and read aloud the land acknowledgement.

2. Agenda

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

3. Conflict of Interest Declaration

None.

4. Chair's Remarks

The Chair welcomed everyone to the meeting, welcoming Rachel Sumner, CEO of Ontario Tech TALENT and the guests tuning in remotely. She reminded governors about the upcoming strategic retreat and congratulated the President on being named a top 10 President social media influencer.

5. President's Report

5.1 Board of Governors Award Recipient

The President introduced Rachel Coe, an Ontario Tech student and recipient of a Board of Governors Award and the Chancellor's Scholarship. The President advised the Board of Governors that 127 students have benefitted from the Board of Governors Awards since 2014 and that donations made to the awards before May 31st will be awarded in September for the 2023/2024 academic year. Rachel Coe then shared with the Board her journey to the University and how the funding she has received has made her academic pursuits possible. The Board of Governors thanked Rachel for sharing her story.

Rachel Coe and Fiona Reddy left the meeting.

Mitch Frazer joined the meeting.

The President then shared with the Board the individuals upon whom honorary degrees will be conferred at June convocation and provided short biographies of each. He advised the Board that Ontario Tech will have its first fall convocation in October 2023 as well as celebrating the University's 20th anniversary.

6. Academic Council

C. Carmichael presented the Academic Council update, drawing the Board's attention to consultation on the Integrated Academic Research Plan (IARP) 2023-2028, a thoughtful discussion about budgetary impacts and monitoring via metrics, and the approval of some changes to curriculum. She noted the creation of interdisciplinary programs and the sharing of interesting research pursuits as highlights of the March meeting.

Committee Reports

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

Finance

7.1 Approval of 2023-2026 Budget

C. Carmichael presented the 2023-2026 Budget, noting that A&F spent considerable time at its last meeting reviewing, challenging and discussing management's proposal. She provided a brief overview of the 2023-2026 Budget, highlighting the \$15.5 million increase from previous year's budget and the challenging context of the ongoing tuition and grant freeze. She drew the Board of Governors' attention to the alignment between the IARP and management's good work moving the University to a three-year financial outlook. She closed by pointing out three key risks in the budget: (i) budget sensitivity to enrolment assumptions; (ii) inability to fund all strategic requests; and (iii) use of operating reserves to fund operations.

B. Maclsaac briefly summarized the incremental hybrid model used to build the University's budget. He drew governors' attention to the \$227 million total expenditure and use of \$2 million in reserves for 2023-2024. The increase in budget was attributed largely to contractual increases in labour costs with some additional expenditures on scholarships and research. The Provost then discussed the methodology by which budgetary requests were prioritized, emphasizing that the priorities in the IARP drive the budget. She advised the Board that budget discussions were focused on both where to allocate funds and where to re-allocate them when necessary. She provided some examples, including a \$1.7 million investment in information technology capital expenditures and physical space, both necessary prerequisites of ensuring innovative programming for planned student growth. She then described a number of areas of investment, including student-focused mental health supports and equity, diversity and inclusion initiatives, and efforts to recruit international students.

B. Maclsaac then discussed the multi-year outlook, emphasizing to the Board that the out-year projections assume no increases to domestic tuition or grants. He noted that labour cost increase assumptions are built into projections, but that all

collective agreements will come up for negotiation during this three year period. He advised that the Finance team is working closely with the Human Resources team to ensure assumptions remain valid. In the next two years, the University is expected to maintain a balanced budget, but by the third year will face a \$5 million deficit.

A discussion then ensued on the 2023-2026 Budget. In response to a question, B. Maclsaac confirmed that non-profitable areas such as ancillary services may receive funds in order to build future capacity and that projects not funded in a particular year may receive funding in the future if needed. The Provost added that cuts made during the COVID-19 pandemic are being re-evaluated in the current context. In response to a question, B. Maclsaac confirmed that flexible work has resulted in savings in administrative office space but online course offerings have not resulted in a reduction in instructional or student work space. The latter is being reviewed by the leadership team and the Office of the Registrar; different approaches to scheduling classes are being explored. The Provost added that while online course offerings increase accessibility for non-traditional students, many students want the on-campus experience and choose a university for that reason.

Upon a motion duly made by C. Carmichael and seconded by M. Mackenzie, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the 2023-2024 budget and approved in principle the budgetary projections for 2024-2025 and 2025-2026.

7.2 Risk Management Annual Report

C. Carmichael presented the Risk Management Annual Report, noting that the Annual Accessibility Report is contained therein. She highlighted the role of governors in the oversight of risk management at the University, including monitoring risks and mitigations. She drew governors' attention to the nine "high" rated risks and their mitigation plans. The Chair thanked C. Carmichael and other governors who have engaged with senior leadership on the development of risk reporting and provided a brief summary of the transformative path the risk program has been on for the last two years. C. Carmichael commented that reporting on risk is always a delicate balance between imparting sufficient meaningful information for governors to understand risk while keeping a clean and crisp presentation format.

A discussion then ensued on the Report. In response to a question, B. Maclsaac confirmed that funds for adaptive technology work stations will come from a grant and therefore falls outside of the operating budget. In response to a comment

supportive of the heat maps and trend arrows, B. MacIsaac advised the Board that refreshing risk appetite levels was critical to heat map creation. He further advised that in the next few months the strategic risks faced by the University will be reviewed for the first time since 2008. The Chair congratulated the leadership team on enhancing accessibility beyond the built environment, citing the critical importance of changing attitudes and customer service standards. In response to a question, B. MacIsaac confirmed that enhanced timeline reporting on risk mitigation activities is planned. The Board recommended that management consider including cyber risk as a strategic risk due to its prevalence across all sectors and the need for preparedness.

8. Governance Nominations & Human Resources Committee (GNHR) Report

M. Saros presented the GNHR Report, advising the Board that the Board and Committee Practices Assessments will be available for input following today's meeting; she requested that all governors participate in the Assessments. She summarized the purpose of the Assessments and highlighted that data that is as complete as possible will allow the Board of Governors to assess engagement and efficacy of governance and meeting structures.

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

L. Zucker presented the S&P Report, welcoming Mike Rencheck to the Committee. She advised the Board that the Committee received a real estate update and was pleased to hear that the University's leased space is now less than 6%. She noted that student housing needs were discussed in the context of the Sticky Campus strategic objective, the availability of rental housing in Durham Region, and student preferences. She also noted an update on two new research initiatives: hydrogen commercialization and small modular reactor supply chains. She provided an update on the Brilliant Catalyst initiative and the expected updates of intellectual property policies and noted that the sub-critical nuclear assembly project is having ongoing community consultations. She closed with an on-track report on capital projects and encouraged the Board to review the package on micro-credentials. In response to a question, B. MacIsaac advised that the move to multi-year budgeting as well as a small number of capital projects valued in excess of \$50,000 has helped the University to stay on track with milestones and timelines. He reminded the Board of Governors that there was a \$2 million reserve at the end of the 2022/2023 year set aside to address supply chain issues. In response to a further question, he confirmed that there are contingencies built into project plans and further advised that a \$2 million grant from the government for facilities renewal is anticipated. Should a project be behind schedule, the funds from that grant will be moved to another eligible expense to ensure their use in the fiscal year.

10. Consent Agenda:

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

- 10.1 Minutes of Public Session of Board Meeting of March 9, 2023**
- 10.2 Minutes of Public Session of A&F Meeting of February 22, 2023**
- 10.3 Minutes of Public Session of GNHR Meeting of January 26, 2023**
- 10.4 Minutes of Public Session of S&P Meeting of January 12, 2023**
- 10.5 Campus Master Plan**
- 10.6 Election Results**
- 10.7 Annual Board and Committee Practices Assessment**
- 10.8 Micro-credentials**
- 10.9 Capital Project Tracking Sheets**
- 10.10 Amendments – 2023-2024 Tuition & Ancillary Fees**
- 10.11 Credit Rating Update**

11. Adjournment

Upon a motion duly made by T. Koseck, the public session adjourned at 1:38 p.m.

Lauren Turner, University Secretary