

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
MINUTES OF THE 38th REGULAR MEETING OF THE BOARD OF GOVERNORS**

DATE: June 14, 2006
TIME: 6:00 p.m.

PLACE: Community Room
Oshawa Campus

IN ATTENDANCE

GOVERNORS: Lorraine Sunstrum-Mann, Chair
Peter Bagnall
Dave Broadbent
Joanne Burghardt
Garry Cubitt
Peter Dixon
Allan Furlong
Pierre Hinse
Mark Moorcroft
Jim O'Donnell
Phillip (Rocky) Simmons
Beth Wilson
Terry Wu

PARTICIPANTS: Erin Boniface
Aileen Fletcher
Karen Hodgins
JoAnne Horruzey
Deborah Kinkaid
Leah Myers
Gerry Warman

PRESIDENT: Gary Polonsky

SECRETARY: Cathy Pitcher

**RECORDING
SECRETARY:** Andra Robertson

SENIOR STAFF: Bev Balenko
Terry Caputo
David Chambers
Margaret Greenley
Richard Levin
Craig Loverock
Ruth MacKay
Richard Marceau
Ann Mars
Paul McErlean
Donna McFarlane
Gerry Pinkney
Ken Robb

REGRETS:

GOVERNORS: Joanna Campbell
Denise Jones
Manon Lemonde
Lyn McLeod
Patrick McNeil

PARTICIPANTS: Charlie Peel

SENIOR STAFF: Ralph Aprile
John Woodward

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

INTRODUCTION OF GUESTS

The Chair noted regrets from Governors Joanna Campbell, Denise Jones, Manon Lemonde, Lyn McLeod and Patrick McNeil; participant Charlie Peel; and senior staff members Ralph Aprile and John Woodward. She noted that Peter Bagnall and Gerry Warman would be arriving late.

Donna MacFarlane introduced Mike Conte, faculty, School of Business, DC and member of OPSEU Executive Local 354.

ADDITIONS/DELETIONS TO THE AGENDA

The Chair noted the addition of item 8.8, Signing Authority, item 13.3b, Research Grant and 14.4 Transition.

CONFLICT OF INTEREST DECLARATIONS

None was noted.

APPROVAL OF PREVIOUS MINUTES

The minutes of the 37th Regular Board Meeting of May 10, 2006 were accepted, as circulated.

ACTION ARISING FROM PREVIOUS MINUTES

The Board sent a congratulatory note to the landscape design firm regarding the Canadian Society of Landscape Architects award.

Richard Marceau will provide an update on the Academic Staff Employment Policy in terms of political leave and the abolishment of mandatory retirement.

Richard noted that UOIT has one of the more generous provisions in the province. Our policy provides for six consecutive years of leave, regardless of the number of terms. The only other University with a more generous policy is York which allows six years or two terms. He said that he has spoken with Lyn McLeod and was asked to review this policy. He advised that he will discuss it with the Deans and bring the results to a future meeting. He also noted that the policy is being revised to reflect the change to mandatory retirement and will come to the Board in September.

The Board sent a congratulatory note to Professor Esmailzadeh congratulating him on being made a senior member of the Institute of Electrical and Electronics Engineers (IEEE).

DECISION ITEMS

Freedom of Information and Protection of Privacy Act (FIPPA)

Richard Levin advised that as of Monday, June 10, FIPPA came into effect for all universities across Ontario. The University has a policy on this subject which the Board approved previously. FIPPA and our policy are in conflict, and as a result, Richard asked the Board to rescind the original policy.

Peter Bagnall joined the meeting at this time.

Moved by Garry Cubitt

Seconded by Rocky Simmons

MOTION: #257 “That the Board of Governors of the University of Ontario Institute of Technology approve to rescind the current Protection of Privacy and Access to Information Policy, effective June 10, 2006, as the Freedom of Information and Protection of Privacy Act legislation now applies to all universities in Ontario.”

CARRIED

Pierre Hinse joined the meeting at this time.

Report of the Audit & Finance Committee Meeting held May 23, 2006

Beth Wilson reported that the Committee met to review the draft audited financial statements from the team in Finance and discussed our procedures and that of the auditors. She stated that the discussion was rigorous and there were some important changes in regard to the notes and disclosure of information. The auditors focused on specific risk areas but there were no serious issues. There was good cooperation from the Finance team. She noted that the timelines had been accelerated this year and the team put a lot of effort into getting the information available to the auditors on schedule. Terry commended the hard work of his team. Beth noted that the lack of issues is a good testament to the quality work that was done.

Gerry Warman joined the meeting at this time.

UOIT 2005-2006 Audited Financial Statements

Terry Caputo reviewed the Executive Summary. There was a cash decline and an increase in capital assets due to continued construction. Other assets included the debt payment on Windfields Farm property that is owned by DC. There was an increase in interest and amortization which resulted in large increase in expenses. He noted that the MOA states UOIT cannot have an operating loss, but the definition is vague. Our definition of an operating loss is based on the business standard of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). Due to having borrowed the funds to build the buildings we now we have capital assets worth over \$220M, which results in amortization expense. As a result we have losses from an accounting perspective, but our operating budget has a positive balance.

Terry reviewed the statement of financial position. There was a decrease in cash of \$29.4M due to the construction of campus buildings. There was a decrease in grants due to the timing of receipt of the \$1.9M grant. There is an increase of \$2.2M for the Windfields Farm debt payment under other assets. The lower number of construction invoices caused a decrease in accounts payables and accrued liabilities of \$2.5M. There was a decrease in the long-term debt, which is the principal paid on debenture of \$2.6M.

Terry reviewed the statement of operations. We had to recognize some deferred grants of \$15M, which could no longer be brought forward for the debenture payments in 2005. The student grants increased due to the increased enrolment. So, overall the grants are actually up, but the \$15M decline in debenture grants will no longer be brought forward. There were donations of \$4.3M that were used for the October debenture payment. Student tuition and ancillary fees increased consistent with increase in enrolment. Other income increased by \$1.4M due to a donation from the Region which is tied to construction. Salaries and benefits increased by \$6.2M due to part-time and full-time staff increases. Supplied and expenses increased which is consistent with student growth.

Terry reviewed the statement of cash flow. There was a total operating out-flow of \$1.9M due to the large interest expense for the debenture. There was \$25.2M invested into construction and equipment. There was \$4.8M in financing activities for the payment on long term debt. The total cash ending balance was \$11.3M.

Beth Wilson noted that any unspent academic departmental and research related funds are allowed to be carried forward and moved into internally restricted assets with the Board's approval.

Moved by Peter Dixon

Seconded by Dave Broadbent

MOTION: #258 “That the Board of Governors of University of Ontario Institute of Technology approve the transfer of \$3,663,579 unrestricted funds to internally restricted funds for operating activities during the year ending March 31, 2007.”

CARRIED

Moved by Peter Bagnall

Seconded by Jim O’Donnell

MOTION: #259 “That the Board of Governors of the University of Ontario Institute of Technology approve, as presented, the 2005-2006 UOIT Financial Statements, as prepared by management, audited by Deloitte & Touche, LLP, and reviewed by the Audit & Finance Committee.”

CARRIED

Approval of External Auditors

Beth Wilson reported that the Finance team worked very hard on a shortened schedule, as did the auditors. The Audit & Finance Committee agreed to refresh the management of the audit team this year. The outcome was that there would be a lot of work to do over next 12 months in examining cost sharing and creating sharing agreements. As a result of the auditors’ performance and the work that will need to be done over the next year, the Committee recommended Deloitte for an additional year.

Moved by Allan Furlong

Seconded by Terry Wu

MOTION: #260 “That the Board of Governors of the University of Ontario Institute of Technology approve Deloitte & Touche, LLP, as the external auditors for UOIT for the fiscal year ending March 31, 2007.”

CARRIED

Report of the Nominating Committee Meeting held June 1, 2006

Mark Moorcroft reported that the results of the Governor surveys were used to appoint individuals to each Committee.

Recommendations of Appointment

Moved by Garry Cubitt

Seconded by Dave Broadbent

MOTION: #261 “That the following recommendations of appointment for the period covering September 1, 2006 to August 31, 2007 be accepted, as presented:

BOARD CHAIR
BOARD VICE-CHAIR
SECRETARY
(UOIT By-Law Art. 5)
Treasurer
(UOIT By-Law Art. 5)

- Patrick McNeil
- Phillip (Rocky) Simmons
- Cathy Pitcher

- Paul McErlean

AUDIT & FINANCE COMMITTEE	<ul style="list-style-type: none"> - Denise Jones, Chair - Peter Bagnall - Peter Berg - Beth Wilson - Patrick McNeil - Ron Bordessa - Paul McErlean, Treasurer*
BUILDING COMMITTEE	<ul style="list-style-type: none"> - Joanne Burghardt, Chair - Dave Broadbent - Fraser McArthur - Patrick McNeil - Ron Bordessa
EXECUTIVE COMMITTEE (UOIT By-Law Art. 10)	<ul style="list-style-type: none"> - Patrick McNeil, Chair - Phillip (Rocky) Simmons, Vice-Chair - Peter Bagnall - Joanne Burghardt - Denise Jones - Mark Moorcroft - Ron Bordessa
JOINT RELATIONS COMMITTEE	<ul style="list-style-type: none"> - Patrick McNeil - Garry Cubitt - Allan Furlong - Beth Wilson - Ron Bordessa
NOMINATING COMMITTEE	<ul style="list-style-type: none"> - Mark Moorcroft, Chair - Manon Lemonde - Kimberley McCartney - Patrick McNeil - Ron Bordessa
SENIOR COMPENSATION (UOIT By-Law Art. 11)	<ul style="list-style-type: none"> - Patrick McNeil, Chair - Phillip (Rocky) Simmons, Vice Chair - Peter Dixon - Allan Furlong - Ron Bordessa

* Staff Appointment

MENTOR ASSIGNMENTS FOR 2006-2007

New Governor

Peter Berg (UOIT)
Rhonda Christian (DC)
Allan Gibbins (DC)**
Pansy Goodman (DC)**
Dustin Grant (DC)
Kimberley McCartney (UOIT)
Fraser McArthur (UOIT)
Darrell Sewell (DC)**
**CCAC appointments to be confirmed

Veteran Governor

- Denise Jones
- Debbie Kinkaid
- Mark Moorcroft
- Manon Lemonde (UOIT)
- Karen Hodgins
- Aileen Fletcher (DC)
- Garry Cubitt
- Joanne Burghardt

CARRIED

Financial Signing Authority

Cathy Pitcher reported that historically this item is brought forward in September to appoint signing authority. There has been some investment activity at the University which requires a motion to appoint signing authority to Paul McErlean.

Moved by Peter Bagnall

Seconded by Garry Cubitt

MOTION: #262 “That the Board of Governors of the University of Ontario Institute of Technology appoint Paul McErlean, Vice President of Finance and Strategy, as a signing officer of the University, effective June 1, 2006.”

CARRIED

ACKNOWLEDGEMENTS AND REPORTS

None was noted.

CONSENT CALENDAR

UOIT Academic Council Minutes were accepted as presented.

INTERIM FINANCIAL REPORT

DC and UOIT Financial Scorecard

Terry Caputo reported that there was a caution sign due to the prediction that we would receive 100% BIU funding from the Ministry. This represents a \$3.8M risk. In recent communication with the Ministry the request is moving well, but there is no official notice yet.

DISCUSSION ITEMS

Strategic Plan Progress Report

Richard Marceau reported that 380 actions have begun with anticipated completion in September 2006. Approximately 275 actions are already successfully completed, about 100 are in various stages of completion and a small number of have been dropped altogether. The report highlights many of the things happening in the various areas of the University. Richard reviewed a number of the successes, such as increased student awards, implementation of performance review processes, and lowering the cost of the mobile program.

Mike Conte left the meeting at this time.

REPORT OF THE PRESIDENT

President's Goal Package Mid-Year Review

Gary advised that he would be happy to answer any questions about the President's Performance Review. Lorraine said that his accomplishments were outstanding.

Bachelor of Education Primary/Junior Program Accreditation

Gary reported that UOIT received accreditation from OCT and based on the applications it is felt the program will be successful.

Credit Transfer Arrangement with Northern College

Gary reported that UOIT now has a similar relationship with Northern College as it does with Confederation College.

Ontario Research Foundation

Richard reported that he just received news from the Ontario Research Foundation that we have been accepted for a \$5M research grant. This project aims to produce hydrogen from nuclear power which brings together the community, UOIT and a problem that affects society as a whole.

REPORT OF THE CHAIR

Foundation Update

Lorraine reported that the current foundation was provided with direction to create one Foundation for both UOIT and DC. She reported that the work on processes continues. Ron Kitchen is working with Paul McErlean and staff on this item and a recommendation to the Executive Committee will be presented in late summer.

Number of Boards' Meetings

Lorraine said that this was a pilot year for the Board with fewer meetings. She asked how everyone felt about the reduced number of meetings, and not meeting in October and December. There was consensus that eight meetings was a good number and that Patrick McNeil could raise the issue of even fewer meetings in the future, if that was the desire of the Board.

Transition

Lorraine noted that Ann Mars has moved into the role of the University President's Assistant on a full-time basis. She wished her well in her new role and thanked her for her contribution to the College over the past years. She noted that Cathy will be moving to a new position as Executive Assistant to Leah Myers and that the Board will be searching for new Secretary. She congratulated both and thanked them for their continued support.

Upcoming Events:

The Chair reviewed the upcoming events: the DC/UOIT 2006 Gala on September 30.

TERMINATION OF MEETING

There being no further business, the Chair terminated the meeting at 8:01 p.m.

Lorraine Sunstrum-Mann, Chair

Gary Polonsky, President

Cathy Pitcher, Secretary