

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 237 OF THE BUSINESS BOARD

Monday, January 29, 2018

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, January 29, 2018 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Keith Thomas (Chair)
Brian Lawson (Vice-Chair)
Scott Mabury, Vice-President, University
Operations
Kelly Hannah-Moffat, Vice-President, Human
Resources and Equity
Sheila Brown, Chief Financial Officer
Preet Banerjee
Robert G. Boeckner
Andrew Binkley
David Bowden
Catherine Bragg
P.C. Choo
Gary D. Goldberg
Ian Peter Hutson
Jan Mahrt-Smith
Brian A. Miron
John Paul Morgan*
Howard Shearer
Chris Thatcher
Bruce Winter*
Emeli (Li) Zhang

**participated via conference call for open session*

Non-Voting Assessors:

David Estok, Vice-President, Communications
David Palmer, Vice-President, Advancement
Gilbert Delgado, Chief, Planning, Design
and Construction
Trevor Rodgers, Executive Director,
Planning and Budget
Susan Senese, Interim Chief Administrative
Officer, University of Toronto Mississauga
(UTM)
Ron Swail, Assistant Vice-President, Facilities
and Services

Secretariat:

Sheree Drummond, Secretary of the Governing
Council
Patrick F. McNeill, Secretary

Regrets:

Harvey T. Botting
Sara Gelgor
Avrum Gotlieb
Sue Graham-Nutter
Mark Krembil
Mala Kashyap

In Attendance:

Gwen Burrows, Executive Director, Office of the Vice-President, International

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Tad Brown, Senior Legal Counsel, Office of the Vice-President, Advancement (VPA)
Elizabeth Cragg, Director, Office of the Vice-President, University Operations
Barbara Dick, Assistant Vice-President, Alumni Relations
Rosalyn Figov, Chief Operations Officer, Office of the Vice-President Human Resources and Equity (VPHRE)
Hayley Fuller, Project & Change Management Advisor, VPHRE
Tanya Kreinin, Executive Director, Advancement Communications & Marketing (VPA)
Michael Kurts, Executive Director, Communications Partnerships, Office of the Vice-President, Communications
Mila Miller, Executive Director, Strategic Planning and Advancement Organizational Development, VPA
Gillian Morrison, Assistant Vice-President, Divisional Relations and Campaigns, VPA
Paul Nakonechny, HR Advisor, Analytics, VPHRE
Pierre Piché, Controller and Director of Financial Services
James Robertson, Chief Operating Officer, Advancement Services
Joseph Wong, Associate Vice-President and Vice-Provost, International Student Experience
Christopher Yip, Associate Vice-President, International Partnerships

ALL ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

*Pursuant to section 33(i) of By-Law Number 2,
items 17-18 were considered in camera.*

OPEN SESSION

1. Chair's Remarks

The Chair welcomed members and guests.

2. Annual Report: Vice-President, Advancement, 2016-2017

David Palmer, Vice-President, Advancement, introduced those members of the Advancement portfolio who were present and thanked them for their dedicated work associated with the continued success of the expanded Boundless campaign with a goal of \$2.4 billion set for December 2018. He then offered a [presentation](#) on the Annual Report of Advancement which included highlights of [performance indicators](#) for the Fiscal Year 2016-17. He also shared an [infographic](#) related to alumni engagement and fundraising for the calendar year 2017.

Mr. Palmer highlighted the following:

- re Alumni Engagement and Alumni Demographics – total alumni attendance in FY 2016-17 was 102,839; total number of volunteers was 8,651 and the total number of mentors was 3,064; over 7,000 attended the spring reunion;
- re Fundraising Performance – total of \$247,854,977 had been raised in FY 2016-17 (a new record);

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- Over 2,000 communication and marketing products had been generated in FY 2016-17; impressions from social media was over 25.6 million;
- The expanded Boundless campaign was currently at \$2,351,191,569 as of the date of the Business Board meeting;
- Expendable gifts to the Boundless Campaign (excluding gifts-in-kind and research grants) represented 81%; endowed gifts represented 19% of the total giving;
- re Looking Forward – closing the Boundless campaign successfully; maintaining momentum; keeping donors and volunteers engaged; and laying the groundwork for growth and excellence in preparation for the University's 3rd century.

The Chair thanked Mr. Palmer for the presentation and for the detailed reports. Members congratulated Mr. Palmer and his team on their excellent work on the Boundless campaign and alumni engagement.

3. Annual Report: Vice-President, International, 2016-2017

Professor Wong, Associate Vice-President and Vice-Provost, International Student Experience, offered a [presentation](#), on behalf of Professor Sargent, Vice-President, International, as part of a progress report on the University's International Strategic Plan. He introduced members of the VPI's office.

Professor Wong commented that the aim of the plan was to broaden and deepen the University's global activities with improved engagement opportunities for students, global research partners, and expanded alumni outreach. He highlighted the following initiatives:

- Recruitment – great amount of effort in recruitment in collaboration with the Office of Student Recruitment, Divisions, and the Department of Alumni Relations; across the board increase in applications (over 35%) from a greater diversity of countries;
- Student Mobility – developed structured pathways for mobility with leading global partners;
- International Student Experience – goal to raise the number of students who have an international experience from 18% to 30% in five years; international experience can be one of the great socio-economic levelers; goal is to ensure accessibility for all students;
- Academic Partnerships – prioritized 6-8 global research partnerships with other highly ranked international institutions; target to seed 3 International Doctoral Clusters (IDCs) by 2019 had been met including Zhejiang University, Hong Kong University of Science and Technology and the National University of Singapore;
- Innovation and Entrepreneurship – tackled global challenges with scientific and social innovations; goal to turn research innovation into societal impact (i.e. grew internships via MasterCard Program);
- Alumni engagement; 4 International Leadership Councils created in Asia, East Coast US, West Coast US and European Union (including UK); and also engaging UofT expertise through 7 Presidential International Councils;
- Reputation and Brand – continued growth in the number of earned annual stories in priority outlets; 76 international stories in the last 8 months of 2017 (vs 26 in all of 2016).

REPORT NUMBER 237 OF THE BUSINESS BOARD – Monday, January 29, 2018**4. Deferred Maintenance: Annual Report, 2017**

Mr. Swail presented the annual report on deferred maintenance. He reported that the University's current combined facility condition index (FCI) was 13.4%, half a percentage lower than 2016's figure of 13.9%; overall, the facility condition indices at all three campuses had been relatively flat year over year.

Mr. Swail stated that while the volume of deferred maintenance items had increased slightly at St. George, it was important to note that the highest priority repairs, priority one, remained relatively flat over the past six years. This stability was the result of significant direct internal and Provincial FRP funding combined with the indirect impact of several capital building renovation projects and building energy retrofits financed through the Utilities Reduction Revolving Fund (URRF). Despite the sizable estimated cost of this liability, significant improvements had been achieved over the past decade to the fundamental elements of the portfolio of building on campus.

Mr. Swail reported that the University had adequately maintained its buildings and minimized, although not eliminated, the chance of an unforeseen problem having major consequences to the University's mission and operating budget. Further, Mr. Swail advised members about pending changes, mandated by the Ministry of Advanced Education and Skills Development (MAESD), to the Facilities Condition Assessment Program (FCAP) that would increase the total liability over time but would provide better data within the database.

Professor Mabury commented that addressing deferred maintenance projects had had a positive impact on the student experience and that no space was compromised with regards to access to research and classroom facilities. He noted that Deans across all three campuses continued to allocate more funds to address deferred maintenance. In response to a member's question, the University would attempt to track both old and new audit details for comparison purposes under the new MAESD assessment program as it was implemented over a 5-year period.

It was noted that Mr. Swail had attended his last meeting of the Board prior to taking on a new role with the University Health Network. The Chair expressed thanks to Ron Swail for his service to the University over the past 15 years.

5. Pension Plan Annual Financial Report for the Year Ended June 30, 2017

Ms Brown provided an overview of the Business Board's responsibilities concerning the Pension Plan and highlighted the following financial results for the year ended June 30, 2017:

- at June 30, 2017, the RPP had a market deficit of \$362.4 million, a decrease in the deficit of \$210.7 million from the June 30, 2016 market deficit of \$573.1, primarily due to investment returns of 13.21%, exceeding the nominal target investment return of 5.01% for the year (4.0% plus CPI) and required employer special payment contributions of \$78.7 million, which were partly offset by actuarial assumption changes;

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- at June 30, 2017, the registered plan had a solvency deficit of \$1,183.6 million, a decrease of \$497.4 million from June 30, 2016, mainly due to investment returns exceeding target returns as well as an increase in the prescribed rates used to discount the liabilities.

Ms Brown reported that the Pension Plan Annual Financial Report for the year ended June 30, 2017 was approved by the Pension Committee at its meeting on December 13, 2017.

6. Reports on Debt:

(a) Debt Strategy Annual Review

Ms Brown noted that the current debt strategy had been approved by the Business Board in 2012. The two key questions examined when conducting the Annual Review were whether the Strategy was still prudent and whether it currently provided sufficient debt capacity to meet the University's needs. The current review revealed that both questions were answered in the affirmative.

(b) Status Report on Debt

(c) Moody's Investor Service - Credit Opinion, December 2017

The Status Report on Debt and the credit report were presented for information and there were no questions from members.

7. Forecast of University Financial Results at April 30, 2018, prepared as of January 11, 2018

Ms Brown noted that this forecast, which was presented annually to the Board for information, contained forecasts of income statements and net assets of the University. Projections were made which took into account several possible investment return scenarios. It was currently projected that net income for the year would be about \$391 million, at the 5.4% investment return rate. She reported that net income was projected to range from \$374 million (at 3% investment return) to \$417 million (at 9% investment return). Net assets were projected to be \$5.8 billion, at the 5.4% investment return rate. The projected range was from \$5.6 billion (at 3% investment return) to \$6.0 billion (at 9% investment return).

This item was presented for information and there were no questions from members.

8. Employment Equity Report 2016-2017

Professor Hannah-Moffat delivered a [presentation](#) on the Employment Equity Report 2016-2017.

The VPHRE stated that the employment equity survey was a voluntary, confidential questionnaire open to all employees (appointed and non-appointed). The survey allowed the University to analyze its workforce composition relative to the Canadian workforce, using the principles outlined in the Federal Contractors Program (FCP). This report marks the first analysis of workforce composition following an overhaul of the survey launched July 1, 2016.

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Professor Hannah-Moffat commented that the *Report* was for internal use, and was meant to inform recruitment practices designed to improve representation rates from the designated groups.

9. Health and Safety Requirements: Quarterly Report on Compliance

Professor Hannah-Moffat apprised the Board of six incidents that had occurred during the last quarter, for which the University had incurred no liability. Further, during this reporting period (1 October – 31 December) the Ministry of Labour had visited the St. George Campus 5 times, UTSC 3 times, UTM once. Three requirements/orders were issued to the university.

The VPHRE stated that based on the reports received through the operation of our occupational health and safety policy, and to the best of her knowledge, the University was in compliance with its health and safety obligations.

In response to a member's question, Professor Hannah-Moffat advised that health and safety issues were covered by three VP portfolios – VPHRE, VP Research and Innovation and VPUO. The VPHRE was ultimately responsible for reporting to the Business Board.

10. Capital Projects Report to December 31, 2017

The Board received a [presentation](#) on the capital projects report to December 31, 2017 from Gilbert Delgado, Chief, Planning, Design and Construction.

Professor Mabury commented that there was great momentum in terms of capital project activity across the three campuses and that a significant investment was being made in infrastructure. In response to a member's question, the VPUO stated that criteria to quantify the impact of a particular capital project was contained in the Project Planning Report which describes in detail the allocation of financial resources and land to advance the University's mission – the new Centre for Engineering Innovation & Entrepreneurship (CEIE) was an example of advancing the mission by providing excellent research and learning facilities.

11. Reports of the Administrative Assessors

Update on Bargaining with CUPE 3902 Unit 1

Professor Hannah-Moffat reported that the University and Union bargaining teams had been meeting since September to negotiate a renewal collective agreement. Starting in January, a Ministry of Labour-appointed Conciliation Officer had supported the negotiations after both the University and the Union jointly requested this assistance.

Asbestos Review Panel

Professor Mabury reported that an Asbestos Review Panel had been created with a mandate to examine and evaluate the Asbestos Management Program on all three campuses, including its policies, program structure, protocols, processes, and procedures. The Panel was meeting to develop its work plan and would hold meetings with key stakeholders in addition to welcoming submissions from the entire University community.

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Strategic Investment Fund (SIF) – LIFT Project Update

Professor Mabury provided an update on the Lab Innovation for Toronto (LIFT)

Project noting that 23 of the 55 projects across the tri-campus were completed and that the remaining projects would be substantially completed prior to the end of April in order to meet the funding deadline under the Federal Government's Post-Secondary Institutions Strategic Innovation Fund (SIF) program in the amount of \$83.7 million.

OPEN SESSION CONSENT AGENDA

On a motion duly moved, seconded and carried

YOUR BOARD APPROVED

THAT the consent agenda be adopted.

12. Report of the Previous Meeting

Report Number 236 of the Business Board, November 27, 2017, was approved.

13. Business Arising from the Report of the Previous Meeting

There was no business arising from the report of the previous meeting.

14. Report Number 125 of the Audit Committee, December 6, 2017

The report was received for information.

15. Date of the Next Meeting – Wednesday, March 21, 2018 at 5:00 p.m.

The Chair advised members that the next regular meeting was scheduled for March 21, 2018.

END OF CONSENT AGENDA

16. Other Business

There was no other business.

THE BOARD MOVED *IN CAMERA*.

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17. *In Camera* Reports of the Administrative Assessors

Professor Mabury updated the Board on the Greenhouse Gas Campus Retrofit project; and on a property matter.

18. Collective Agreements

The following collective agreements were received by the Board for information:

- (a) Collective Agreement between the University of Toronto and CUPE Local 1230, Student Casual, July 1, 2017 - June 30, 2020;
- (b) Collective Agreement between the University of Toronto and CUPE Local 1230, Full Time & Part-Time, July 1, 2017 - June 30, 2020;
- (c) Collective Agreement between the University of Toronto and CUPE Local 2484, July 1, 2017 - June 30, 2020;
- (d) Collective Agreement between the University of Toronto and CUPE Local 3902, Unit 3, September 1, 2017 - August 31, 2021.

The Board returned to open session.

The meeting adjourned at 7:10 p.m.

Secretary

Chair

February 6, 2017