

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 112 OF THE BUSINESS BOARD

May 7, 2001

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, May 7, 2001 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Mr. Amir Shalaby (In the Chair)
Ms Wendy M. Cecil-Cockwell, Chairman
of the Governing Council
Professor Robert J. Birgeneau, President
Professor Michael G. Finlayson,
Vice-President - Administration
and Human Resources
Dr. Robert Bennett
Professor W. Raymond Cummins
Mr. Brian Davis
Mr. James S. Kinnear
Mr. Josh Koziembrocki
Professor Brian A. Langille
Ms Karen Lewis
Mr. Gerald A. Lokash
Professor Heather Munroe-Blum
Dr. John P. Nestor
Mr. Martin Offman

Mr. Elan L. Ohayon
Mr. Roger P. Parkinson
Mr. Robert S. Weiss

Dr. Jon S. Dellandrea, Vice-President
and Chief Development Officer
Mr. Louis R. Charpentier, Secretary of the
Governing Council
Professor Derek McCammond,
Vice-Provost, Planning and Budget
Miss Janice Oliver, Assistant Vice-
President, Operations and Services

Secretariat:

Mr. Neil Dobbs
Ms Cristina Oke

Regrets:

Mr. H. Garfield Emerson
Ms Susan Eng
Mr. Paul V. Godfrey
Dr. Anne Golden
Mr. Frank MacGrath

Ms Jacqueline C. Orange
The Hon. David R. Peterson
Ms Rose M. Patten
Mr. John H. Tory

In Attendance:

Dr. Beata FitzPatrick, Director, Office of the President and Assistant Vice-President
Professor Carolyn Tuohy, Deputy Provost
Professor Ronald D. Venter, Vice-Provost, Space and Facilities Planning
Ms Janice Draper, Manager, Job Evaluation and Salary Programs, Human Resources
Department
Ms Rivi Frankle, Director of Alumni and Development
Dr. David Gorman, Director of Environmental Health and Safety
Ms Georgina Grey, Director of University Events and Presidential Liaison (Advancement)
Mr. Hal A. Koblin, Special Adviser to the Vice-President and Chief Development Officer
Mr. Brian Marshall, Director, Human Resources Department
Ms Gayle Murray, Executive Assistant to the Vice-President and Employee Relations
Coordinator, Office of the Vice-President - Administration and Human Resources
Ms Carmel O'Sullivan, President, Association of Part-time Undergraduate Students
Mr. Pierre Piché, Acting Controller

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In Attendance (Cont'd)

Professor Edward Relph, Associate Principal, Campus Development, University of Toronto at Scarborough

Ms Mary Anne Ross, Associate Director, Human Resources Department

Mr. Allan H. Shapira, Hewitt Associates

ALL ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

1. Report of the Previous Meeting - Report Number 111 - April 2, 2001

Report Number 111 (April 2, 2001) was approved.

2. Chair's Remarks

The Chair welcomed Mr. James Kinnear, a new co-opted lay member of the Board. An alumnus of the University of Toronto at Scarborough, Mr. Kinnear lived in Calgary and was President and C.E.O. of the Pengrowth Group of Companies. A Chartered Financial Analyst, he was the author of two books on royalty trusts. He had been a long-serving Director of the Rockyview Hospital in Calgary and has been named an Outstanding Albertan for Healthcare Philanthropy.

3. Variance to the Order of the Agenda

It was agreed to vary the order of the agenda to consider first:

- the *in camera* matters,
- the Campaign Progress Report, and
- the Policies for Non-Union Administrative Staff

4. Supplementary Memorandum of Agreement with the University of Toronto Faculty Association

On motion duly made and seconded, it was RESOLVED

THAT pursuant to section 33(ii) of By-Law Number 2, the Board consider items 4, 5 and 6 [as enumerated in this report] *in camera*, with staff members and guests named by Professor Finlayson invited to attend to assist the Board in its consideration of the items.

The matter was dealt with *in camera*.

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

THAT the Supplementary Memorandum of Agreement between the Governing Council of the University of Toronto and the University of Toronto Faculty Association dated April 24, 2001, a copy of which is attached hereto as Appendix "A", be ratified on behalf of the Governing Council.

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5. Human Resources: One-Time-Only Payment to Pensioners Who Retired Prior to July, 1996

The proposal was dealt with *in camera*.

On the recommendation of the President and the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED IN PRINCIPLE¹

THAT there be a one-time-only payment to current University of Toronto pensioners or, if deceased, to their survivors currently in receipt of a University of Toronto pension, who retired prior to 1 July, 1996, to be calculated in a manner described in Professor Michael Finlayson's May 4, 2001 memorandum to the Business Board, a copy of which is attached hereto as Appendix "B". The payment is to be funded by re-directing the \$2.5-million to \$3.0-million cost from the pension budget allocated to fund the Supplemental Retirement Arrangement (S.R.A.) and by adding this cost to any increase in S.R.A. liabilities arising out of 2001-02 salaries and benefits negotiations, with the total amortized in accordance with the University's policy.

6. Property

Professor Finlayson provided a progress report on two pending real estate transactions that had been approved by the Board.

7. Campaign: Progress Report

Dr. Dellandrea reported on the progress of the Campaign. Among the highlights of the report were the following.

- **Campaign objectives.** The Campaign's objective was to maximize support for the University's academic priorities as defined by its academic planning process. To achieve that objective, the Campaign goal was to obtain commitments of \$1-billion by the end of 2004. The Campaign would also seek a minimum of \$200-million of future bequest intentions by the end of 2004.
- **Campaign results as at March 30, 2001.** Benefactors had given or pledged a total of \$786-million, including gifts, planned gifts and gifts in kind. The total amount received to date (i.e. excluding pledges) was \$616-million. In addition, the University had been notified of bequest intentions amounting to \$157-million.

The University itself had provided \$264-million to match Campaign contributions, primarily to endowments and to capital projects.

In addition, governments had provided grants of \$208-million for Campaign priorities, including both matching funds for student-aid endowments (the Ontario Student

¹ Secretary's note: The Board approved the proposal in principle only pending its consideration by the University of Toronto Faculty Association. The Faculty Association subsequently consented to the proposal. The proposal will be before the Board for final ratification at its next meeting.

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7. **Campaign: Progress Report** (Cont'd)

Opportunity Trust Fund and the Ontario Graduate Student Scholarship Trust programs) and \$87-million of matching funding for research infrastructure (under the Ontario Research and Development Challenge Fund, the Ontario Innovation Trust and the Canada Foundation for Innovation programs). Those grants were as follows:

Ontario Student Opportunity Trust Fund	\$107,834,000
Ontario Graduate Student Scholarship Trust	8,625,000
Other	4,149,448
Canada Foundation for Innovation	7,274,000
Ontario Innovation Trust	57,274,000
Ontario Research and Development Challenge Fund (endowed)	11,935,000
Ontario Research and Development Challenge Fund (expendable)	10,692,000

Dr. Dellandrea noted that the total of cash, pledges and government grants in support of campaign priorities amounted to approximately \$994 million. That figure did not include either bequest intentions or University matches.

- **Sources of contributions.** Campaign contributions had come from the following sources:

Alumni	37%
Friends	24%
Foundations and organizations	21%
Corporations	18%

Nearly \$300-million had been contributed by 23 benefactors, each of whom had donated \$5-million or more. A further \$250-million had come from 145 other benefactors who donated \$1-million or more. 530 donors had made donations of between \$100,000 and \$1-million, providing about \$125-million in total. Nearly 85,000 donors had contributed amounts under \$1,000, including some 45,000 who had made their first gifts to the University.

- **Academic impact: general.** Dr. Dellandrea said that one of the key factors that made the University of Toronto campaign unique among Canadian universities was the fact that potential revenues from fund raising were factored into academic planning. The University had gained 144 new endowed chairs and more than \$165-million for student-aid endowments, matched by more than \$100-million committed to student-aid endowments by the University and \$115-million provided by the Government of Ontario. The chairs and student support money were having a direct impact on the quality of education and research at the University. The record-breaking achievements to date were contributing directly to the University's ability to continue making progress towards its aspiration to be a world-leading research university.
- **Academic impact: objectives supported.** Dr. Dellandrea was very pleased that Campaign donations had run very nearly parallel to the University's academic plan. 24% of contributions had been directed to endowed chairs. Benefactors had established 144 new endowed chairs, including agreements in progress. At the beginning of the Campaign, the University had only 15 endowed chairs.

A further 23% of contributions were for student support, providing more than \$165-million for the endowments for student aid. The portion of the University's endowment

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7. Campaign: Progress Report (Cont'd)

devoted to student aid was approximately \$500 million. That represented more than 40% of the University's total endowment. That endowment for student aid had enabled the University of Toronto to be the only university in Canada, and one of only a small number in North America, to provide a guarantee to all students admitted to the University that they would be provided with the financial support necessary to complete their studies.

Particular programs were supported by 32% of donations. Those programs included the R. Samuel McLaughlin Centre for Biomedical and Genetic Research, the David Chu Program in Asia-Pacific Studies, and the research program supported by a gift from the Parkinson Foundation of Canada.

A further 13% of donations were in support of capital projects including the Pharmacy Building, the Bahen Centre for Information Technology, the St. George Street renewal, and the Munk Centre for International Studies.

Finally, 8% of donations were in support of the University's libraries. Those donations included the funds for the Scotiabank Information Commons and the Gerstein Science Information Centre.

- **Academic impact: disciplines supported.** Dr. Dellandrea recalled that at the beginning of the Campaign, many people were concerned that support would flow almost exclusively to areas such as medicine, engineering, and the business school, and that traditional "have not" departments, particularly in the humanities and social sciences, would fall even further behind. Dr. Dellandrea was very pleased to report that, on the contrary, the group of disciplines that had received the largest share of endowed chairs to date, at 28% of the total, consisted of the humanities, arts, and social sciences (including education, social work, and architecture). About 23% of endowed chairs had been donated to the business and law schools, 26% to the sciences and engineering, and 23% to the health sciences.
- **Academic impact: Faculty of Arts and Science.** Dr. Dellandrea pointed out that in 1995, the Faculty of Arts and Science had less than \$1-million in endowed funds to support student aid and the Faculty had only five endowed chairs. At that time, the Faculty did not have a proactive approach to fundraising and had no program of alumni relations.

That contrasted with the current situation, in which the Faculty had \$50-million in endowed funds to support student aid, largely through the Ontario Student Opportunity Trust Fund and the Ontario Graduate Student Scholarship Trust matching programs. The Faculty also had the opportunity to endow 300 Ontario Graduate Scholarships under the most recent matching-funds program. Dr. Dellandrea therefore anticipated that the total of the Faculty's student-aid endowment would continue to rise significantly.

At the present time, the Faculty had 34 endowed chairs, including 26 chairs exclusive to the Faculty, three established in its colleges (which would therefore be filled by Arts and Science professors), and the five Jackman Chairs in the Humanities.

Finally, the Faculty had received donations amounting to \$20-million for major capital projects, including the funding for the John and Edna Davenport Chemical Research Building. The Davenport family had donated \$10-million for the construction of the building as well as \$3-million for an endowment to pay for the building's upkeep.

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7. Campaign: Progress Report (Cont'd)

- **Academic impact: Faculty of Law.** In 1995, the Faculty of Law had only about \$100,000 in endowment funds for student aid and no endowed chairs. At the present time, the Faculty had an \$18-million endowment for student support, including contributions and matching money, and 17 endowed chairs. In 1995, its faculty:student ratio was in lower range of Canadian and U.S. law schools. The Faculty's current approved academic complement was 58 positions, of which 45 were filled, providing the best faculty:student ratio of any law school in the world.
- **Academic impact: Faculty of Medicine.** In 1995, the Faculty had \$7.8-million in endowment funds for student aid. It now had about \$120-million. That included: (a) \$29-million donated under the Ontario Student Opportunity Trust Fund program, matched by the University and the Province of Ontario to yield an endowment of approximately \$87 million; (b) donations and pledges of \$3.6 million under the Ontario Graduate Student Scholarship Trust program, matched by the University and the Province, for an endowment of \$21.6-million; and (c) \$12.9-million in other endowments to support graduate students.

In 1995, the Faculty of Medicine had six endowed chairs as well as five endowed chairs shared with the affiliated teaching hospitals. The Faculty currently had 36 endowed chairs plus 60 joint hospital-university chairs.

- **Academic impact: Faculty of Applied Science and Engineering.** In 1995, the Faculty had three endowed chairs and a student-aid endowment under \$2-million. It currently had 27 endowed chairs and, with matching funds, over \$100-million in endowment to support student aid. The Faculty had raised \$104-million during the Campaign to date, including \$30-million for capital projects.
- **Academic impact: Faculty of Social Work.** In 1995, the Faculty had no endowed chairs and a total endowment of under \$200,000. Having raised \$16.3-million through the Campaign, it currently had six endowed chairs and more than \$3.5-million in endowment for student aid. This made it the best endowed school of social work anywhere.
- **2000-04 Academic Plan: Raising Our Sights.** The University was completing its academic planning for 2000-2004, which corresponded to the next four years of the Campaign. That exercise involved identifying new academic aspirations and identifying the resources required to achieve them. That was being followed by updating Campaign priorities to correspond with academic priorities. The key priorities that were emerging were the attraction and retention of top faculty and graduate students and the provision of necessary infrastructure. Specific priorities that were emerging were: raising matching funds for Ontario Graduate Scholarships; raising funds to provide endowed support for the continuation of the Canada Research Chairs; and capital projects, including the remaining cost of the Bahen Centre for Information Technology, the Centre for Cellular and Biomolecular Research, the new Varsity Stadium and renovated Arena, and facilities for growth at the University of Toronto at Scarborough and the University of Toronto at Mississauga.
- **Campaign Plan.** The Campaign team would continue intensive campaign activity through the end of 2004. The University would then continue to build on the University's increased base of support coming out of the Campaign.

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- **Cumulative support projection.** Dr. Dellandrea recalled that he had provided a projection of Campaign proceeds to the Business Board at its meeting of November 20, 2000. That projection had been prepared in the summer of 2000, when the Campaign team was considering raising the campaign goal to \$1-billion. Dr. Dellandrea was pleased to report that the Campaign, having raised a total of \$786-million of gifts, pledges, realized planned gifts and gifts in kind, was already ahead of the high range of the projection for April 30, 2001, which had been between \$740-million and \$762-million. If the projections continued to be correct and there was no general downturn in the economy, the Campaign should break through the \$1-billion level in 2003 or early in 2004.

Dr. Dellandrea concluded that the Campaign team remained fully committed to the success of each and every division's campaign, to reaching as many as possible of the University's 350,000 living alumni, and to building a base for a strengthened advancement program after the conclusion of the Campaign in 2004.

In the course of discussion, members congratulated Dr. Dellandrea, his colleagues and all of the Campaign volunteers on their extraordinary success. Questions arose with respect to two matters.

(a) Matching funds. In response to a question, the President and Professor McCammond outlined the sources of matching funds: (a) undesignated endowment funds that had been built up in earlier years, and (b) monies budgeted but not required for pension-plan contributions because of the long-standing surplus in the plans. The University continued to budget for three quarters of the annual current service cost of the pension plan so that there would be a source of base-budget funding when pension plan contributions were again required. Because of the surplus in the pension plans, the University was not permitted to make employer contributions to the plans. A part of the pension budget was being used to fund the Supplemental Retirement Arrangement. A part of the remaining amount had been used for matching funds and also as a source of funding for certain special funds, especially the University Infrastructure Investment Fund. A member complimented the University's administration for its prudent budgeting for pension contributions and its having established a source of matching funds, which had been so important to the University's great success in attracting donations and government matching funds, which would serve the University very well indefinitely into the future.

(b) Campaign costs. In response to a question, Dr. Dellandrea recalled that he had made a commitment to conduct the Campaign with costs being restricted to the industry standard of between 11% and 13% of Campaign proceeds. In fact, costs had remained under 10%. The President added that because so large a portion of the proceeds of the Campaign had been devoted to building the endowment, the one-time-only cost of the Campaign should be weighed against endowment income that would continue indefinitely.

8. Human Resources: Policies for Non-Unionized Administrative Staff

Professor Finlayson said that the proposal included two separate policies. The first was for approximately eighty staff members who did not hold managerial or professional positions but who had been excluded from membership of the United Steelworkers of America bargaining unit because they had access, as part of their duties, to confidential information concerning labour relations. For this group, the proposed policies were very similar to those for union members, who were doing similar jobs. There were a few differences. First, individuals in this group had a grievance procedure but not one ending in compulsory arbitration, as was characteristic of union

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grievance procedures. Compensating staff for the absence of formal representation and the absence of a grievance procedure ending in binding arbitration, the severance schedule for those staff members was an enriched one. Second, annual salary adjustments would not be provided on the basis of a mandatory step system but on the basis of a combination of across-the-board and merit increases. The second set of policies were those for about 500 staff members in managerial and professional positions. Given the nature of the work of those staff members, it was appropriate that their policies be based on those that were in effect for the approximately 110 members of the current Senior Management Group, who would be subsumed into this larger group of staff. Again, there were some modifications. Annual salary adjustments would consist of a combination of across-the-board increases and a merit program. Increases for members of the current Senior Management Group had been based solely on merit. While there would be dispute-resolution mechanism that would provide for the use of mediation in some circumstances, there would be no formal grievance process. Because it was assumed that staff at this level had some degree of control over their time, there would be no provisions concerning overtime work. As compensation for the absence of representation and the absence of a grievance process, the severance schedule would be further enriched.

Professor Finlayson stressed that the proposed new policies followed four to six months of consultations with the staff members who would be covered by the policies. He had held meetings in numerous divisions during three steps in developing the policies.

Professor Finlayson commented on the proposal for special compensation provisions for senior staff in the advancement area, aimed at attracting and retaining the best possible staff for the Campaign in an increasingly competitive environment. The policies would apply to (currently) 33 Program Managers and 14 Senior Development Officers. In general, the provisions would permit greater flexibility in determining the compensation of those individuals, who would not receive across-the-board increases but would be eligible for higher performance-driven salary increases and one-time-only incentive payments. Conditions for incentive payments would be based upon specific provisions written into the officers' employment contracts.

Discussion focused on two matters.

(a) Process for future development of the policies. Two members expressed concern about process matters. There was no procedure to update and improve the proposed policies. The staff members who would be subject to the policies were not represented by any staff group. While members of the Senior Management Group had some cohesiveness as a group, the more junior "confidential" staff often did not even know each other.

Professor Finlayson replied that the Human Resources Management Board was responsible for developing policy for those staff groups. Policies were then taken to the Business Board for approval. In the case of the confidential staff, it was likely that compensation increases and most policy changes would continue to follow the pattern of those for staff represented by the United Steelworkers of America. With respect the managerial and professional staff, the senior members of the administration had met with the Senior Management Group at least four times per year and would in future meet with the new, larger group at least twice a year. Professor Finlayson also anticipated that annual meetings might well take place with the "confidential" staff. The administration had received from the Association of Professionals, Managers and Confidentials a request that the group be recognized as representing of that group of staff. The administration had not acceded to the request because the members of the group did not share a community of interest - a fact leading to the two different sets of policies now being proposed. Moreover, the

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8. Human Resources: Policies for Non-Unionized Administrative Staff (Cont'd)

administration was not convinced that the group enjoyed a high level of support as a representative body. That situation might change in the future, particularly if the administration was not sensitive to the needs of the group.

Another member commented that the consultations taking place in the development of the proposed policies had been impressive, with the draft proposals being distributed widely and forming the basis for extensive discussions. The member expected that a similar open process would precede updates to the policies, with the administration being well aware that the failure to follow such processes could well lead to negative consequences.

(b) Absence of a grievance procedure. A member expressed concern about the absence of a grievance procedure in the proposed policies. Professor Finlayson replied that the policies of "confidential" staff did include a grievance procedure, although not one ending in binding arbitration. The policies for professional and managerial staff included a problem-resolution procedure involving appeal to the next higher level of authority and, in exceptional circumstances, non-binding, without-prejudice mediation. A grievance procedure would make no sense for management staff. It would be unworkable for a manager, in circumstances of tension with a superior, to be placed back in a management position through such a process. To compensate, the schedule for severance pay for the professional/managerial group was a very generous one.

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

- (a) The proposed Policies for Exempt Confidential Staff, a copy of which is attached hereto as Appendix "C", for application to all non-union administrative staff in positions classified up to and including salary grade 04B, replacing policies approved from time to time and included in the *Manual of Staff Policies*; and
- (b) The proposed Policies for Professional and Managerial Staff, a copy of which is attached hereto as Appendix "D", for application to non-union administrative staff in all other positions, replacing the Policies for Members of the Senior Management Group approved by the Business Board on May 23, 1995 and replacing other relevant policies approved from time to time and included in the *Manual of Staff Policies*.

Professor Finlayson thanked Ms Draper, Ms Ross, Mr. Marshall and Ms Murray for their excellent work on the development of the policies.

9. Business Arising from the Report of the Previous Meeting

(a) Item 2 - Tuition Fees for Publicly Funded Programs

The Chair recalled that during the Board's consideration of the Budget Report, two members had requested comparative information about the proportion of operating revenue supplied by tuition fees at a representative sample of universities. Professor McCammond had kindly undertaken to provide that information. That information would be mailed in the near future.

REPORT NUMBER 112 OF THE BUSINESS BOARD - May 7, 2001**9. Business Arising from the Report of the Previous Meeting (Cont'd)****(a) Item 2 - Tuition Fees for Publicly Funded Programs (Cont'd)**

A member requested that the information provide international as well as national comparisons. He said that in Denmark graduate students were provided with U.S. \$450,000 to support four years of graduate study, including their research costs. Pointing out that fact would be useful in the University's approach to Government concerning funding. The University used international comparisons in its data concerning research and should do so also in its data concerning funding. A member commented that to be of any use, it would be necessary to include information on tax rates as well as funding in the other countries. The Chair said that arguments concerning funding in a context far removed from the local one would be of little or no benefit in approaches to the Government of Ontario. Professor McCammond noted that the information would require considerable staff time to assemble, and he declined to provide it at the request of a single member rather than the Board as a whole.

A member recalled that the University was required to submit a report to the Government of Ontario on the use of the increased revenue derived from tuition-fee increases in the deregulated programs. He proposed that the submission be provided to the Board. Professor McCammond recalled that the first such submission had been appended to the Budget Report. Subsequent submissions consisted of proposals for allocations from the Academic Priorities Fund for quality enhancements deriving from this funding. He would be pleased to distribute the most recent documentation to the Board.

(b) Investments: Annual Report of the University of Toronto Asset Management Corporation, 2000

A member recalled that he had, at the previous meeting, asked about the cost and benefit of investment management by the University of Toronto Asset Management Corporation (UTAM) compared to the previous arrangement. The Chair recalled that Professor Finlayson had responded that because UTAM had been in operation for so brief a period of time, it was too early to make any evaluation. The member said that it would be important to consider the matter at an early stage rather than to find at a later stage that the increased costs were not justified by benefits.

A member recalled that he had, at the previous meeting, been advised that UTAM applied no ethical criteria in selecting investments. He proposed that the administration commission a report from recognized consultants in the area of ethical investing. The member gave notice of motion

THAT the University commission a report from independent consultants with respect to steps the University should take to apply ethical criteria to its investments.

The Chair advised that the Governing Council had approved a policy on Social and Political Issues with respect to University Investment, which set out a procedure for dealing with proposals concerning ethical investing. At the request of the Chair, the Secretary outlined that procedure. Members of the University interested in the issue would prepare "a fully documented brief identifying the social injury that should influence investment decisions or exercise of shareholders' responsibilities." They would then secure support for the cause by collecting at least 300 signatures endorsing the initiative, with no more than 200 from a single constituency in the University and at least 25 from two other constituencies: students, faculty, staff, alumni. The

REPORT NUMBER 112 OF THE BUSINESS BOARD - May 7, 2001**9. Business Arising from the Report of the Previous Meeting (Cont'd)****(b) Investments: Annual Report of the University of Toronto Asset Management Corporation, 2000 (Cont'd)**

President would then establish an advisory Board consisting of five members of the Governing Council (one administrative staff, one alumni member, one government appointee, one student, and one teaching staff member) to consider the case and, if appropriate, make a recommendation to the President.

The member replied that the notice of motion represented an alternative manner of proceeding which, if approved, would replace the current policy.

Another member urged caution. Consultants auditing the University's investments for the application of ethical criteria would need to know the criteria to be applied. Would certain industries have to be eliminated for damaging the environment? Would firms have to be eliminated because they did not employ unionized labour? There was no unanimity with respect to appropriate criteria, which could be numerous.

10. Capital Projects Report

The Chair directed members' attention to the updated Capital Project Status Report, kindly prepared by Miss Oliver to give members context for the individual projects on the agenda. Miss Oliver noted that the projects were divided into four categories: projects approved by the Business Board for execution, projects approved by the Business Board for architectural and site-services work only; those approved by the Governing Council but awaiting funding; and those for which users' committee reports were being prepared. The Report illustrated that the University currently had a very heavy construction workload.

The Chair noted that he had asked Miss Oliver to concentrate, in her presentations of the individual projects, on the Board's area of responsibility for capital projects. The Board should be satisfied:

- that the project should appropriately move forward at this time;
- that the funding was secure - and the University would not be left with unpaid bills at the end;
- that the cost estimates were reasonable; and
- that, where appropriate, the design review process had been completed.

11. Capital Project: Botany Greenhouse Facilities

Miss Oliver reported that research-infrastructure grants from the Canada Foundation for Innovation and the Ontario Innovation Trust (amounting to \$2,760,888 from each source) would permit the University to move forward with the construction of the modern new greenhouse facilities required for the Department of Botany to pursue its research program. The remaining cost would be met from the funds for the new Pharmacy Building, which would be built on the site of the current greenhouses. The facilities would be located in the Earth Sciences Centre, the building currently accommodating the Department of Botany, and would replace the outmoded facilities located adjacent to the former home of the Department, which was now the Tanz Neuroscience Building. The new facilities would include renovated environmental growth chambers in the basement, soil and growth media facilities and a storage facility at grade, and new greenhouses on the roof. The greenhouses at the Ramsay Wright Zoological Laboratories would

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also be repaired. The cost estimate of \$6.03-million had been based on a consultant's report, which was in turn based on advice from the three greenhouse manufacturing firms. In response to questions, Miss Oliver said that the current facilities could not be renovated to meet the standards required for current research, which required sophisticated environmental controls and monitoring as well as containment for research projects involving pathogens and transgenic species.

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

- (i) THAT the Vice-President - Administration and Human Resources be authorized to execute the capital project to replace the Botany Greenhouse facilities, at a cost not to exceed \$6,029,700; and
- (ii) THAT the Chief Financial Officer be authorized to arrange such bridge and term financing as required, either internally or externally.

12. Capital Project: University of Toronto at Scarborough: Academic Resource Centre

Miss Oliver said that the University of Toronto at Scarborough was seriously deficient in library, study and classroom space, a situation that had worsened since 1996, when enrolment had increased, and would continue to worsen with further planned increases in enrolment with the double cohort of secondary school students completing their old five-year and new four-year high school programs simultaneously in 2003. The proposed project was to take place in two phases, and it would include both the construction of new space and the renovation of existing space. The cost for the first phase would include the cost of the design for the entire project. The Scarborough administration would like to move forward as soon as possible with the design work, using funding currently in hand. The administration would then return to the Board with a fully costed proposal based on the detailed design. Part of the funding for the project was to be provided by the \$12.5-million proceeds of a ground lease to Centennial College of Applied Arts and Technology, which would build a new campus on University land adjacent to the Scarborough campus. The remaining funding would be provided by the proceeds of fundraising and by the Scarborough analogue to the University Infrastructure Investment Fund. Miss Oliver hoped that by the fall the ground lease would be completed and the fundraising efforts complete.

Invited to describe the project, Professor Relph said that it would provide a facility much like the Information Commons on the St. George Campus as well as a new 500-seat lecture theatre and other smaller classrooms. While the building would be a multi-purpose one, the main thrust was the expansion and improvement of the library. The project would add about 3,000 net assignable square metres of space and renovate a further 2,600 n.a.s.m.

In the course of discussion, a member spoke strongly in favour of the project. The Scarborough Campus, like the Mississauga Campus, had been left incomplete by the Provincial freeze in capital funding part way through their development. Two other matters arose in discussion.

(a) Adequacy of the plan to handle expanded enrolment. A member expressed concern that the project might provide insufficient additional space in the light of the current and planned

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12. Capital Project: University of Toronto at Scarborough: Academic Resource Centre (Cont'd)

enrolment expansion, especially in view of the fact that the Centennial College students on the adjacent campus might be expected also to make use of the University's facilities.

(b) Fundraising. A member enquired about the consequences of any failure to raise the donations required for the project. Professor McCammond said that the first phase of the project could be completed with only modest fundraising proceeds and would, even in the absence of the second phase, provide considerable benefit to the campus.

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

- (i) THAT the Vice-President - Administration and Human Resources be authorized to expend up to \$1.1-million for design and site-development work related to the University of Toronto at Scarborough Academic Resource Centre; and
- (ii) THAT the Chief Financial Officer be authorized to arrange such bridge and term financing as required, either internally or externally.

13. Capital Project: University of Toronto at Mississauga: Centre for Applied Bioscience and Biotechnology

Miss Oliver said that funding from the Canada Foundation for Innovation and the Ontario Innovation Trust would provide the means to build accommodation for the new Centre for Applied Bioscience and Biotechnology at the University of Toronto at Mississauga. The project would include the construction of a 330 square metre addition to the South Building as well as the renovation of an adjacent part of that building. The cost estimate had been developed by the administration at the Mississauga campus, based on information provided by a cost consultant. The funding from the two research infrastructure grants was in hand and would be sufficient for the full estimated cost of the project as well as the purchase of research equipment for the Centre.

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

Subject to Governing Council approval in principle of the project,

THAT the Vice-President - Administration and Human Resources be authorized to execute an addition to the South Building at the University of Toronto at Mississauga for the Centre for Applied Bioscience and Biotechnology, at a cost not to exceed \$2,082,000.

14. Capital Project: Medical Sciences Building - Level 3 Containment Facility for Laboratory Centre for Disease Control Compliance

Miss Oliver reported that the Laboratory Centre for Disease Control had restricted the use of the containment facility on the fourth floor of the Medical Sciences Building until the facility was upgraded. Consultants had identified the steps that would have to be taken to bring the facility up

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14. Capital Project: Medical Sciences Building - Level 3 Containment Facility for Laboratory Centre for Disease Control Compliance (Cont'd)

to current and expected future standards, making it safe and fully compliant for the type of research the Faculty would like to undertake. The Faculty of Medicine, with some assistance from two of the affiliated teaching hospitals, had funds in hand for the estimated total project cost of \$1.6-million.

In response to a member's question, Professor McCammond said that there was no exposure to risk or liability arising from the current use of the facility. The upgrade was required to allow future research projects to proceed.

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

Subject to Governing Council approval in principle of the project,

THAT the Vice-President - Administration and Human Resources be authorized to execute the renovations required to the level-3 containment facility on the fourth floor of the Medical Sciences Building to comply with the requirements of the Laboratory Centre for Disease Control.

15. Capital Project: Sigmund Samuel Library - Gerstein Science Information Centre

Miss Oliver recalled that the Business Board had, over one year ago, approved the execution of Phase 2 of the renovation of the Gerstein Science Information Centre in the Sigmund Samuel Library Building. The approved cost was \$12-million. The project cost had, however, increased by \$2.6-million. First, the Library had decided to relocate the final element of the humanities service to the Robarts Library - the short-term audio-visual loan service. Second, all of the work stations in the Centre would be connected to the computer network. Third, enhanced security features were to be included. Finally, construction costs would be higher than originally estimated. The site was a very difficult one, with Taddle Creek flowing beneath it. As a result, it would be necessary to complete more remedial and structural work to secure a solid base for the addition and the relocation of the sewer line. Second, special procedures would have to be followed to avoid the risk of damage to trees and to a monument, both located on the nearby embankment. With the expansion of the planned pavilion, it had become clear that it would be appropriate to add more stone facing to the exterior cladding to match the current, historically significant building.

Miss Oliver reported that tenders had closed late the previous week. Seven bids had been received, with four of them within \$120,000 of the low bid, which was just under the proposed, revised cost of \$14.6-million.

The Chair expressed the hope that, given the increase in the approved cost, the project would be completed within that cost.

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15. Capital Project: Sigmund Samuel Library - Gerstein Science Information Centre
(Cont'd)

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

Subject to the Governing Council approval of an allocation of \$1.8-million from the University Infrastructure Investment Fund for the project,

THAT the Vice-President - Administration and Human Resources be authorized to increase the cost of executing Phase 2 of the Gerstein Science Information Centre project from \$12-million to \$14.6-million.

16. Environmental Health and Safety: Annual Report, 2000

Professor Finlayson commented that the report contained substantial good news. For example, the University had in December 2000 received a rebate of \$359,000 from the Workplace Safety and Insurance Board, based on good performance. That represented 18% of the \$2,979,000 premium. On the other hand, there were problems in certain parts of the University, with time equivalent to that of five full-time staff members being lost during the year to accidents, primarily in the skilled trades and the care-taking staff. While this had been a chronic problem, it was not growing significantly and the University was taking steps to address it.

The Chair asked Professor Finlayson whether he was aware of any matter that would give rise to concern by members of the Board that the administration and the Board were not carrying out their responsibility for due diligence in the area of health and safety. Professor Finlayson replied that the health and safety culture of the United Steelworkers of America had been introduced to the University recently. It was a strong one, and its introduction had been very helpful, leading to more active and assertive health and safety committees. The Board had, at its meeting of November 20, 2000, received the Report of the Review of the Office of Environmental Health and Safety, conducted by a committee chaired by Professor Emeritus James W. Smith of the Department of Chemical Engineering and Applied Chemistry. That Committee had recommended that the University assemble and report better data on a more disaggregated basis. That recommendation had been implemented. Professor Finlayson did not, therefore, think that there was any need for the Board to be concerned about the University's health and safety program. With health and safety matters, however, there was always risk of some unforeseen problem arising.

The Chair stressed that this annual report was a very important one. While the report was for information only, it was very important for the Board to monitor and ensure improvement in this area. The Chair was pleased to see that the matter of accidents in the trades and care-taking was being addressed.

Invited to respond to a member's question, Dr. Gorman said that inspectors from the Canadian Nuclear Safety Commission had in February, 2001 spent a total of ten days carrying out one of their periodic inspections of the University laboratories that used radioactive materials and of the facilities for handling the waste from those laboratories. The University had come out of the visit well, with the inspectors finding no major issue of non-compliance and saying informally

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16. Environmental Health and Safety: Annual Report, 2000 (Cont'd)

that the University of Toronto was one of the best institutions they had visited. The inspectors had made five minor recommendations for improvements dealing with such things as training programs and space for radiation-protection staff.

17. Reports of the Administrative Assessors

The Board received, for information, Professor Finlayson's "newsletter" memorandum, which had been placed on the table for the meeting. The memorandum included the following items.

(a) University of Toronto Faculty Association: Negotiations. Notwithstanding the best efforts of the two sides and the mediator, Mr. Kevin Burkett, negotiations between the University and the Faculty Association had broken down. Regrettably therefore, Professor Finlayson had not, as anticipated, needed to ask the Board to hold a special meeting to approve a tentative agreement. It now seemed probable that negotiations between the two sides would take place pursuant to the provisions of Article Six of the Memorandum of Agreement, likely in the fall. The University would be negotiating with the Faculty Association, the Steelworkers, the teaching assistants and with most other unions simultaneously.

(b) Health insurance plans. Following the issuing of a request for proposals to administer its health insurance plans, the University had switched carriers from Liberty Health to Greenshield. Although the project had been led by staff members from the Finance and Human Resources divisions, representatives of the Faculty Association and the Steelworkers' union had participated in the final deliberations.

(c) Professor Angela Hildyard. Professor Angela Hildyard, Professor of Education and Principal of Woodsworth College, would replace Professor Finlayson as Vice-President - Human Resources on July 1, 2001. Professor Finlayson said that she would bring impressive credentials to the position, and he was confident that she would serve the Board well.

18. Date of Next Meeting

The Chair reminded members that the next regular meeting was scheduled for Thursday, June 21, 2001 at 5:00 p.m.

The meeting adjourned at 7:00 p.m.

Secretary

Chair

May 17, 2001