

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 326 OF
THE EXECUTIVE COMMITTEE

Thursday, June 29, 2000

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Thursday, June 29, 2000 at 2:30 p.m. in the Board Room, Simcoe Hall, with the following members present:

Ms Wendy M. Cecil-Cockwell (In the Chair)	Ms Nancy L. Watson
Mrs. Mary Anne V. Chambers (Vice-Chair)	Dr. Alexander R. Waugh
Professor J. Robert S. Prichard, President*	
Dr. Robert J. Kyle	Mr. Louis R. Charpentier
Dr. John P. Nestor	
Professor Wendy Rolph	Secretariat:
Dr. Joseph L. Rotman	
Mrs. Susan M. Scace	Ms Susan Girard

Regrets:

Professor Jack Carr
Ms Shruti Dev-Nayyar
Professor Brian Langille
Mr. John H. Tory

In Attendance:

Professor John T. Mayhall, Chair, Academic Board
Mr. Amir Shalaby, Chair, Business Board
Professor Adel S. Sedra, member, Governing Council, and Vice-President and Provost
Professor Michael G. Finlayson, Vice-President, Administration and Human Resources
Mr. Kasi Rao, Director of the Office of the President and Director of Government Relations*

* not present for items 1 and 2.

1. Vary the Agenda

It was duly moved and seconded,

THAT a naming proposal be added to the agenda.

The vote on the motion was taken.

It was carried by the required 2/3 majority.

2. Naming Proposal

It was duly moved and seconded,

THAT the Committee proceed *in camera*.

The motion was carried.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT an endowed chair in law and public policy be named the J. Robert S. Prichard and Ann E. Wilson Chair in Law and Public Policy at the University of Toronto.

3. Business Arising from the Report of the Previous Meeting

(a) Item 13: Governors' Board and Committee Assignments, 2000-2001

After discussion,

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the Board and Committee assignments for 2000-2001, as described in the chart dated June 29, 2000, which include a "TBA" for the part-time undergraduate /graduate seat on the Executive Committee, a copy of which is attached hereto as Appendix "A", be approved; and

THAT the nomination process for the part-time undergraduate/graduate seat on the Executive Committee be re-initiated with the clear understanding that one or more names could come forward, and that the Executive Committee would make a recommendation to the Governing Council on the name or names which emerge.

(b) Item 11: Committee for Honorary Degrees: Membership

The President reported that one of the proposed members of the Committee had indicated an intention not to serve next year. Several members of the Executive Committee asked the President to urge the member to serve.

4. Items for Endorsement and Forwarding to the Governing Council

(a) Major Gift

Mr. Shalaby, on behalf of the Business Board, introduced the proposal.

After discussion,

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation concerning a proposed gift.

It was duly moved and seconded,

THAT the Committee return to closed session.

The motion was carried.

(b) Audited Financial Statements for the Year Ended April 30, 2000

Mr. Shalaby reported that the members of the Audit Committee had reviewed the financial statements over two meetings, with the external auditors present on both occasions. The Committee had also met privately with the external auditors with no University staff present. The Committee had concluded that the statements provide a full and fair disclosure of the University's finances.

He said that the financial results for the year were good. The deficit for the year was \$1.5-million, bringing the cumulative deficit to \$11.7-million. This was clearly a manageable amount for an operation with annual revenues in excess of \$1-billion. He added that it was important to remember that this was not a cash deficit. There were funds committed for specific purposes, but not yet spent. In the operating fund, the deficit was only \$250,000. In conclusion he noted that the University's endowment continued to grow, standing at over \$1.171-billion at year end.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation

THAT the University of Toronto audited financial statement for the fiscal year ended April 30, 2000 be approved.

4. Items for Endorsement and Forwarding to the Governing Council (cont'd.)**(c) Campaign Budget**

Mr. Shalaby recalled that the previous week the Business Board had received a complete report on the spectacular success of the Campaign, which had exceeded its original target of \$300-million, had increased that target to \$575-million, had exceeded that new target, and was now planning to increase the target again.

The original Campaign Budget had been approved until April 30th, 2000. When the original budget had been approved, Dr. Dellandrea and his colleagues had undertaken to keep Campaign spending to under the industry norm of between 11% and 13%. Once again, they did better than planned, with fundraising expense coming in under 10%.

The Business Board was now recommending a budget to take the Campaign through to 2004. Dr. Dellandrea was confident that the Campaign would be able to maintain its pace, bringing in over \$100-million per year. To do so, it was proposed to budget \$7.78-million per year for central Campaign expenses as well as \$2-million per year to assist the academic divisions in their Campaign efforts.

Mr. Shalaby explained that funding would likely come from two sources. First, all donations would be held back for four months, with the investment earnings going to fund the Campaign. Second, a part of the fee charged to administer the endowment funds would go to this purpose. If and only if those sources were insufficient, the Provost would recommend an allocation for the Campaign from the transition funds.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation

THAT the annual Campaign Budget Proposal from 2000-01 through 2003-04, a copy of which is attached to the memorandum from Dr. Dellandrea and Professor Sedra dated June 15, 2000, be approved.

(d) Appointment of External Auditors for 2000-01

Mr. Shalaby said that the Audit Committee had reported to the Business Board that it was satisfied that the external auditors were doing their job well. The relationship between the auditors and the administration was a good one - one that facilitated the audit. The University and the auditors had arranged for a periodic change in the partner responsible for the audit - something that prevented the relationship between the auditors and the administration from growing too close, sacrificing the objectivity of the audit. The current partner was in only his second year on this audit. The Audit Committee had also reviewed the auditors' consulting assignments over the past year, and it was satisfied that their scope and nature posed no problem to the objectivity of the audit.

4. Items for Endorsement and Forwarding to the Governing Council (cont'd.)**(d) Appointment of External Auditors for 2000-01** (cont'd.)

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation

- (a) THAT Ernst & Young be re-appointed as external auditors of the University of Toronto for the fiscal year ending April 30, 2001;
- (b) THAT Ernst & Young be re-appointed as external auditors of the University of Toronto pension fund for the fiscal year ending June 30, 2001;
- (c) THAT Ernst & Young be appointed as external auditors of the Employees Pension Plan for the Ontario Institute for Studies in Education for the fiscal year ending June 30, 2001; and
- (d) THAT the members of the University of Toronto Innovations Foundation be requested to appoint Ernst & Young as the external auditors of the Foundation for the fiscal year ending April 30, 2001 at a remuneration to be fixed by the Directors of the Foundation.

5. Report of the Previous Meeting

Report Number 325 (June 19, 2000) was approved.

6. Report of the President

The President said that he would give his report at the Governing Council meeting. He spoke briefly on the following matter.

(a) Vice-President, Government and Institutional Relations

The President said that although he had hoped to be able to bring forward a recommendation on this appointment today, it had proven impossible. He understood that President-Designate Birgeneau would be in a position to present a recommendation to the Governing Council at a special meeting, perhaps as early as next week. The President sought members' advice on a procedural matter related to the appointment.

7. Date of Next Meeting

The Chairman reminded members of the next regular meeting on Tuesday, September 5, 2000, at 5:00 p.m.

The meeting adjourned at 3:35 p.m.

Secretary

Chairman

July 4, 2000