

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 434 OF
THE EXECUTIVE COMMITTEE

Friday, October 15, 2010

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Friday, October 15, 2010 at 12:00 p.m. in the Boardroom, Simcoe Hall, with the following members present:

Mr. John F. (Jack) Petch, Chair
Mr. Richard Nunn, Vice-Chair
Professor David Naylor, President
Dr. Gerald Halbert
Mr. Timothy Reid
Professor Arthur S. Ripstein
Professor Elizabeth M. Smyth
Miss Maureen J. Somerville
Professor Janice Stein
Mr. Gregory West

Non-Voting Member:

Mr. Louis R. Charpentier

Secretariat:

Mr. Henry Mulhall, Secretary
Mr. Anwar Kazimi

Regrets:

Ms Diana A.R. Alli
Ms Judith Goldring
Mr. Joseph Mapa
Mr. James Yong Kyun Park

In Attendance:

Ms Nora Gillespie, Legal Counsel, Office of the Vice-President and Provost, and Office of the Vice-President, Human Resources and Equity *

Dr. Anthony Gray, Special Advisor to the President

Professor Angela Hildyard, Vice-President, Human Resources and Equity **

Professor Edith Hillan, Vice-Provost, Faculty and Academic Life *

Mr. Christopher Lang, Director, Office of Appeals, Discipline, and Faculty Grievances *

Professor Louise Lemieux-Charles, Chair, Academic Board and Member of the Governing Council

Professor Cheryl Misak, Vice-President and Provost, and Member of the Governing Council

Ms Catherine Riggall, Vice-President, Business Affairs

Mr. W. David Wilson, Chair, Business Board and Member of the Governing Council

* In attendance for agenda item 11.

** In attendance for agenda item 7(b).

1. Reports of the Previous Meetings of the Executive Committee of June 24, 2010 and October 6, 2010

Report Number 432 (June 24, 2010) and Report Number 433 (October 6, 2010) of the Executive Committee were approved.

2. Business Arising from the Reports of the Previous Meetings

There was no business arising from the reports of the previous meetings.

3. Minutes of the Governing Council Meetings

Members received for information the Minutes of the Governing Council meetings held on June 24, 2010 and September 13, 2010.

4. Business Arising from the Minutes of the Governing Council Meetings

There was no business arising from the Minutes of the Governing Council meetings.

5. Report of the President

The President welcomed new and returning members, and commented on the important role played by the Executive Committee. While the Governing Council was a larger and more public forum, the Executive Committee was well suited to more deliberative and strategic discussions. In recent years it had enabled effective consultation, and had allowed the administration to receive valuable advice and feedback in a confidential setting.

(a) University of Toronto Faculty Association (UTFA) Arbitration Award

The President outlined the highlights of the faculty and librarian arbitration award that had been made public on October 12, 2010. Arbitrator Martin Teplitsky had awarded ‘across the board’ (ATB) increases of 2.25% for each of the two years from July 1, 2009 to June 30, 2011. The real cost, when other elements such as professional allowances and the distribution of the increases were included, was 2.47% per year. These increases were retroactive, and were additional to the 1.9% per year ‘progress through the ranks’ (PTR) or merit pay increases that had been allotted. The total of 4.37% per year was well above the current rate of inflation. The Faculty Association had argued for ATB increases of 3.5% in each of the two years, as well as some fifteen benefit improvements and pension augmentations that would have resulted in a total increased cost of approximately 26% over the two years. The President stated that the arbitration award would add significantly to the fiscal pressures facing the University. No additional funding was expected from the Provincial Government in the near future, and the University would remain subject to the Government’s tuition regulations, with the result that no meaningful increase in revenue to meet the significant costs of the award was anticipated.

An additional concern was that the arbitration award had allowed for no increase in employee contributions to the pension plan. The University’s position was that the pension plan was unsustainable with the current rate of contributions. Many similar plans required significantly higher employee contributions. As an example, the Ontario Teachers Pension Plan required the employer and employee to each contribute approximately 11% of annual salaries. In contrast, the University contributed approximately 11% while its employees contributed approximately 5.5%. New provincial regulations required that the plan be maintained on a sustainable footing, and the University’s position was that this would require significantly higher employee contributions in future years. There was a need to amortize the existing shortfalls in the plan, or else much larger upfront solvency payments by the University would be required, and these would add to the financial pressure on the institution.

5. Report of the President (cont'd)**(a) University of Toronto Faculty Association (UTFA) Arbitration Award (cont'd)**

The President noted that the University, under the Provincial Government's compensation restraint program, was expected to reach agreements with the Faculty Association for at least two years of the ongoing five-year window that would provide no net compensation increases. The arbitration award had eliminated the possibility of such a settlement during the first year of the five-year window. The University would be returning to the bargaining table with the Faculty Association almost immediately, to begin work on an agreement for the period beginning July 1, 2011. It was hoped that settlements at other provincial institutions at a lower level than those in 2009-10, would provide a context that would increase the likelihood that the University could conclude an agreement with UTFA that provided for no net increases. It remained unclear what action the Provincial Government would take if universities failed to conclude agreements that complied with the compensation restraint program.

(b) Fundraising Campaign

The President reported that preparations for the upcoming major fundraising campaign were advancing well. The timing was right, and the campaign would be good for institutional morale. The campaign's fundraising priorities would be directly driven by the University's academic priorities. The President cautioned, however, that the campaign would only be able to ease the financial pressures on the University at the margins. He added that the University's ability to provide matching funds for major gifts would be limited by its current fiscal situation. He noted, however, that the University already provided matching funds for every gift, either directly or indirectly, be it operating costs of new buildings, or the full salary, benefits and supports for faculty members supported by endowed chairs and professorships.

(c) Research and Development Review Expert Panel

The President noted that he had recently been appointed to the Federal Government's Research and Development Review Expert Panel. The panel would examine the spectrum of federal support that was provided for private-sector research and development, with a view to improving its effectiveness in enhancing innovation and commercialization.

(d) Discussion and Questions

Among the matters that arose in discussion were the following. In response to a question, the President stated that the existing provincial tuition framework was likely to remain unchanged for the duration of its two-year term. It was unlikely that it would be a major issue in the next provincial election. At the request of a member, the President clarified that the University had in the past taken pension contribution holidays, with the agreement of the Faculty Association, during periods when the pension plan was in surplus. The funds saved had been in part redirected to provide matching funds during the University's last major fundraising campaign. A member added that, broadly speaking, Federal legislation required employers to take pension holidays during periods when pension plans were in surplus, while Provincial legislation required employers to make top up payments when plans were in deficit. A member requested that the Committee be provided with a briefing on the Faculty Association and its history, about which he considered himself less than fully informed. The Chair indicated that this could be arranged, and the President added that a briefing note could be prepared that would be reviewed in advance by the Faculty Association. The Provost reiterated that lower salary and benefit settlements with faculty associations and unions at other Ontario universities were anticipated in the upcoming months. This factor would influence the next round of bargaining between the University and the Faculty Association. The Vice-President, Human Resources and Equity added that this would also influence arbitrated settlements given the replication model commonly used by arbitrators. In

5. Report of the President (cont'd)**(d) Discussion and Questions (cont'd)**

response to a question, the President confirmed that the University continued to be the leading local post-secondary education institution in terms of its media presence. It was expected that this media presence would continue to grow once the University entered the public phase of the upcoming fundraising campaign.

6. Report of the University Ombudsperson for the Period 1 July, 2009 to 30 June, 2010, and Administrative Response

The Chair noted that the report of the Ombudsperson and the Administrative Response were presented annually to the Governing Council for information and for comment. The Executive Committee was being asked to endorse the Report and Response, and to place them on the agenda of the next meeting of the Governing Council.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT the Report of the University Ombudsperson for the Period 1 July, 2009 to 30 June, 2010 and Administrative Response be placed on the agenda of the Governing Council meeting of October 28, 2010.

7. Items for Endorsement and Forwarding to the Governing Council**(a) *Policy on the Temporary Use of Space at the University of Toronto*
(Arising from Report Number 169 of the Academic Board [October 7, 2010]- Item 6)**

Professor Lemieux-Charles summarized the highlights of the thorough consideration of the proposed *Policy* that had occurred at the meeting of the Academic Board on October 7, 2010.¹ The Committee discussed the content of the presentation that would be provided when the *Policy* was considered for final approval by the Governing Council at its upcoming meeting. The Vice-President and Provost took under advisement the comments that were made, and indicated that it was her intention that the Procedures that accompanied the *Policy* would be revised, prior to the Governing Council meeting, to take into consideration the points that had been raised during the discussion at the Academic Board.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the *Policy on the Temporary Use of Space at the University of Toronto* be approved, effective immediately, replacing the *Policy for the Allocation of Rooms -- Extracurricular Bookings* approved on June 1, 1988.

Documentation is attached to Report Number 169 of the Academic Board as Appendix "A".

¹ See Report Number 169 of the Academic Board (October 7, 2010), pp. 9-12:
<http://www.governingcouncil.utoronto.ca/AssetFactory.aspx?did=7249>

7. Items for Endorsement and Forwarding to the Governing Council (cont'd)**(b) Pension Committee: Establishment and Terms of Reference and Corresponding Revisions to the Terms of Reference of the Business Board and the Audit Committee**

(Arising from Report Number 183 of the Business Board [September 27, 2010]- Item 8)

Mr. Wilson reported that the Business Board had proposed the establishment of a new Pension Committee that would assume the Governing Council's responsibility as legal administrator of the pension plans. That responsibility was currently carried out by the Business Board. The establishment of the new Committee would require corresponding amendments to the terms of reference of the Business Board as well as a minor amendment to the terms of reference of the Audit Committee. The proposal had emerged from lengthy negotiations with the University of Toronto Faculty Association (UTFA) which had included an award from an arbitrator. There had also been separate discussions with unions representing administrative staff, and with members of the non-union staff. While the proposal reflected the outcome of consultation, negotiations, and arbitration, it also clearly reflected good governance of the pension plans. The proposal was supported by the University's administration, which was committed to its successful implementation.

The majority of members of the new Committee would be members of the Governing Council. This would be the case for two reasons. First, the University bore the financial risk of funding the pension plans. Second, the *University of Toronto Act* permitted the Governing Council to delegate its authority in non-academic matters to a committee only where the majority of that Committee consisted of Governing Council members. Mr. Wilson noted that the Pension Committee would not have a role in determining the terms of the pension plans, that is, the benefits paid, or the contributions made, by plan members and by the University. Those matters would continue to be determined through the budget process and, where applicable, collective bargaining. The proposal also would not take from the Governing Council its responsibility as sponsor and administrator of the pension plans. Rather, it would simply move oversight of that responsibility from the Business Board to a dedicated Pension Committee. The Business Board, in carrying out its responsibility for overseeing the financial health of the University, would continue to receive the annual financial report on the pension plans as well as any proposals to amend the terms of the plans.

It was duly moved and seconded,

THAT the following recommendation be endorsed and forwarded to the Governing Council:

- (a) THAT the proposal to establish a Pension Committee, as a Committee with delegated authority from the Governing Council and reporting to the Governing Council, be approved;
- (b) THAT the Terms of Reference of the Pension Committee, a copy of which are attached to the memorandum from Mr. Wilson and Mr. Nunn to the Business Board dated September 14, 2010, as Attachment 1, be approved;
- (c) THAT the amendments to the Terms of Reference of the Business Board, as described in the memorandum from Mr. Wilson and Mr. Nunn to the Business Board dated September 14, 2010, as Attachment 2, be approved;
and
- (d) THAT the amendment to the Terms of Reference of the Audit Committee, as described in the memorandum from Mr. Wilson and Mr. Nunn to the Business Board dated September 14, 2010, as Attachment 3, be approved.

7. Items for Endorsement and Forwarding to the Governing Council (cont'd)**(b) Pension Committee: Establishment and Terms of Reference and Corresponding Revisions to the Terms of Reference of the Business Board and the Audit Committee (cont'd)**

The Chair noted that, prior to the meeting, he had circulated a memorandum to members proposing an amendment to the second part of the motion. The amendment had been intended to address a concern regarding the membership of the proposed Committee, specifically that a committee that approved business matters should have a majority of members external to the University. Such was the case with the membership of the Business Board, from which the Pension Committee would assume its responsibilities.

At the invitation of the Chair, a member proposed a further refinement to the Chair's proposed amendment. The Chair's amendment had proposed that the Committee have a similar proportion of external members as the Business Board, by amending the Committee's proposed terms of reference to provide that at least 7 of the 11 Governing Council members be either alumni members or appointees of the Lieutenant Governor in Council. The member proposed, rather, that the eleven Council members would all be Council members who were either elected to Council by the alumni or appointed to Council by the Lieutenant Governor in Council. The rationale was that, because the other nine members of the Pension Committee would be members of the teaching staff and administrative staff, having the eleven Governing Council members of the Committee from the external estates would provide overall representation more equivalent to that now provided on the Business Board.

It was duly moved and seconded,

THAT section 1.1, "Composition", of the terms of reference of the proposed Pension Committee be amended to revise the specification for membership of members of the Governing Council from "11 members of the Governing Council" to "11 members of the Governing Council, appointed from amongst those members of Council elected to Council by the alumni or appointed to Council by the Lieutenant Governor in Council."

The vote was taken to amend the main motion, and the motion was carried.

The vote was taken on the main motion, and the motion was carried.

Documentation is attached hereto as Appendix "A".

8. Reports for Information

Members received the following reports for information.

- (a) Report on Approvals Under Summer Executive Authority
- (b) Calendar of Business 2010-11
- (c) Report Number 169 of the Academic Board (October 7, 2010)
- (d) Report Number 182 of the Business Board (June 17, 2010)

The Chair noted that the approvals under Summer Executive Authority had consisted of a number of routine appointments, as well as revisions to the Governing Council meeting schedule. He also drew the attention of members to the consolidated Calendar of Business for the Governing Council and all its Boards and Committees. This document was regularly updated throughout the year, and was posted weekly on the Governing Council website. It was an important planning tool, and provided an overview of virtually all matters that would come before governance.

9. Date of the Next Meeting

Members were reminded that the next regular meeting of the Executive Committee was scheduled for Monday, December 6, 2010 at 5:00 p.m.

10. Other Business

Following consultation, the Chair granted speaking requests for the Governing Council meeting on October 28, 2010 to representatives from three campus organizations: the University of Toronto at Mississauga Students' Union (UTMSU), the Students' Administrative Council (SAC), and the Association of Part-time Undergraduate Students (APUS).

There was no other business.

On motion duly moved, seconded, and carried,

IT WAS RESOLVED

THAT, pursuant to sections 28 (e) and 33 of *By-Law Number 2*, consideration of items 11-13 take place *in camera*, with the Board Chairs, Vice-Presidents, invited guests, and Special Advisor to the President admitted to facilitate the work of the Committee.

In Camera Session

11. Code of Behaviour on Academic Matters: Recommendations for Expulsion

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT the recommendations for expulsion contained in the Memoranda from the Secretary of the Governing Council dated October 15, 2010, be placed on the agenda for the October 28, 2010 meeting of the Governing Council; and

THAT pursuant to Sections 38 and 40 of *By-Law Number 2*, these recommendations be considered by the Governing Council *in camera*.

12. External Appointments

(a) McLaughlin Centre Oversight Committee

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT Charles Tator be reappointed to the McLaughlin Centre Oversight Committee for a one-year term, effective immediately until October 31, 2011 or until his successor is appointed; and

THAT J. Christopher Wansbrough be reappointed to the McLaughlin Centre Oversight Committee for a one-year term, effective immediately until October 31, 2011 or until his successor is appointed.

12. External Appointments (cont'd)

(b) University of Toronto Press

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT the following individuals be appointed members and directors of the University of Toronto Press, effective immediately, for terms to continue until the 2011 Annual General Meeting, or until their successors are appointed:

Mr. Frank Anderson
Ms Mary Anne Elliott
Mr. Brian Flood
Mr. Brent Houlden
Mr. Stephen Knight
Ms Anne MacDonald
Ms. Carole Moore
Professor Andy Orchard
Professor Louis W. Pauly
Ms Kate Pearce
Ms. Catherine J. Riggall
Mr. Daniel Soper
Mr. John Yates

THAT Mr. Brent Houlden be appointed as Chairman of the Board of the University of Toronto Press, effective immediately, for a term to continue until the 2011 Annual General Meeting, or until his successor is appointed.

The President noted that Mr. Roger Parkinson had recently stepped down as Chair of the Board of the University of Toronto Press having served in that role from 2000-2010. In order to thank him for his dedicated service, and to recognize his many contributions to the University, the Committee passed the following formal motion of thanks.

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT Mr. Roger Parkinson be recognized and thanked for his many contributions to the University of Toronto, and in particular, for his generous service as Chairman of the Board of the University of Toronto Press from 2000-2010.

13. Board Chair and Vice-Chair, Appointments, 2010-11

On motion duly moved, seconded, and carried,

YOUR COMMITTEE APPROVED

THAT the proposal from the Chair for the appointment of a Board Chair and Vice-Chair be recommended to the Governing Council for approval; and

THAT, pursuant to Section 38 of By-Law Number 2, this recommendation be considered by the Governing Council in camera.

The Committee returned to closed session.

The meeting adjourned at 1:20 p.m.

Secretary
October 25, 2010

Chair