

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

**REPORT NUMBER 230 OF THE BUSINESS BOARD**

**Monday, January 23, 2017**

To the Governing Council,  
University of Toronto.

Your Board reports that it met on Monday, January 23, 2017 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Ms Claire Kennedy (Chair)  
Mr. Jeff Collins (Vice-Chair)\*\*  
Ms Shirley Hoy, Chair of the Governing Council  
Professor Scott Mabury, Vice-President, University Operations  
Professor Kelly Hannah-Moffatt, Vice - President, Human Resources and Equity  
Ms Sheila Brown, Chief Financial Officer  
Mr. Preet Banerjee  
Mr. Andrew Binkley  
Mr. Robert G. Boeckner\*\*  
Mr. David N. Bowden  
Dr. Catherine Bragg  
Mr. Ben Coleman\*  
Mr. Ian Freedman  
Ms Sara Gelgor  
Mr. Gary D. Goldberg\*\*  
Dr. Avrum Gotlieb  
Mr. Paul Handley  
Mr. Mark Krembil\*  
Professor Jan Mahrt-Smith  
Mr. Brian A. Miron  
Mr. Howard Shearer  
Mr. Christopher Thatcher

Mr. Keith Thomas\*\*  
Mr. Bruce Winter\*

**Presidential Assessors (Non-Voting)**

Professor Cheryl Regehr, Vice-President and Provost  
Mr. David Estok, Vice-President, Communications  
Mr. David Palmer, Vice-President, Advancement  
Mr. Gilbert Delgado, Chief, Planning, Design and Construction  
Ms Christine E. Burke, Director, Campus and Facilities Planning  
Mr. Ron Swail, Chief Operations Officer, Property Services and Sustainability

**Secretariat:**

Ms Sheree Drummond, Secretary of the Governing Council  
Mr. Anwar Kazimi, Deputy Secretary of the Governing Council  
Mr. Patrick F. McNeill, Secretary

*\*via conference call (open session)*

*\*\*Absent for In Camera Item 18*

**Regrets:**

Mr. Mohammad Amin  
Mr. P.C. Choo  
Ms Zabeen Hirji  
Mr. Nykolaj F. Kuryluk

**In Attendance:**

Professor Donald Ainslie, Principal, University College

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Mr. Alex Brat, Director, Labour Relations  
Mr. Tad Brown, Senior Legal Counsel, Office of the Vice-President, Advancement  
Ms Elizabeth Cragg, Director, Office of the Vice-President, University Operations  
Ms Barbara Dick, Assistant Vice-President, Alumni Relations  
Mr. Marc Drouin, Director, Environmental Health and Safety  
Ms Rosalyn Figov, Director, Operations and Finance Office of the Vice-President  
Human Resources and Equity  
Ms Cynthia Foo, Director, Foundation Relations  
Professor Angela Hildyard, Special Advisor to the President & Provost  
Mr. Allen James, President, CUPE Local 3261  
Ms Tanya Kreinin, Executive Director, Advancement Communications & Marketing  
Ms Leanne MacMillan, CUPE Servicing Representative, Ontario Regional Office  
Ms Mila Miller, Executive Director, Strategic Planning and Advancement Organizational  
Development  
Ms Gillian Morrison, Assistant Vice-President, Divisional Relations and Campaigns  
Dr. Pierre Piché, Controller and Director of Financial Services  
Mr. Allan Shapira, Managing Director, AON Hewitt  
Ms Gina Trubiani, Associate Director, Environmental Health and Safety

ITEM 9 WAS APPROVED. IN CAMERA ITEMS 17 and 18 ARE RECOMMENDED TO THE GOVERNING COUNCIL FOR APPROVAL. ALL OTHER ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

*Pursuant to section 33(i) of By-Law Number 2,  
items 16-18 were considered in camera.*

**MAIN THEME: UNIVERSITY ADVANCEMENT**

**OPEN SESSION**

The Chair welcomed members and guests. Ms Kennedy advised that *Report Number 121 of the Audit Committee* would be included in the consent agenda at the Board's next meeting. The members agreed to an amendment of the agenda to consider a matter under *Item 15 - New Business* following a report under Item 1.

**1. Senior Appointments and Compensation Committee: Annual Report, 2015-16**

Ms Shirley Hoy reminded the Board that SACC was responsible for reporting to the Governing Council, through the Business Board, on matters related to senior appointments. As Chair of SACC, she attested that compensation policies and programs for particular categories of employees had been appropriate, and that decisions about the compensation of individuals in 2015-16 had been made in accordance with established policy and practice.

Ms Hoy noted that in the past number of years the SACC Annual Report had been presented to the Business Board at its Cycle 3 meeting. In some cases this had meant that the individual presenting the Report was not the Chair of SACC for the reporting period. She stated that to address this

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situation as well as to eliminate the gap between the reporting period and the presentation of the Report, on a go forward basis, the SACC Annual Report would be brought forward in Cycle 6. To this end, the 2016-17 Report would come forward to the Cycle 6 meeting of the Business Board on June 15, 2017.

Ms Hoy also highlighted changes to the provincial government's Executive Compensation Framework regulations. She indicated that the university would be developing an executive compensation plan based on the new provincial guidelines.

In response to a question from a member, Professor Hildyard, who would be advising the Committee on the executive compensation framework, stated that once the wage freeze had been lifted universities could not retroactively increase executive compensation and other restrictions would apply.

**Item under New Business re CUPE 3261**

The Chair recognized members of CUPE 3261 who were in attendance and referred to the correspondence from Mr. Alan James, President, CUPE 3261, which had been circulated to Board members. She extended an invitation to Ms Leanne MacMillan to speak to the letter.

Ms MacMillan commented on the Union's position that, in its opinion, the University had a strategy to eliminate, over time, staff appointed employee positions (cleaning staff) and replace them with cleaning services provided by an external contractor. She commented on the ongoing commitment and loyalty of members of CUPE 3261 and that they had enjoyed decent wages and certain benefits such as educational assistance.

Professor Hannah-Moffat expressed her gratitude to members of CUPE 3261 for their contributions to the University. She stated that the issues raised in the letter were the ones that had been dealt with by Labour Relations and the two Vice-Presidents with jurisdiction over the issues. She advised that the Union had filed a grievance about this matter, which was heard at all internal stages, and that the Union had referred it to arbitration but had then withdrawn it. Professor Hannah-Moffat further stated that the Vice-President responsible for decisions on this matter had listened to the Union's position and had responded to the Union. She verified that any staff who had been relocated were done so in a way that had conformed to all notice requirements and provisions of the collective agreement.

In response to a member's question, Mr. Swail confirmed that there would be no impact to deferred maintenance as it related to cleaning services at St. George campus.

**2. Annual Report: Vice-President, Advancement, 2015-16**

Mr. David Palmer, Vice-President, Advancement, introduced those members of the Advancement portfolio who were present and thanked them for their assistance in preparing the Annual Report and for their dedicated work associated with the success of the Boundless campaign. He then offered a presentation on the [Annual Report of Advancement](#) which also included highlights of [performance indicators](#) for 2015-16. He started his presentation by showing a short video that celebrated the success of the *Boundless* campaign. Mr. Palmer made note of the campaign event

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held on December 8, 2016 at which it was announced that the campaign had surpassed its \$2 billion goal. He stated that an expanded campaign goal of \$2.4 billion had been set for December 2018.

In response to members' comments and questions, Mr. Palmer stated the following:

- the University had developed a series of seminars (referred to as *Advancement College*) for academic administrators and advancement staff that addressed techniques for successful fundraising and other advancement related processes and tools;
- fundraising and expenditure data was collected and shared amongst the leading public universities in Canada – the university also had access to USA data, including from private universities;
- performance metrics to assess yield and success of solicitations had been consistent as those that had been used in the United States; and
- generally, the university had continued to experience an increase in expendable gifts for capital projects and other academic priorities, however endowed gifts would also continue to be strong and positive for U of T.

Mr. Palmer shared some additional statistics related to advancement activities and key success indicators.

The Chair thanked Mr. Palmer for the presentation and for the detailed reports. Members congratulated Mr. Palmer and his team on their excellent work and the Chair thanked them for the support and leadership in furthering alumni engagement, instilling alumni pride and improving the overall student experience.

### **3. Deferred Maintenance: Annual Report, 2016**

Mr. Swail presented the annual report on deferred maintenance.

Members asked questions regarding the criteria used in setting of priorities 1-3 and the allocation of resources to address deferred maintenance issues and its impact on the student experience. In reply, Mr. Swail apprised the Board that the setting of priorities 1-3 was a complex process, involving ongoing auditing and assessment based on provincial accepted rating indexes (Facility Condition Index – CFIs). Selection of projects used was based on four basic criteria: 1. Legislation, regulations, or enforcement agency orders that required the work to be undertaken; 2. Risk of failure based on assessment priorities; 3. Work that could be coordinated with major renovations to buildings; and 4. Projects that would support academic priorities such as improving the student experience.

Mr. Swail stated that although liability had continued to be significant, the challenge of deferred maintenance had been managed with stable and ongoing funding each year as part of the deferred maintenance budget allocation. 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.

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Professor Mabury commented that addressing deferred maintenance projects had had a positive impact on the student experience with improved classroom facilities, accessible washrooms and other improvements. The use of government funding such as the Post-Secondary Institutions Strategic Investment Fund (SIF) for the retrofitting of labs across all three campuses would also have a major impact on the student experience.

**4. Pension Plan Annual Financial Report for the Year Ended June 30, 2016**

Ms Brown provided an overview of the Business Board's responsibilities concerning the Pension Plan. She reported that the merger of the OISE Pension Plan with the University of Toronto Pension Plan had been completed with the transfer of assets at June 30, 2016. Going forward the annual financial report would only address the merged plan, not two plans.

Ms Brown highlighted financial results for the year ended June 30, 2016.

In reply to a member's question, Ms Brown replied that the Ontario government had implemented a further revision to its temporary solvency funding relief regime, to the benefit of the University, and was reviewing its solvency funding regime. The university had continued to set aside funding to address the pension deficit.

**5. Revisions: Audit Committee *Terms of Reference***

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

**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) Dominion Bond Rating Service (DBRS) Credit Report****(d) Moody's Credit Opinion**

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

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**7. Forecast of University Financial Results at April 30, 2017, prepared as of January 4, 2017**

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

**8. Health and Safety Requirements: Quarterly Report on Compliance**

Professor Hannah-Moffat apprised the Board of one incident that had occurred during the last quarter, for which the University had incurred no liability.

There were no questions from members.

**9. University of Toronto Health and Safety Policy**

Professor Hannah-Moffat reminded the Board that under the Occupational Health & Safety Act the University was required to review its *Health and Safety Policy* on an annual basis.

On motion duly moved, seconded and carried,

IT WAS RESOLVED

THAT the on-going application of the University of Toronto *Health and Safety Policy* be confirmed.

**10. Reports of the Administrative Assessors**

There were no open session reports from the Administrative Assessors.

**OPEN SESSION CONSENT SGENDA**

On a motion duly moved, seconded and carried

YOUR BOARD APPROVED

THAT the consent agenda be adopted.

**11. Report of the Previous Meeting**

Report number 229, from the meeting of November 17, 2016 was approved.

**12. Business Arising from the Report of the Previous Meeting**

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

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**13. Report Number 121 of the Audit Committee – December 8, 2016**

The report would be presented at next regular meeting.

**14. Date of the Next Meeting – Monday, February 27, 2017**

The Chair advised members that the next regular meeting was scheduled for February 27, 2017.

**END OF CONSENT AGENDA**

**15. Reports of the Administrative Assessors Other Business**

There were no open session reports from the Administrative Assessors.

**THE BOARD MOVED *IN CAMERA*.**

**16. *In Camera* Reports of the Administrative Assessors**

Professor Hildyard updated the Board on two jointly sponsored pension plan (JSPP) initiatives, one within the University and one at the Provincial level. Mr. Shapira updated the Board on the Ontario government's review of its solvency funding regime.

Professor Mabury updated the Board on two capital projects:

- Spadina and Sussex Avenues Mixed Use Student Residence; and,
- University College Revitalization and Croft Chapter House.

**17. Capital Project: University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2)**

**(a) Revised Total Project Costs and Financing**

On motion duly moved, seconded and carried,

**IT WAS RECOMMENDED TO THE GOVERNING COUNCIL**

**THAT** the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) Project with a revised space program totaling 1,393 net assignable square metres (1,817 gross square metres), be approved in principle, as outlined in the memo from, Professor Scott Mabury, Vice President, University Operations, dated January 12, 2017.

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**(b) Execution of the Project**

On motion duly moved, seconded and carried

YOUR BOARD APPROVED

Subject to Governing Council approval in principle of the project,

THAT the Vice-President, University Operations be authorized to implement the project to accommodate the Additional Scope of the Revised Phase 1 and Phase 2 Croft Chapter House of the University College Revitalization, as outlined in the memorandum from Professor Scott Mabury, Vice President, University Operations, dated January 12, 2017.

**18. Business Board Striking Committee: Membership 2016-2017**

On motion duly moved, seconded and carried

IT WAS RECOMMENDED

THAT the following be appointed to the Business Board Striking Committee to recommend appointments for 2017-18:

Mr. Jeff Collins (Lieutenant-Governor-in-Council)  
Mr. P. C. Choo (Administrative Staff)  
Mr. Mohammad Amin (Student)  
Professor Avrum Gotlieb (Teaching Staff)  
Mr. Keith Thomas (Alumni)

The Board returned to open session.

The meeting adjourned at 7:10 p.m.

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Secretary

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Chair

January 24, 2017