

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 236 OF THE BUSINESS BOARD

Monday, November 27, 2017

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, November 27, 2017 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Keith Thomas (Chair)
Brian Lawson (Vice-Chair)
Scott Mabury, Vice-President, University
Operations
Sheila Brown, Chief Financial Officer
Preet Banerjee
Robert G. Boeckner
Andrew Binkley
David Bowden
Catherine Bragg
P.C. Choo
Sara Gelgor
Gary D. Goldberg
Sue Graham-Nutter
Ian Peter Hutson
Jan Mahrt-Smith
Brian A. Miron
Howard Shearer
Chris Thatcher
Bruce Winter
Emeli (Li) Zhang

Non-Voting Assessors:

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

Secretariat:

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

Regrets:

Harvey T. Botting
Avrum Gotlieb
Mark Krembil
Mala Kashyap
Kelly Hannah-Moffat
John Paul Morgan

In Attendance:

Ulrich Krull, Vice-President & Principal, UTM
Elizabeth Brown, Brown Mills Klinck Prezioso

In Attendance continued:

Tad Brown, Senior Legal Counsel, Office of the Vice-President, Advancement

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Elizabeth Cragg, Director, Office of the Vice-President, University Operations
Angela Hildyard, Special Advisor to the President
Daren Smith, President and Chief Investment Officer, University of Toronto Asset Management Corporation
Allan Shapira, Aon Hewitt

ITEM 3; and *IN CAMERA* ITEMS 11(a) and 12(a), ARE RECOMMENDED TO THE GOVERNING COUNCIL FOR APPROVAL. *IN CAMERA* ITEMS 11(b), 12(b) AND 14 WERE APPROVED. ALL OTHER ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

Pursuant to section 33(i) of By-Law Number 2, items 9-14 were considered in camera.

OPEN SESSION

1. Welcome and Chair's Remarks

The Chair welcomed members and guests to the meeting.

With the support of the Board, *In Camera* Item 13(b) regarding the *Collective Agreement between the University of Toronto and OPSEU 578 (Research Officers and Associates at the Ontario Institute for Studies in Education (OISE)), July 1, 2017 - June 30, 2020*, was added to the agenda as an *in camera* information item.

2. Reports of the Administrative Assessors

Update – Lab Innovation for Toronto (LIFT) Project

Professor Mabury provided members with an update on the Lab Innovation for Toronto (LIFT) Project. The University had continued to keep track of progress of the entire project to ensure that time-lines were being met. Savings attributed to lower than anticipated tenders (i.e. Dentistry) were reallocated to other projects (i.e. UTSC, Medicine, etc.), with the permission of the government. Professor Mabury stated that he was confident that the University would meet its commitment for funding and completion deadline of April 30, 2018.

In response to Members' questions, Professor Mabury reported that some slippage had occurred as a result of an asbestos-related breach associated with the remediation work that had taken place in the Medical Sciences Building. Based on the experience, the University has undertaken an overall review of asbestos abatement approaches for future deferred maintenance projects.

Professor Mabury reported that all in, the total project costs for LIFT was approximately \$194 million for 55 projects in 19 separate buildings spread across the tri-campus with funding provided

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under the Federal Government's Post-Secondary Institutions Strategic Innovation Fund (SIF) program (\$83.7 million) and \$14.3 million in funds from the Provincial Government's Facilities Renewal Program. Professor Mabury noted that it was the largest project of its kind in Canada that was solely focused on physical space that was 50 years or older.

3. Revisions: *Business Board Terms of Reference*

Ms Sheree Drummond explained that in acknowledgement of the need for flexibility and responsiveness with regard to real estate transactions, including purchase of land, houses or commercial property, and in recognition of the principle that there should be a threshold for the need for governance oversight, it was proposed that authority to approve real estate purchases or disposal of real estate with a value of less than \$5 million be delegated to the President or designate.

Ms Drummond noted that the proposed threshold was in keeping with the Vice-President, University Operations' authority to approve projects of \$5 million or less as per *the Policy on Capital Planning and Capital Projects*. The Business Board would continue to be responsible for approval of acquisition or disposal of real estate "over a value \$5M" and for approval of arrangements for the non-University use or development of University property.

In addition, Ms Drummond stated that a revision to *Footnote No. 9* was necessary to reflect the change in the *Policy on Capital Planning and Capital Projects* regarding changes of authorized expenditures within approved limits.

Professor Mabury added that the proposed revision would add a great deal of clarity to the University's ability to respond quickly to potential offers for the acquisition of property under the value of \$5 million.

On motion duly moved, seconded and carried

IT WAS RECOMMENDED TO THE GOVERNING COUNCIL

THAT the proposed revised *Business Board Terms of Reference* be approved, effective immediately, replacing the *Terms of Reference* previously approved on June 23, 2016.

4. Status Report on Debt to October 31, 2017

Ms Brown reported that the University had a Business Board-approved debt strategy focused on affordability of debt, whereby the debt policy limit was the maximum debt that can be taken on based on a debt burden ratio of 5% (interest plus principal divided by total expenditures). The debt policy limit included both internal and external debt and actual debt outstanding was also a combination of external and internal debt.

Ms Brown discussed the Board's delegated responsibility under its *Terms of Reference* to approve a debt strategy for the University. The Board received an annual report to help it assess the continued

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prudence and effectiveness of the debt strategy. The *Debt Strategy Review (December 31, 2017)* would be presented to the Board at its meeting (cycle 3) on January 28, 2018.

In response to a Member's question, Ms Brown confirmed that the University did not intend to roll-over the outstanding debentures at maturity, and was accumulating funds in a UofT-imposed sinking fund in anticipation of those required repayments which would occur between 2031 and 2051 for the debentures which had been issued to date. She also noted that all currently outstanding external debt had interest payable at fixed rates in order to provide budget predictability.

The *Status Report on Debt to October 31, 2017* was received for information

5. Report of the Previous Meeting

Report Number 235, from the meeting of October 10, 2017 was approved.

6. Business Arising from the Report of the Previous Meeting

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

7. Other Business

No other business was raised.

8. Date of the Next Meeting – Monday, January 29, 2018

The Chair advised members that the next meeting would be Monday, January 29, 2018.

THE BOARD MOVED *IN CAMERA*

9. Quarterly List of Donations of \$250,000 or more to the University of Toronto – August 1, 2017 to October 31, 2017, 2017 to July 31, 2017

The *Quarterly Report* was received by the Board for information.

10. Closed Session Reports of the Administrative Assessors

Professor Hildyard provided a presentation on the jointly sponsored pension plan (JSPP) initiative.

11. Capital Project: University of Toronto Greenhouse Gas Campus Retrofit Program

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(a) Total Project Costs and Financing

On motion duly moved, seconded and carried,

IT WAS RECOMMENDED TO THE GOVERNING COUNCIL

THAT the project for the University of Toronto Greenhouse Gas Campus Retrofit Program be approved in principle, as outlined in the memo from Professor Scott Mabury, Vice President, University Operations, dated November 21, 2017.

(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 Greenhouse Gas Campus Retrofits Program (GGRP) capital project, as outlined in the memorandum from Professor Scott Mabury, Vice President, University Operations, dated November 21, 2017.

12. Capital Project: New Science Building, University of Toronto Mississauga

(a) Total Project Costs and Financing

On motion duly moved, seconded and carried,

IT WAS RECOMMENDED TO THE GOVERNING COUNCIL

THAT the New Science Building at the University of Toronto Mississauga capital project with a space program of approximately 15,552 gross square metres (gsm) (approximately 7,134 net assignable square metres (nasm)), be approved in principle, as outlined in the memo from Professor Scott Mabury, Vice President, University Operations, dated November 14, 2017.

(b) Execution of the Project

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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 New Science Building at the University of Toronto Mississauga capital project, as outlined in the memorandum from Professor Scott Mabury, Vice President, University Operations, dated November 14, 2017.

13. Collective Agreement:

(a) University of Toronto and the United Steelworkers, Local 1998 (Casual), July 1, 2017 to June 30, 2020

The collective agreement was received by the Board for information.

(b) Collective Agreement between the University of Toronto and OPSEU 578 (Research Officers and Associates at the Ontario Institute for Studies in Education (OISE)), July 1, 2017 - June 30, 2020

The collective agreement was received by the Board for information.

14. Business Board Striking Committee: 2017-18 Membership

On motion duly moved, seconded and carried

YOUR BOARD APPROVED

THAT the following be appointed to the Business Board Striking Committee to recommend appointments for 2018-19:

Jean Paul Morgan (Lieutenant-Governor-in-Council)
P.C. Choo (Administrative Staff)
Mala Kashyap (Student)
Jan Mahrt-Smith (Teaching Staff)
Harvey Botting (Alumni)

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The Board returned to open session.

The meeting adjourned at 6:45 p.m.

Secretary

Chair

November 28, 2017