

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 192 OF THE BUSINESS BOARD

October 24, 2011

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, October 24, 2011 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Mr. W. David Wilson (In the Chair)
Ms Catherine J. Riggall, Vice-
President, Business Affairs
Professor Angela Hildyard,
Vice-President, Human Resources
and Equity
Ms Celina Rayonne Caesar-Chavannes
Mr. P. C. Choo
Mr. Jeff Collins
Ms Mary Anne Elliott
Mr. J. Mark Gardhouse
Professor Edward Iacobucci
Ms Paulette L. Kennedy
Professor Michael R. Marrus
Ms N. Jane Pepino
Ms Catherine Riddell
Ms Penny Somerville
Mr. W. Keith Thomas
Mr. W. John Switzer
Mr. Chris Thatcher
Ms B. Elizabeth Vosburgh

Ms Judith Wolfson, Vice-President,
University Relations
Ms Sheila Brown, Chief Financial Officer
Mr. Paul Donoghue, Chief Administrative
Officer, University of Toronto
Mississauga
Ms Sally Garner, Executive Director,
Planning and Budget
Professor Scott Mabury, Vice-Provost,
Academic Operations
Ms Kim McLean, Assistant
Principal (Business and Administration)
and Chief Administrative Officer,
University of Toronto Scarborough
Ms Gail Milgrom, Acting Assistant
Vice-President, Campus and Facilities
Planning
Ms Christina Sass-Kortsak, Assistant
Vice-President, Human Resources
Mr. Ron Swail, Assistant Vice-President,
Facilities and Services

Mr. Neil Dobbs, Secretary

Regrets:

Mr. Steve (Suresh) Gupta
Ms Shirley Hoy
Mr. Gary P. Mooney
Mr. Jorge J. Prieto

Mr. Manveen Puri
Mr. Howard Shearer
Ms Rita Tsang
Dr. Sarita Verma

In Attendance:

Mr. Michael Kurts, Assistant Vice-President, Strategic Communications and Marketing
Ms Gillian Morrison, Assistant Vice-President, Divisional Relations and Campaigns
Ms Marny Scully, Assistant Vice-President, Government, Institutional and
Community Relations

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In Attendance (Cont'd)

Mr. William Simmons, Assistant Vice-President, University Development
Ms Vinitha Gengatharan, Director, International Initiatives
Ms Vanessa Laufer, Director, International Policy and Programs
Ms Meredith Strong, Director, Office of the Vice-President, University Relations

ALL ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

1. Report of the Previous Meeting

Report Number 191 (September 26, 2011) was approved.

2. Business Arising from the Report of the Previous Meeting

Item 9 – Health and Safety Policy

The Chair recalled that at the previous meeting, the Board had approved the on-going application of the current Health and Safety Policy. There was, however, some concern raised arising from the high level of generality of the Policy, and a member had suggested two amendments that would deal with the concern but would not involve the Policy in matters of administrative detail.

Professor Hildyard said that for each area covered by the Health and Safety Policy the University had detailed guidelines and procedures. Those guidelines and procedures met the federal, provincial and municipal government requirements in all areas, which requirements themselves were very detailed. Through the risk-management process of the Office of Environmental Health and Safety, the University worked to ensure that there was adherence to safety guidelines and certification procedures and that there were excellent records in place to deal with such matters as biohazards, chemical safety, radiation protection, safe use of lasers, and so on. Professor Hildyard proposed amendments to the Policy to make reference to the guidelines and procedures that supported the macro-level policy and to the Occupational Health and Safety Management System which ensured implementation of those guidelines and procedures.

Professor Hildyard also proposed to amend the Policy to refer to the reporting to the Board on matters of health and safety. The Vice-President, Human Resources and Equity provided quarterly reports summarizing all key issues that had arisen during the quarter in the area of health and safety, including: visits by the Ministry of Labour, inspections by the Canadian Nuclear Safety Commission, inspections by other health and safety regulatory bodies, any work orders that had been issued and the University's action in response to them, and other relevant matters. The annual report of the Vice-President contained detailed information on those matters. Additional information was updated regularly on the website of the Office of Environmental Health and Safety. With the amendments to assure the Board that detailed guidelines and procedures were in place and with the requirement for the current regular reporting, Professor Hildyard proposed approval of the amended Policy.

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2. Business Arising from the Report of the Previous Meeting (Cont'd)

Item 9 – Health and Safety Policy (Cont'd)

Among the matters that arose in discussion were the following.

(a) Off-campus health and safety. A member noted that a few hundred graduate students participated in research work off-campus including work under oceans, in deserts, in the arctic, and in less-than-stable countries. In such cases, there was a considerable element of risk. He asked whether such situations were covered in this Policy. Professor Hildyard replied that a separate policy, the Framework on Off-Campus Safety, had been approved by the Governing Council on April 7, 2011. She would be pleased to include information on issues with respect to off-campus safety in her annual reports.

(b) Security of hazardous materials. In response to a member's question about secure storage of materials such as chemicals, Professor Hildyard said that the matter was dealt with in the detailed guidelines and procedures issued under the aegis of the Office of Environmental Health and Safety. The greatest concern was for the security of biohazardous materials.

On motion duly made, seconded and carried,

YOUR BOARD APPROVED

The Health and Safety Policy, a copy of which is attached hereto as [Appendix "A"](#), replacing the Policy approved by the Governing Council on March 29, 2004, the on-going application of which was affirmed by the Business Board on September 26, 2011.

3. Vice-President, University Relations: Annual Report

Ms Wolfson introduced her colleagues from the University Relations division, presented her annual report for 2010-11, and commented on current matters and future plans for University Relations. Among the highlights of her report were the following.

- **Role of the University Relations division.** The division exercised responsibilities in the areas of the University's: government, institutional and community relations; international relations; and strategic communications and marketing. Its role was: advocacy on behalf of the University, development and maintenance of external relations, and promotion of the University's brand. The successful completion of the University-relations role was highly important in securing funding for the University, in securing connections that would be helpful to it, and in ensuring that the University achieved its appropriate place in post-secondary education.

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3. Vice-President, University Relations: Annual Report (Cont'd)

- **Contexts for government relations.** The University had to conduct its advocacy in a context where governments were primarily concerned about dealing with very difficult economic conditions. The Province of Ontario was facing a deficit of about \$15-billion for 2011-12, and its agenda was focused on promoting economic growth and job creation. The Federal Government appeared to be moving forward on reducing its deficit, and a deficit reduction of \$32.3-billion was planned by 2014-15. The Government also appeared to intend to make solid investments in the research and innovation agenda. It had spoken of its support for commercialization and linking research with businesses, and it had spoken of the priority of investments in international partnerships. It appeared that the Government would favour highly targeted innovations funding for research and development and commercialization in such areas as agriculture, clean energy and brain research. It was very important that the University be aware of the decisions being made by the Government on targeted funding. Ms Wolfson stressed that the provincial and federal governments were responsible for providing or regulating about 81% of the University's operating funding from: provincial operating grants, tuition fees and federal support. The federal support came through such programs as the Canada Research Chairs and funding of a portion of the indirect cost of federally funded research.
- **Capital funding.** The University had done very well in terms of funding for major capital projects provided in 2009-10 and in 2010-11. The Federal / Provincial Knowledge Infrastructure Programs had funded the construction of outstanding new instructional buildings at the Mississauga and Scarborough campuses, which would provide very great benefits to students and faculty on those campuses. A \$22.5-million grant in support of the Goldring Centre for High Performance Sport on the St. George Campus would also provide great benefits for students. Ms Wolfson was, however, cautious about the availability of capital funding going forward, with government monies severely constrained.
- **Accountability.** Providing documentation to government for purposes of accountability was a key role and one that continued to grow. Ms Wolfson believed strongly in the importance of accountability, but she noted that the current requirements were expensive and time-consuming. Examples of recent additions to accountability reporting were: ongoing reports on the spending on and progress of the Knowledge Infrastructure Program capital projects, reporting on the Canada Centre for Global Security Studies at the Munk School of Global Affairs, and reporting back to the Province under the Multi-Year Accountability Agreement.

Ms Wolfson said that University Relations, in cooperation with the office of the Vice-Provost, Academic Operations, prepared important internal accountability documents including the Report on Performance Indicators for Governance and the annual Facts and Figures booklet. The University was clearly a leader in the preparation of accountability documents and it played an important role in setting the standard for such documentation provincially.

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3. Vice-President, University Relations: Annual Report (Cont'd)

- **University rankings.** While there were both positive and negative aspects to particular university rankings, it was very helpful to the University's brand to receive high rankings. For example, *Newsweek* magazine had for the first time published University rankings, including a ranking of the best international universities (i.e. those outside the United States). The University of Toronto had been ranked third, behind only Cambridge and Oxford Universities. In the Times Higher Education ranking, the University had been ranked the top university in Canada and nineteenth world-wide. It had been ranked 10th world-wide in the Arts and Humanities. Ms Wolfson reviewed the University's position in a number of other well-recognized rankings. Its very good position was important for many reasons. Domestically, the rankings were of great help to the University in its advocacy and its fundraising efforts. Domestically and internationally, they were very important for purposes of recruitment and furthering collaborations with international partners.
- **International activities and opportunities.** International reach was of great importance to the University. Other countries were investing heavily in international opportunities for higher education. For example, Brazil had announced a plan to send 75,000 students to study abroad over the next three years. Brazilian students would not only enrich the University of Toronto student experience and give the Brazilian students insight into other cultures and societies, but it also would help University of Toronto scholars and researchers to establish international collaborations. At present, about 11% of students at the University of Toronto were from other countries. In 2010, about 90,000 international students were registered as students across Canada. That represented a three-fold increase from 1998 – an illustration of how quickly international enrolment was growing.

Global collaboration in research was of great importance. 43% of research papers by authors in the University and its affiliated teaching hospitals were co-authored with collaborators outside of Canada. Most of that collaboration was with scholars and scientists in the United States and in Europe. It was therefore very important that the University work to improve collaboration with scholars and scientists in Asia and South America – areas of real growth.

The role of International Relations was to build the relationships and to establish the innovative programs that would enable faculty and students to develop international collaborations and programs.

One key means was welcoming international delegations. In the current year, the University had welcomed over 100 delegations from abroad, offering each an agenda tailored to its interests. Appropriate faculty and students were invited to participate. The presence of such delegations on campus represented an excellent international marketing strategy. In addition, delegations from the University visited institutions abroad. For example, the President would travel to India in November and Ms Wolfson would travel to Brazil.

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3. Vice-President, University Relations: Annual Report (Cont'd)

It was very important for the University to take advantage of every available opportunity to gain financial support for international opportunities: scholarships, internships, and federal and provincial research-support programs. Doing so was essential to enabling the University to compete with institutions in other jurisdictions that invested substantial resources in developing international collaborations. It was also very important that the University use a robust international communications strategy to tell the story of the University's impact on the world.

Ms Wolfson provided a few examples from the past year of outcomes of efforts to promote strong international collaboration. The University participated in the MITACS (Mathematics of Information Technology and Complex Systems) Globalink program, a Federal Network of Centres of Excellence program that funded collaborative research projects and industrial internships. Under that program a group of 44 outstanding students from India had come to the University to work with faculty at the University of Toronto. The Canada-Brazil Awards had provided small amounts of research funding for joint projects involving faculty from the University of Toronto and the University of Sao Paulo. A program with the National University of Singapore allowed University of Toronto students to spend one semester studying at that University and vice versa in a number of joint minor programs in Arts and Science. A joint program with Fudan University enabled students to study in Shanghai, attending courses given in English along with students from Fudan. Finally, the India Innovation Institute, a joint venture of the Munk School of Global Affairs and the Rotman School of Management, had been established as a multi-disciplinary hub to facilitate study by faculty and students of scientific and technological innovation and social innovation with respect to issues of interest to India.

- **Strategic Communications.** The effort to communicate the University's stories was moving away from print material towards digital communication. That move provided additional flexibility to tell the University's stories both internally and externally. The *Bulletin*, aimed primarily at the internal audience, was now published digitally. In addition, a twice-weekly e-mail was sent to faculty and staff containing the top stories of interest to them. The *U of T News* website, Had been launched in September and aimed primarily at external audiences. The Media Room site was updated daily, containing news stories, media releases, and information on University experts who could be consulted by the media on breaking news stories. The Media Room offered connection to the University's *Blue Book*, a list of 1500 names of University experts who had agreed to be available for consultation and interview with respect to issues in their areas of expertise. The University had a very strong share of presence in the media because of the efforts of Strategic Communications and Marketing and because information was available on the Media Room and other sites. The University would over the next year move strongly to take advantage of the social media. The objective of the efforts was to ensure that the right message was delivered effectively to the right people in a way that

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3. Vice-President, University Relations: Annual Report (Cont'd)

demonstrated the very high quality of the University – in a way that built the University's brand. The ultimate objectives were to contribute to the attraction of the best faculty and students, to attract funding for the University, to attract support for its research, to ensure support for various special University efforts, and, in the coming years, to provide support for the fundraising Campaign.

- **Objectives for 2011-12.** Ms Wolfson commented on University Relations Objectives for 2011-12. A top objective was advocacy with the federal and provincial governments, particularly regarding the Province's tuition-fee framework, support for graduate expansion, and support for the capital projects needed to enable further growth.

A substantial discussion followed. In the course of the discussion, a number of members congratulated Ms Wolfson on the exceptional quality of her report. Amongst the matters that arose in discussion were the following.

(a) Language of the University "brand". A member expressed concern about the use of the language of brand promotion. This appeared to him to be the language of advertising consumer goods, and that language that was inappropriate with respect to a university. Students should not be regarded as consumers, and the very best universities of the world did not speak in terms of their brands. He urged the use of different language, perhaps speaking of the University's reputation rather than its brand. Ms Wolfson replied that she understood brand to be broader than an advertising term. Rather, the University's brand was a representation of its quality. In the case of the University of Toronto, the brand represented excellence, diversity and accessibility. The member said that he agreed entirely that the University should promote its association with excellence, diversity and accessibility, but he urged that the term "brand" be avoided.

A member commented that building the University's brand required the provision of real information that would overcome negative views of the University as being large and impersonal, and it required the building of good relations with the University's community. Another member observed that there were widespread incorrect views of the University by potential students that required correction. How did University Relations deal with such divergent, and often incorrect and damaging, images? A third member commented that the brand was the outcome of the experience that members of the University and the public had in their interaction with the University.

Ms Wolfson said in the previous year, market research carried out by her group sought to determine the aspects of the student experience of most concern to potential students, and the University's advertising - through media most often seen by potential students - concentrated on those aspects of the student experience. The matter of the University's reputation was a very important one, and it was necessary that every member of the University act an ambassador to provide information about the University and to correct misinterpretations (which would always be present).

(b) International relations: satellite campuses. A member observed that a number of universities had extended their international activities by establishing satellite campuses in other

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countries, for example the Gulf states. Had the University of Toronto considered that option? Ms Wolfson said that the University had no plan at the present time to establish a satellite campus.

(c) Use of social media. In response to a member's questions, Ms Wolfson said that Strategic Communications + Marketing did attempt to monitor information about the University posted in the social media to the extent that was reasonable and possible with limited resources. The group did make every effort to correct the most egregiously incorrect information. However, it was not possible to control the views expressed in the social media, and readers did tend to greet those views with an appropriate level of skepticism.

(d) Allocation of resources for University relations. In response to a member's questions, Ms Wolfson said that the University's strategic communications had moved very largely away from an extensive use of media advertising, which had been deemed not to be the most effective use of scarce resources. There were two exceptions, where the University could obtain the best possible effect from advertising spending. The first was substantial on-line advertising that would be seen by potential students. The second was selected print media. They included international and ethnic media. For example, there had been significant advertising in such media in connection with the establishment of the new India Innovation Institute. The print media also included the *Hill Times*, an Ottawa publication that was well read by federal politicians and senior civil servants. The overall budget for University Relations activities was determined after a Shared Service Review conducted initially by the Planning and Budget Office and then by a committee chaired by the President. The funding allocated to University Relations depended not on any formula, for example related to enrolment, but rather on the objectives that the portfolio was trying to achieve, their value, and their cost.

(e) Relationship between support for the University and publicity given to its successes. A member asked whether there was tension between (i) the University's efforts to seek improved support from government and from potential benefactors, and (ii) its publicity for successes achieved with its current level of funding. Might the Government of Ontario, for example, conclude that the University had done very well in spite of its very low level of Government per-student support compared to that provided by all other provincial governments? Ms Wolfson replied that such a tension did exist to a certain extent. Most public servants in Ontario genuinely believed that the University of Toronto was very well off. The University did not, however, apologize for its successes and should not do so. Rather, it had to make clear the value proposition of funding for university excellence. Successful universities led to successful economies and to job creation. That proposition resonated well, and it was essential that the University continue to make it clear that successful universities required support. The University of Toronto's accessibility policy, for example (that no otherwise qualified student would be left unable to enrol at the University and to complete studies at the University for lack of financial means) was costly and required support.

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(f) Government relations: support for research and development. A member observed that a federally sponsored panel had concluded that support for the application of research and development results was too unfocused, with the result that there was insufficient support for the application of the most economically promising results. Ms Wolfson noted that President Naylor had been a member of the panel, and he would be speaking to the matter at the forthcoming meeting of the Governing Council.

4. Report on Capital Projects at September 30, 2011

A member referred to the St. George Campus Utilities Infrastructure Renewal project, with a budgeted cost of \$11.23-million. She noted that a budget increase had been requested. Mr. Swail said that an increase of \$1,123,200 had been approved by the Vice-President, Business Affairs.

5. Report on Borrowing as at September 30, 2011

Ms Riggall noted that this was a regular status report presented at each meeting. A full review of the borrowing strategy would be brought to the Board in January, 2012.

A member observed that the \$206.1-million of outstanding internal borrowing net of repayments remained above the \$200-million limit. Ms Brown replied that the overall borrowing capacity combined external and internal borrowing. The Governing Council had approved a new tranche of external borrowing amounting to \$200-million, but that borrowing had not yet been undertaken. Until it is completed, the University had been providing bridge-financing using available internal funds. When the additional tranche of external borrowing is completed, the temporary exceeding of the internal borrowing limit would end.

A member observed that the projected maximum borrowing capacity was defined at 40% of the University's net assets averaged over the past five years, plus the internal borrowing capacity of \$200-million. The maximum borrowing capacity as at April 30, 2012 was projected to be between \$925.3-million and \$932.8-million, and those numbers were projected to decline in the following year. That was less than the total borrowing already allocated, net of repayments that could be reallocated, which, as at September 30, 2011, was \$952.6-million. How, therefore, would the University be able to stay within its maximum borrowing capacity in those future years? Ms Brown replied that there would be fundamental changes made in the accounting methodology for the financial statements for the year ending April 30, 2013. Those changes could have a substantial effect on net assets and therefore the University's criteria for assessing the maximum external borrowing capacity. The administration was looking at various balance sheet and income statement ratios to determine what measure would be most appropriate. In response to the member's question, Ms Brown said that the analytical work had already begun and it should be completed by the fall of 2012.

REPORT NUMBER 192 OF THE BUSINESS BOARD – October 24, 2011**6. University of Toronto Scarborough - Pan-Am Aquatics and Athletics Centre:
Authorization to Act**

Ms Riggall recalled that the project to remediate the land on the North Campus of the University of Toronto Scarborough had been approved by the Governing Council on February 17, 2011. Remediation of the land by removal of landfill would permit the construction of the facility that would be used for the 2015 Toronto Pan-Am games and would be used for aquatics and other athletic purposes by the University and the City thereafter. The land remediation project was progressing on time and on budget. At the same time, work was progressing on a wide range of analyses and documentation. The City of Toronto had requested a specific resolution authorizing the University's administration to enter into two specific agreements: (a) a Transfer and Land Consolidation Agreement providing joint ownership of the land under the new facility, some of which was now owned by the City and some by the University; and (b) a Shared Ownership and Facility Management Agreement to govern the operation of the new facility after the games. Because there would likely be various other agreements requiring execution, Ms Riggall also proposed that the Vice-President, Business Affairs be authorized to execute such other agreements as required without the need to bring the matter back to the Board again.

Ms McLean reported on the business planning for the post-Games use of the Pan-Am Aquatics and Athletics Centre. City and University Staff continued to work on budget needs for the facility. She was pleased to report that the total operating cost of the facility continued to be very close to the estimate at the time of approval of the project. The facility would not open until 2014, however, and there was therefore need for substantial further work on the budget. The budget model being used was a very conservative one, including all foreseeable costs. To date, there had been no substantial changes since the time of approval of the project. That being said, there was still need to finalize funding arrangements for the Centre, with contributions from both the federal and provincial levels of government. Ms McLean said that the business plan had been the subject of extensive external review. Initial work had been completed by consultants from Deloitte, with subsequent internal work continuing on the basis of the Deloitte study. The business plan had later been reviewed by the J.F. Group, a sports consulting group, and a recent review had been completed by Asbell Management Innovations. All of the reviewers had been satisfied that the business plan had captured all of the necessary elements.

Among the matters that arose in discussion were the following.

(a) Remediation project to date. A member asked whether there had been any unanticipated developments or costs in the land-remediation project to date. Was there any risk to the University's reputation that might be caused by the new location for the landfill? Ms McLean replied that the removal of landfill was 80% complete and was proceeding on budget and on time. It was being managed by City of Toronto personnel, and Ms McLean had been very impressed by the expertise of the City team and of the environmental consultants the City had engaged. The installation of the barrier wall to prevent migration of methane from the remaining landfill site onto the remediated land had begun. The landfill was being removed to other fill sites in the Province. The removal and relocation of the fill was being carefully monitored, and it fully met the environmental standards of the site owners.

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Authorization to Act (Cont'd)**

(b) Shared ownership and facility management agreement. A member observed that the terms of the proposed shared ownership and facility management agreement were to be “consistent with the intent set out herein and the financial parameters determined and approved by Governing Council.” She asked whether those terms had already been approved or would prospectively be approved by the Governing Council. If they had already been approved, she suggested that, to protect the University’s position, the motion be revised to include specific cross-reference to the resolution approving the financial parameters. Another member asked about the financial risk to the University in the event that the City or another partner were to be unable to make its contribution.

Ms Riggall undertook to amend the wording of the resolution to make specific reference to the financial parameters approved by the Governing Council at its meeting of February 17, 2011. She stated that the largest risk facing the University concerned contributions anticipated from the Government of Canada and the Government of Ontario for the operation of the planned Aquatics and Athletics Centre. To accommodate the Pan-Am Games, the facility was planned to be substantially larger than would be needed by both the University and by the City. It was to be built as a legacy facility that would serve the broader needs of high-performance aquatic sport. Those broader needs would require guarantees of rental income from high-performance sport-group users and likely subsidy by the two senior levels of government, but agreements for the use and funding of the facility were not yet in place. Negotiations with respect to the matter were continuing and were likely to require some further months’ time. Ms McLean said that the projected net operating cost for the facility was \$12.6-million per year. The University’s share of use of the facility and of the operating cost was to be about 20%, which would be covered by existing student fees, with no anticipated need for a fee increase. Those fees would provide for some program costs for UTSC users as well as for facility costs. Income from the City and from rentals was projected to cover a further 20% of operating costs, with a further contribution of about 30% of the costs from each of the Government of Canada and the Government of Ontario. Those parties were well aware of the extent of the commitments that would be required of them, and they had manifested substantial good will to meet those commitments, but agreements were not yet in place. Ms Riggall added that if, for some reason, it should not prove possible to conclude appropriate agreements, it would still be very valuable to have remediated land to meet the needs of the University of Toronto Scarborough for the expansion of athletic and other facilities. That being said, she stressed that the objective was to achieve appropriate agreements and to proceed with the project.

A member recalled that there had been substantial discussion, prior to the City’s decision to host the Pan-Am Games, of a hold-harmless guarantee from the Government of Canada and/or the Province of Ontario. She asked whether such a guarantee had been provided. Ms Riggall replied that she was aware of no guarantee. The Chair observed that there would, therefore, be risk going forward. Ms Riggall and Ms McLean agreed, but stated that they were aware of the risk, which they believed to be manageable and acceptable. If there was any reason for concern, Ms Riggall assured the Board that it would be advised at the earliest opportunity.

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**6. University of Toronto Scarborough - Pan-Am Aquatics and Athletics Centre:
Authorization to Act (Cont'd)**

(c) **Authority to enter into other agreements.** Noting the risks involved in the project, the Chair asked whether the third part of the motion, authorizing the Vice-President to enter into “such other agreements as may be necessary to complete the project” was necessary and appropriate. Or, would there be benefit in Board consideration of such other agreements? Ms Riggall replied that there could be need for numerous future agreements, but she anticipated that all would be agreements in the normal course of business that she would be authorized to sign by virtue of the Governing Council approval in principle of the project and the Business Board approval to execute it. The proposed resolution now before the Board was required not for University purposes but only to give the assurances requested by the City.

The Chair instructed that the Report of the meeting record that any material further agreements be reported to the Board for information and that any further agreements exceeding the authority already granted be brought forward for approval. Another member, who expressed his support for the motion (see below) asked that there be regular reporting to the Board on the matter and especially on all agreements signed.

(d) **Support for the motion.** A member said that the matter of the commitment to the site remediation and the Pan-Am Games facility had been the most discussed issue he had seen come before the Governing Council and its committees. The Council and its committees were well aware of the risks involved. The administration was, however, engaged in discussions with the other parties, who were demonstrating their good faith. It was central to bear in mind that the project, especially the land remediation, was very important for the further development and growth of the UTSC campus. If the land remediation project were not to be completed, it would become impossible for the University to achieve its long-range strategy for the development of UTSC.

On the recommendation of the Vice-President, Business Affairs,

YOUR BOARD APPROVED

THAT, consistent with the February 17, 2011 approvals of the Governing Council (Minutes, items 5b and 5c) dealing with land remediation and the Project Planning Report for the UTSC Sport and Recreation Centre, * the Vice President, Business

***Minutes of the Meeting of the Governing Council held on February 17, 2011, Item 5(b),
Infrastructure Project: Site Remediation for the North Campus at the University of
Toronto at Scarborough**

Subject to all required government approvals and government funding, including government funding for high performance sport and subject to funding being in place prior to commencing construction:

1. THAT the recommendations identified in the “Report on Site Remediation for the North Campus of the University of Toronto Scarborough”, dated January 6, 2011, be approved in principle; and

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**6. University of Toronto Scarborough - Pan-Am Aquatics and Athletics Centre:
Authorization to Act (Cont'd)**

Affairs be authorized to enter into the following agreements in connection with the University of Toronto Scarborough Sport and Recreation Centre Project, to be negotiated to the satisfaction of the Vice-President, Business Affairs:

- (a) a Transfer and Land Consolidation Agreement (the “TLCA”) with the City of Toronto (the “City”) to effect the disposition by each of the City and University to the other of a 50% interest in the applicable City land and

2. THAT subject to all other approvals and funding being in place prior to commencing the work, the University of Toronto contribution for the remediation, having a total project cost of \$52 Million (2010 dollars) comprise:
- (i) \$5-Million of funding from the University of Toronto at Scarborough;
 - (ii) \$25-Million of borrowing, in part using \$20-Million of borrowing capacity created by anticipated Government funding for high-performance sport facilities, such borrowing to be repaid by the University of Toronto at Scarborough and/or the University of Toronto.

Documentation is attached to Report Number 171 of the Academic Board as Appendix “D”.

**Minutes of the Meeting of the Governing Council held on February 17, 2011, Item 5(c),
Capital Project: Project Planning Report for the University of Toronto at Scarborough
Sport and Recreation Centre**

Subject to the availability of funding for the land remediation of the site,

- (a) THAT the Project Planning Report for the University of Toronto at Scarborough (UTSC) Sport and Recreation Centre, as accommodated in the Pan American Aquatics Centre, Field House and Canadian Sport Institute Ontario to be built at the University of Toronto at Scarborough, dated January 7, 2011, be approved in principle;
- (b) THAT the site northeast of the corner of Military Trail and Morningside Avenue be assigned to the Pan American Aquatics Centre, Field House and Canadian Sport Institute Ontario Project;
- (c) THAT the total project cost for the UTSC portion be \$37.51 Million (2008 dollars) out of a total project cost of \$170.5 Million (2008 dollars) for all parts of the project; and
- (c) THAT the funding costs for the UTSC portion of \$37.51 Million (2008 dollars) comprise:
 - \$30 Million acquired through a student levy, and
 - \$7.51 Million from UTSC/U of T Central.

Documentation is attached to Report Number 171 of the Academic Board as Appendix “E”.

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6. University of Toronto Scarborough - Pan-Am Aquatics and Athletics Centre: Authorization to Act (Cont'd)

University of Toronto land, at nominal value, and the resultant consolidation of the lands to be held as tenants-in-common each with a fifty percent interest share. The authority to enter into the TLCA shall include authority to enter into ancillary agreements such as license, encroachment, easement, closing and other agreements required to effect additional site requirements related to parking, maintenance and access;

- (b) a Shared Ownership and Facility Management Agreement with the City to govern the ownership use, operation and management of the Pan-Am Aquatics Centre (PAAC) project and such other ancillary agreements and documents as may be required to effect the intent and requirements of the PAAC project, the terms of which shall be consistent with the intent set out herein and the financial parameters determined and approved by Governing Council; and
- (c) such other agreements as may be necessary to complete the project.

7. Borrowing Authorization for Graduate Expansion Capital And Renovation Projects, Phase II

Ms Brown presented the proposal for the second tranche of capital funding for graduate expansion. When, in 2006, the Province of Ontario had announced its support for the expansion of graduate enrolment at universities, it had undertaken to provide not only operating funds but also capital funds for the expansion of facilities to serve graduate students. That capital funding was not, however, to be provided in the form of grants to assist with the construction and renovation of buildings. Rather, it was to be provided in the form of a stream of payments to support university borrowing for the capital projects. The capital funding was stated in terms of an amount per graduate student enrolled above a base-line enrolment, with that amount to be paid over twenty years. The amount would be that available for principal and interest payments on the sum borrowed for capital projects undertaken for graduate expansion.

Ms Brown said that in the usual course, the Board would be asked to authorize borrowing on a project-by-project basis. In the case of this funding, however, the borrowing would support not only the major capital projects for which Board approval was required – now defined as projects costing \$2-million or more – but also smaller renovation projects which were approved under administration authority. Therefore, the proposal was for authorization of the entire amount of borrowing for large and small projects with funding from this Government source. A similar proposal had been approved in 2008 for the first tranche of borrowing. The amount of borrowing that would be funded by the Province in the second tranche was \$37.2-million. Being aware of the forthcoming need for this borrowing, an amount of \$31-million had been included in the report on borrowing beginning on May 31, 2011. Therefore, the increase in borrowing would require only the adjustment of the \$31-million amount, that is \$6.2-million, which would not take the external borrowing over the limit stipulated in the Borrowing Strategy.

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7. Borrowing Authorization for Graduate Expansion Capital And Renovation Projects, Phase II (Cont'd)

On motion duly made, seconded and carried,

YOUR BOARD APPROVED

THAT the Vice-President, Business Affairs be authorized to arrange borrowing of \$37.2 million from either internal or external sources to be used for the allocation of graduate expansion capital and renovation projects.

8. Date of Next Meeting

The Chair reminded members that the Board's next regular meeting was scheduled for Monday, December 12th, 2011 at 5:00 p.m.

THE BOARD MOVED IN CAMERA

On motion duly made, seconded and carried, it was resolved

THAT pursuant to section 33(i) of By-Law Number 2, the Board meet *in camera* to consider items 9 and 10, below, with other members of the Governing Council, the Board's assessors, Secretariat, and any staff members named by the assessors invited to remain in attendance.

9. Human Resources: Canadian Union of Public Employees, Local 3261 – Collective Agreement

The Chair reminded members of section 27(c) of By-Law Number 2, which dealt with conflict of interest. It stated that "no member of the Council or of a committee of the Council, other than the President or a Vice-President, who is an employee or a member of whose immediate family is an employee of the University, may move or second motions or vote on matters related to the remuneration or benefits, terms of employment, rights or privileges available to employees of the University that are directly related to compensation" The provision did not prevent any member of the Board from declaring their interest and then participating in the discussion.

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9. Human Resources: Canadian Union of Public Employees, Local 3261 - Collective Agreement

After a presentation by Professor Hildyard and after discussion, on motion duly made, seconded and carried,

YOUR BOARD APPROVED

(a) Increases in CUPE 3261 Employee Pension Contributions as follows:

Below YMPE	5.0% to 5.45%	6.05%	6.80%
Above YMPE	6.0% to 6.6%	7.40%	8.40%
Effective Date	January 1, 2012	July 1, 2012	July 1, 2013

(b) Effective July 1, 2012, use only the CANSIM interest rate, as currently defined under the Pension Plan (i.e. five-year fixed term deposit rate), to credit interest on required member contributions.

10. Closed Session / In Camera Reports

Professor Hildyard briefed the Board on the negotiations with (a) the Faculty Association, and (b) the Canadian Union of Public Employees (CUPE), local 3902, unit 1, which represented the University's teaching assistants. She responded to members' questions.

THE BOARD RETURNED TO OPEN SESSION.

The meeting adjourned at 6:50 p.m.

Secretary

Chair

November 21, 2011