

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 144 OF
THE UNIVERSITY AFFAIRS BOARD

November 6, 2007

To the Governing Council,
University of Toronto.

Your Board reports that it met on Tuesday, November 6, 2007 at 4:30 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Dr. Claude Davis, In the Chair
Ms B. Elizabeth Vosburgh, Vice-Chair
Professor Jonathan Freedman, Vice-Provost,
Student Life

Ms Anne E. MacDonald,
Director, Ancillary Services

Dr. Louise Cowin
Miss Saswati Deb
Dr. Shari Graham Fell
Ms Kaila Folinsbee
Mr. Arya Ghadimi

Professor William Gough

Mr. Richard Hydal

Mr. Alexandru Rascanu

Mr. Tim Reid

Ms Rebecca Spagnolo

Ms Tian Tian

Mr. Jonathan Tsao

Dr. Sarita Verma

Non-Voting Assessors:

Mr. Louis R. Charpentier, Secretary of the
Governing Council

Mr. Jim Delaney, Director, Office of the Vice-
Provost, Students

Mr. Tom Nowers, Dean of Student Affairs,
University of Toronto at Scarborough

Ms Elizabeth Sisam, Assistant Vice-President,
Campus and Facilities Planning

Secretariat:

Mr. Henry Mulhall

Regrets:

Professor Varouj Aivazian

Ms Diana A.R. Ali

Mr. Robin Goodfellow

Professor Bruce Kidd

Mr. Chris McGrath

Ms Estefania Toledo

In Attendance:

Ms Catherine Riggall, Vice-President, Business Affairs

Ms Julia Coburn, Students Taking Action Now: Darfur (STAND) at U. of T.

Mr. Thomas Felix, Co-chair, Committee on Responsible Investment at the University of Toronto

Mr. Kenneth Lee, Students Taking Action Now: Darfur (STAND) at U. of T.

Ms Nancy Smart, Chief Returning Officer for Governing Council Elections

Ms Mae-Yu Tan, Assistant Secretary of the Governing Council

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ALL ITEMS ARE REPORTED FOR INFORMATION.

1. Chair's Welcome and Orientation Remarks

The Chair welcomed members, assessors and guests to the first meeting of the Board for the 2007-08 governance year. He noted that members had received an agenda package of documentation mailed out a week in advance of the meeting. Included as the first item in the package was detailed orientation documentation which outlined the role of members as fiduciaries, or trustees within the University's governance system. If members had questions that were not addressed by the orientation documentation, they could direct them to the Secretary, to him, or to any member with more extensive governance experience. In lieu of repeating the detailed information contained in the documentation, the Chair would provide a general overview of the Board and its work.

He informed the Board that it was one of three boards reporting directly to the Governing Council, the others being the Academic Board and the Business Board. Its specific area of responsibility was for the carriage of non-academic matters relating to campus and student life. The Board was seen by many as the governance body where the voice of students was expressed most clearly. It had several areas of responsibility within the ambit of the general heading of 'campus and student life', most notably, the various campus and student services, equity issues, oversight of elections to Governing Council, non-academic relations within the University community (including Campus Police and non-academic discipline), student societies and campus organizations, and fees charged for the operation of services and for student societies.

The Board's membership for 2007-08 consisted of 27 members drawn from the various constituencies of the University: administrative staff, alumni, government appointees, students, and teaching staff. It included both a majority of members of the Governing Council (so that the Board could approve items under delegated authority) and a majority of membership from within the University (i.e. students, staff and faculty). It would be led in its work by the Chair and Vice-Chair, as well as the two voting assessors who were members of the University administration and would present many items of business to the Board for consideration. The Board also had 9 non-voting assessors who were members of the administration with responsibilities for campus and student life.

The Board's main functions were: to approve fees for student societies; to approve operating plans and mandatory fees for campus and student services; to review capital project plans for residences, parking and 'campus life' facilities and to concur with the Academic Board in recommending them to the Governing Council for approval; to approve Elections Guidelines; to approve bylaws and bylaw changes for incorporated student societies; and to receive reports for information. The receipt of reports was an important monitorial function that allowed the administration to communicate with the Board about many aspects of the student experience and campus life.

Finally, the Chair reminded members that they, as members of a governance body, had a responsibility to ensure that the University was managed well, but not to manage the University itself. That is, the Board oversaw the work of the administration to ensure that it was acting according to the policies and priorities that governance had approved. Members of the Board acted as fiduciaries, or trustees, in the best interests of the University as a whole, and not of any particular constituency or group. As a result, they had the responsibility to come to meetings prepared, to ask good questions, and to satisfy themselves that the administration was effectively meeting its mandate. Members were charged with the duty of acting as stewards for the institution, not just for the current year, but for the long term.

2. Report of the Previous Meeting

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Report Number 143 (May 29, 2007) was approved.

3. Business Arising from the Report of the Previous Meeting

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

4. Calendar of Business for 2007-08

The Chair noted that the Calendar of Business listed the items scheduled to come before the Board during the 2007-08 governance year. It changed regularly, for a variety of reasons, including the emergence of new priorities and issues. The most up to date version was posted on the Governing Council website.

5. Report on Approvals under Summer Executive Authority

The Chair noted that this was an annual report of any matters under the authority of the Board that had been approved on its behalf by the President and Chair of the Governing Council under summer executive authority, that is, since the last regular meeting of the Board during the previous governance year. There had been no approvals within the Board's terms of reference during the summer of 2007.

6. *Policy on Social and Political Issues With Respect to University Investment*

The Chair clarified that the Board was being asked to consider for approval only the revised single-page *Policy on Social and Political Issues With Respect to University Investment* (October 2007). The *Guidelines/Procedures for Responding to Social and Political Issues With Respect to University Investment* (October 2007) had been distributed for information only, and were not for approval. Developed by the administration, they could be amended from time to time without governance approval, provided they complied with the *Policy*.

Ms Riggall informed the Board that the existing Policy had been approved by the Governing Council in 1978, with minor revisions approved in 1994. To her knowledge, its procedures to allow members of the University community to express concern about University investments had been used only twice, both times during the previous year. Petitions and briefs had been received concerning the University's investments in corporations that produced or marketed tobacco products, and in corporations that conducted business in the Darfur region of Sudan. The existing procedures required the submission of a fully documented brief, with 300 signatures attached, identifying a social injury and requesting a course of action. In response, an Advisory Board of five members of the Governing Council was to be established, chaired by the President or another senior officer designated by the President. The Advisory Board would recommend to the President for or against the requested course of action. On July 10, 2007, the Acting President had written on behalf of the President to the Chair of the Governing Council expressing concern about this aspect of the Policy that put members of the Governing Council in the unusual position of generating a recommendation to the President that could be accepted or declined. After consultation with Governors and members of the senior administrative team, it had been decided that a review of the Policy was necessary, and that no further petitions would be considered until the review was complete.

Ms Riggall outlined the revisions that were being proposed. First, the statement in the Policy that "maximum economic return" should be the criterion for purchase and sale of stock in all normal

6. *Policy on Social and Political Issues With Respect to University Investment* (cont'd)

circumstances had been amended to read "maximizing economic return consistent with the University's stated risk tolerance". Second, where the 1978 Policy was a mix of policy and procedure, it was being

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proposed that these be separated. The intention was that the Policy, as a statement of principles, be relatively fixed, and that the procedures, as a separate document, could be amended by the administration as circumstances demanded. Third, the substantive change to the procedures was to replace the Advisory Board of 5 governors with a representative Investment Advisory Committee. It would be established by the President, would be chaired by a senior officer designated by the President, and would consist of people with appropriate expertise from among the teaching staff, students, administrative staff and alumni.

The Chair invited Mr. Thomas Felix, Co-Chair of the Committee on Responsible Investment to address the Board. Mr. Felix stated that a revision of the Policy was long overdue as the investment environment had changed dramatically since the 1970s. What had not changed was the need to ensure that the University's stakeholders, the faculty, staff, alumni and students, were represented on the bodies that would consider petitions concerning political and social issues with respect to the University's investments. Under the existing Policy, the Advisory Boards consisted of governors who were the elected representatives of these stakeholder groups. The proposed Policy would allow the President to appoint members to an Investment Advisory Committee who had not first been democratically elected. In contrast, such American universities such as Harvard, Columbia and Dartmouth had increased the representation of elected members on similar advisory bodies. Mr. Felix recommended the appointment of a permanent Investment Advisory Committee by the Governing Council rather than the President. He urged members of the Board to reject the proposed Policy in its current form.

The Chair invited Mr. Kenneth Lee of Students Taking Action Now: Darfur (STAND) at U. of T. to address the Board. Mr. Lee noted that his group had presented a petition in May 2007, under the existing Policy, that the University divest from corporations doing business in Darfur. He agreed that a revised Policy was warranted. However, he recommended that more substantial changes be implemented, specifically proactive screening for investments in companies that were complicit in the genocide in Darfur. This would be preferable to the existing situation where divestment decisions would only be made by the University retroactively in response to a petition from members of the University community. Mr. Lee recommended a targeted divestment model whereby the University would establish criteria to screen proactively for investments that caused social injury.

Ms Riggall stated that both the original and revised Policies were intended to provide a vehicle by which members of the University could express an opinion regarding the social and political aspects of the University's investments. There were often contradictory opinions on such issues, and the Policy was intended to provide the means to determine if a consensus of opinion existed within the University community. This had been the determination of the Advisory Board that had considered the petition for divestment from companies that produced and marketed tobacco products. In considering the petition for divestment from companies conducting business in Darfur, the Advisory Committee had found that there was a consensus of opinion condemning the events that were occurring in the region. However, it had also determined that the two companies in question were not significant investors in Darfur, and their actions did not meet the threshold of the definition of social injury in the Policy. Ms Riggall stated that the University needed to be cautious in considering investment screening devices. These were expensive to implement. In addition, it was not at all clear that there was a consensus of opinion on all the issues involved in socially responsible investing that would allow their establishment. Rather, the University had focused on issues such as the public disclosure of its investments, and the provision of information regarding proxy voting to those who requested it.

6. *Policy on Social and Political Issues With Respect to University Investment* (cont'd)

A member asked if there was a governance question to be considered with respect to whether the President or the Executive Committee should make the final decision concerning a specific investment under review. Ms Riggall responded that this had not been changed from the original Policy. The member asked what the original rationale had been for the President to make the the final decision. Ms

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Riggall responded that it likely reflected a time when the President was directly involved in making investment decisions. The member wondered whether the Executive Committee should make the final decision on the recommendation of the President given the responsibility of the Governing Council for the public perception of the University. He also asked whether it might be useful to consider some of the alternative models, mentioned by Mr. Felix, for the consideration of socially responsible investment issues at other universities. Ms Riggall noted that Yale University, which had a policy statement on socially responsible investing, had, unlike the University of Toronto, decided not to divest from tobacco companies.

With respect to the Investment Advisory Committees, a member stated that the concern articulated in the cover sheet about the potentially significant burden of work that could be placed on Governors by membership on such Committees was not a sufficient reason to remove them from the process. They should be involved in the consideration of such important issues. Ms Riggall noted that the burden was particularly heavy on the two administrative staff members of the Governing Council, one of whom had to serve on every Advisory Board under the existing Policy. The member also expressed concern that the procedures accompanying the policy could be amended by the administration without governance approval, provided they complied with the Policy. Such a judgment should be made by a review body that was separate from the administration. Finally, given that the Policy was entering governance through the University Affairs Board, it was its responsibility as the entry-level body to review it in detail before recommending it the Governing Council for approval.

A member stated that she shared these concerns regarding the authority given to the administration to amend the procedures without governance oversight. She was also concerned with the mechanism by which members would be appointed to the Investment Advisory Committee. More transparency and oversight was needed to ensure that conflicts of interest and undue influence were avoided. It was not sufficient to state that “appropriate expertise” would be the criterion for selection.

A member asked if the President’s recommendations for membership on the Investment Advisory Committees would be approved by the Governing Council, and if this were not the case, perhaps it should be considered as a way to allay the concerns that had been expressed. Ms Riggall stated that the proposal was for the President to make the appointments, as was the case with many other such bodies.

At the invitation of the Chair, the Secretary of the Governing Council commented generally on the policy development process at the University. The intention to separate policy from procedure was consistent with the direction that the Governing Council had taken in approving many recent policies. Some of the University’s older policies reflected a time when the Governing Council took a much more direct approach towards the management of the institution. As the University’s governance had evolved and the Governing Council’s monitorial role had been strengthened and clarified, more recent policies had been intended to state the broader principles that would guide the administration in fulfilling their delegated responsibilities. Reporting mechanisms were also incorporated into policies so that governance could monitor whether they were being appropriately implemented by the administration. In the Policy under consideration, the President would be required to report periodically on the work of the Investment Advisory Committees that had been established. Normal practice would be for those reports to include information on how the representative membership had been determined. In this context, it was not

6. *Policy on Social and Political Issues With Respect to University Investment* (cont’d)

uncommon for the Chair and Vice-Chair of the Governing Council, or the Executive Committee, to be consulted on the membership and mandate of bodies appointed by the administration under policy.

A member responded that much of what had been stated by the Secretary of the Governing Council might be implicitly understood, but needed to be stated more explicitly in the Policy. In particular, it should be stated that there would be consultation on the establishment of the membership of the Investment

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Advisory Committees so as to avoid the risk of perception of conflicts or undue influence. More detailed language was needed regarding oversight and checks and balance in the process.

A member commented that the principle of separating policy from procedures was a sound one, but that in this case it seemed to have been taken too far. It was a particular concern with this Policy, which dealt with issues that were highly political and that had the potential for considerable impact on the public reputation of the University. In some cases it was not sufficient for governance to receive reports after the fact, as opposed to being involved in issues from the outset. He had not received a satisfactory explanation from a governance perspective of why the President rather than the Governing Council or the Executive Committee should make the final decision with respect to a specific investment under review.

The Chair noted that over the course of the year the Board would receive many reports for information that would allow it to fulfill its monitorial and oversight role as outlined by the Secretary of the Governing Council.

A member asked for clarification regarding the process to be followed by the President once he had received a recommendation from an advisory board or Investment Advisory Committee. As she understood it, under both the existing and proposed policies he was required only to report to the Governing Council for information his decision to accept or reject the recommendation. The Governing Council's oversight role in this regard would not change under the proposed Policy. Ms Riggall confirmed that this was correct.

The Chair invited Ms Riggall to make a final comment. She stated that she had heard the concerns that had been expressed regarding the procedures, and that these would be taken under advisement. It might be possible to bring revised procedures back to the Board for information, but she would still recommend approval of the Policy.

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

It was duly moved and seconded

THAT the revised [Policy on Social and Political Issues With Respect to University Investment](#) be approved, replacing the existing Policy as passed on December 14, 1994.

The motion failed.

With the Chair's agreement, Professor Freedman recommended that the Policy be brought back to the Board at a later date with revised procedures that would address some of the concerns expressed during the debate. The Board agreed to do so, and the Chair suggested that it be brought back at the earliest date that the administration wished to do so.

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The Chair noted that the approval of minor editorial or updating amendments to the *Elections Guidelines* was delegated to the Board by the Governing Council. Major amendments were recommended to the Governing Council for approval. No such major amendments had been made to the *Guidelines* for 2008. He invited Mr. Arya Ghadimi, a member of both the Board and the Elections Committee, to comment briefly on the proposed changes. Mr. Ghadimi reported that the revisions included the following: references to the Faculties of Nursing and Social Work had been updated to reflect the namings that had occurred,¹ the School of Graduate Studies' definition of a "Graduate Student" had been adopted, and language had been revised in a few sections to enhance clarity.

A member noted that nominations for students required the signatures of 20 nominators, and recommended that this requirement be increased to 100 signatures. This would increase awareness of Governing Council elections among the student body, and would better reflect the much larger size of the student constituencies as compared to those for the teaching and administrative staffs. The Chief Returning Officer responded that an increase in the number of required nominators had not been considered by the Elections Committee. Such an increase might be problematic given the tight timelines of the nomination process, both for students to acquire the necessary signatures, and for the Chief Returning Officer to verify the eligibility of the nominators. The Elections Committee had discussed ways to increase student awareness of and participation in the elections process. To that end, all students would be sent an individual email announcing the 2008 elections with a link to a website containing the profiles of the student candidates. The member supported this initiative, and asked when the emails would be sent to students. The Chief Returning Officer responded that they would be sent in staggered batches during the window between the close of nominations and the beginning of the voting period.

A member noted the very small number of written communications that had been received in response to the invitation to provide input on the elections process. The Chief Returning Officer responded that this was a continuing concern, but that the number had more than doubled over the previous year. The Elections Committee hoped that increased awareness of the elections process would result in greater numbers of responses in coming years. In addition, the invitation for feedback would be issued during 2008 at the end of the elections process in the Spring, rather than the following Fall. It was hoped, given that the issues would be more current, that members of the University community would be more likely to provide input at that time of the year.

On a motion duly moved and seconded,

YOUR BOARD APPROVED

The [*Election Guidelines 2008*](#).

8. Reports of the Elections Committee

Members received for information the following reports of the Elections Committee:

- (a) Report Number 48 – September 19, 2007 (including the Report on Elections, 2007)
- (b) Report Number 49 – October 16, 2007

8. Reports of the Elections Committee (cont'd)

¹ The Factor-Inwentash Faculty of Social Work and the Lawrence S. Bloomberg Faculty of Nursing.

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On behalf of the Elections Committee, Mr. Ghadimi drew the attention of members to item 3 c) “Campaigning in Residences” on page 2 of Report 49. This item reported that the Deans of the University’s residences were preparing a joint statement that would address the issue of uniform access to residences for the purpose of campaigning, as that matter had been identified by the Committee as an area worthy of review. The statement would likely be available by the end of November, 2007, and, if approved by the Elections Committee, it would be appended to the *Election Guidelines 2008*.

9. Report of the Senior Assessor

Professor Freedman updated members on the development of two matters since the Board’s previous meeting on May 29, 2007.

The Association of Part-time Undergraduate Students (APUS) and the Graduate Students’ Union (GSU) had launched a legal challenge to the increase in compulsory student ancillary fees approved by the Board at its April 17, 2007 meeting. The challenge had raised two issues, the irregularity of the Council on Student Services (COSS) approval process, and whether the University had the option under the COSS Protocol to impose both a permanent and a temporary increase in the ancillary fees irrespective of the advice provided by COSS. Permanent fee increases consisted of the lesser of the consumer price index (CPI) increase or the University of Toronto index (UTI) increase, and temporary fee increases consisted of a three-year increase of the greater of the CPI increase or the UTI increase. On August 28, 2007, Madam Justice Beth Allen of the Superior Court of Justice had ruled in the University’s favour on both issues. Although there had been an irregularity in the COSS process, it had not nullified the outcome, and the irregularity had subsequently been validated by being ratified by the Board at its April 17, 2007 meeting. Further, the COSS Protocol listed both types of increases and did not include the word “or” so Justice Beth Allen ruled that the clear intent of the protocol was that the university could impose both increases if it chose to do so.

Professor Freedman reminded the Board that the former offices of Student Services and Student Affairs on the St. George campus had been undergoing a review over the course of the previous year. This process had involved an external reviewer as well as extensive internal consultation. As members were aware, the individual who had led the review, the former Deputy Provost and Vice-Provost, Students, Professor Dave Farrar had left the University on June 30, 2007 to become Vice-President, Academic and Provost at the University of British Columbia. Professor Freedman had been appointed Vice-Provost, Student Life and the reorganization recommended by the review had proceeded. The Family Care Office and the Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Resources and Programs had been transferred to the portfolio of the Vice-President, Human Resources and Equity. The office of the Vice-Provost, Students had been established. The remainder of the former offices of Student Services and Student Affairs had been combined into a single large group to be known tentatively as Student Affairs, the name most commonly used for such offices at other universities. Though a separate unit, Hart House would also be working collaboratively with this new Student Affairs group. Ms Lucy Fromowitz would assume the newly-created position of Assistant Vice-President, Student Life on January 1, 2008 and would take responsibility for both Student Affairs and Hart House. Finally, Mr. Jim Delaney had been appointed Director of the Office of the Vice-Provost, Students. In this role he would be responsible for policy on the University’s three campuses, for relations with student groups, for students in crisis, and for offenses under the Code of Student

9. Report of the Senior Assessor (cont’d)

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Conduct. Some existing staff from the former Student Affairs portfolio would also be transferred to the new Office of the Vice-Provost, Students. A member asked if the reorganization plan that had arisen from the review process would still be implemented. Professor Freedman responded that the changes that he had outlined had all arisen from the reorganization plan. The new Assistant Vice-President, Student Life would determine whether the remainder of the review recommendations would be implemented.

10. Date of the Next Meeting

The Chair informed members that the next regular meeting of the Board was scheduled for Tuesday, December 11, 2007 at 4:30 p.m.

11. Other Business

There was no other business to transact in open session.

On a motion duly moved and seconded,

The Board moved *in camera*.

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In Camera Session

12. Service Ancillaries Review Group: Appointment of University Affairs Board Members

On a motion duly moved and seconded,

YOUR BOARD APPROVED

THAT the following be appointed to the Service Ancillaries Review Group for 2007-2008:

Ms Diana Alli
Mr. Chris McGrath
Ms Tian Tian

13. Striking Committee: Appointment for 2007-08

On a motion duly moved and seconded,

YOUR BOARD APPROVED

THAT the following be appointed to the University Affairs Board Striking Committee for 2007-08:

Dr. Claude Davis (Chair, ex officio)
Miss Saswati Deb (student)
Dr. Shari Graham Fell (Lieutenant Governor in Council appointee)
Professor William Gough (teaching staff)
Ms Rebecca Spagnolo (administrative staff)
Ms B. Elizabeth Vosburgh (alumni)

14. Council on Student Services (COSS) – Chair: Appointment

On a motion duly moved and seconded,

YOUR BOARD APPROVED

THAT Mr. Robert Ramsay be appointed Chair of the Council on Student Services (COSS), effective immediately until April 30, 2008.

The Board returned to open session.

The meeting adjourned at 5:45 p.m.

Secretary

Chair

November 12, 2007