

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 206 OF THE BUSINESS BOARD

June 13, 2013

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, June 13, 2013 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Mr. W. John Switzer (Chair)	Ms Sheila Brown, Chief Financial Officer
Ms Shirley Hoy (Vice-Chair)	Mr. Paul Donoghue, Chief Administrative Officer, UTM
Professor Scott Mabury, Vice-President, University Operations	Ms Gail Milgrom, Assistant Vice-President, Campus and Facilities Planning
Professor Angela Hildyard, Vice-President, Human Resources & Equity	Mr. David Palmer, Vice-President, Advancement
Ms Alexis Archbold	Ms Christina Sass-Kortsak, Assistant Vice-President, Human Resources
Mr. Jeff Collins	
Mr. Ian Freedman	
Mr. Arthur Heinmaa	
Ms Paulette Kennedy	
Professor Michael R. Marrus	Ms Sheree Drummond, Secretary
Ms Catherine Riddell	
Mr. Peter Robinson	
Mr. Howard Shearer	
Ms Penny F. Somerville	
Professor Steven J. Thorpe	
Ms B. Elizabeth Vosburgh	

Regrets:

Ms Celina Rayonne Caesar-Chavannes	Mr. W. Keith Thomas
Ms Zabeen Hirji	Ms Rita Tsang
Mr. Gary P. Mooney	Ms Nana Zhou
Professor Andrea Sass-Kortsak	
Mr. Christopher Thatcher	

In Attendance:

Mr. Harvey Botting, Member-Elect of the Governing Council
Mr. Tad Brown, Senior Legal Counsel, Office of the Vice-President, Advancement and Office
of the Vice-President, University Operations
Ms Steve Moate, Senior Legal Counsel

REPORT NUMBER 206 OF THE BUSINESS BOARD – June 13, 2013

ALL ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

OPEN SESSION

MAIN THEME - AUDITED FINANCIAL STATEMENTS AND FINANCIAL REPORTS

The Chair welcomed members and guests to the meeting. He asked for members' agreement to add an item to the *in camera* portion of the meeting – Compensation for Professional, Managerial and Confidential Staff, and Advancement Professionals (PMCAPs). The Chair proposed that the new item be considered as the second to last item so that the Report of the Striking Committee would continue to be the last item. Members agreed.

1. Financial Statements

(a.) Audited Financial Statements for the Fiscal Year ended April 30, 2013

(b.) Highlights and Supplementary Financial Reporting, April 30, 2013

The Chair advised members that the financial statements were before the Board for consideration and recommendation to the Governing Council and that the remainder of the Financial Report was for information only. He informed members that the financial statements were reviewed in detail by the Audit Committee at its meeting the previous day (June 12, 2013). At the invitation of the Chair, Ms Paulette Kennedy, Chair of the Audit Committee, reported that Ms Sheila Brown and Mr. Pierre Piché had given a detailed presentation on the financial statements. She advised members that the Committee met with the external auditors, both with management present as well as without management, and that no concerns were raised. She said the statements had been delivered in a timely and accurate manner. The Committee had also reviewed the outstanding legal claims and had determined that there was nothing to draw to the attention of the Board.

At the invitation of the Chair, Ms Sheila Brown gave a brief presentation¹ to the Board. Ms Brown reminded members that the University had adopted the new accounting standards. She highlighted that while the new standards had resulted in a growth in net assets, as the University's land was now recognized at fair value and employee future benefits were included, this did not change anything for the University. While the numbers looked larger it did not mean that the University's position had changed.

In the discussion a member commented that the fact that all deadlines were met this year was particularly noteworthy given the change in the accounting standards. She congratulated the Finance team for all their efforts.

¹ <http://www.governingcouncil.utoronto.ca/AssetFactory.aspx?did=9867>

REPORT NUMBER 206 OF THE BUSINESS BOARD – June 13, 2013

Professor Mabury passed on President Naylor's thanks to members for their review of the statements and more generally for their service on the Board in 2012-13. President Naylor had indicated that he had the opportunity to study the statements in draft, and had reviewed them in person and in detail with the Chief Financial Officer and the Controller. The President advised the Board that he felt a high degree of confidence that the analyses in the financial statements were sound and that the presentation was faithful to the relevant facts.

On motion duly moved, seconded, and carried

YOUR BOARD APPROVED

THAT the University of Toronto audited financial statements for the fiscal year ended April 30, 2013 be approved.

2. External Auditors: Appointment for 2013-14

The Chair advised members that the appointment of the external auditor was coming forward on the recommendation of the Audit Committee. At the invitation of the Chair, Ms Paulette Kennedy reported on behalf of the Audit Committee that the Committee recommended that Ernst & Young LLP be re-appointed as the external auditors.

A member noted that there had been some concern expressed in recent years that there was a need to tender the audit as a matter of good governance. Ms Kennedy reminded members that at the January 2013 meeting of the Board she had reported that the Audit Committee had made the decision to proceed with a Request for Proposal (RFP) for the 2015 audited financial statements and that a recommendation would come forward from the Audit Committee next year. The Chair thanked Ms Kennedy and the members of the Audit Committee for their work.

On motion duly moved, seconded, and carried

YOUR BOARD APPROVED

- 1) THAT Ernst & Young LLP be re-appointed as external auditors of the University of Toronto for the fiscal year ending April 30, 2014;
- 2) THAT Ernst & Young LLP be re-appointed as external auditors of the University of Toronto pension plans for the fiscal year ending June 30, 2014.

3. Debt Policy Limit, Debt Allocations, Outstanding Debt Issued and Status of the Long Term Borrowing Pool to April 30, 2013

The Chair invited Ms Brown to speak to this item. Ms Brown indicated that the report had three components: an update on the total debt limit based on the financial results of April 30, 2013; the regular status report on debt based on financial results at April 30, 2013; and an update of the status of the long-term borrowing pool.

REPORT NUMBER 206 OF THE BUSINESS BOARD – June 13, 2013

There were no questions.

OTHER ITEMS

4. Reports of the Administrative Assessors

Professor Mabury reported on the recent activities with regard to the Back Campus Fields project. He advised members that at its meeting on June 12, 2013, Toronto City Council had voted 31-12 in support of the Pan Am Field Hockey Centre / Back Campus Fields Project at the University of Toronto, including the use of artificial turf at this location. Professor Mabury indicated that there were some amendments to the motion (including a request to conduct a formal independent, evidenced-based assessment of the project after 10 years to determine whether it has had any significant detrimental impacts) as well as a direction that the Chief Planner and Executive Director, City Planning report on the potential heritage designation of University College, the Front Campus and the Back Campus. Professor Mabury reflected positively on the high level of engagement on this issue by a large and diverse number of Councilors.

A member commented that he had supported the University's position on this matter throughout but that at times he felt that there had been some missteps. He indicated that he felt that had the current approach to capital projects² been taken with this project, the University would not have exposed itself to the charges of secrecy. Professor Mabury agreed that making the site, space plan and source of funds publicly available, but keeping the total project cost confidential until bids for the project are received and finalized, would avoid a similar situation in the future.

OPEN SESSION CONSENT AGENDA

On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

THAT the consent agenda be adopted.

5. Report of the Previous Meeting – Report Number 205 – May 6, 2013

6. Business Arising from the Report of the Previous Meeting

7. Report 107 of the Audit Committee – April 29, 2013

8. Report on Capital Projects as of May 31, 2013

9. Status Report on Debt to May 31, 2013

² [Governance Pathways for Capital Projects and Infrastructure Renewal Projects](#) (April 2013)

REPORT NUMBER 206 OF THE BUSINESS BOARD – June 13, 2013

CLOSING ADMINISTRATIVE ITEMS

10. Date of Next Meeting

The Chair reminded members that the Board's next regular meeting was scheduled for Monday, September 23, 2013 at 5:00 p.m. He noted that there would be an Orientation from 4:00 – 5:00 p.m.

The Chair also advised members that the Secretary would be sending an e-mail with a link to an on-line evaluation survey. He indicated that members' views were very welcome and would be given serious consideration.

The Chair thanked all members for their service this past year and offered a special thanks to members who were concluding their terms on the Board:

- Ms Alexis Archbold
- Ms Celina Rayonne Caesar-Chavannes
- Professor Michael Marrus
- Ms Andrea Sass-Kortsak
- Ms Penny Somerville
- Professor Steven Thorpe
- Ms Nana Zhou

He also thanked Ms Shirley Hoy, the Board's Vice-Chair, for stepping into the Chair when needed over the course of the year, and for her invaluable contributions as a member of the agenda planning group.

Finally, on behalf of members, he thanked the Board's assessors for their contributions to the Board and for everything that they did for the University.

Professor Angela Hildyard announced to the Board that this would be Ms Christina Sass-Kortsak's last meeting. Ms Sass-Kortsak, Assistant Vice-President, Human Resources and Non-Voting Assessor to the Board, had accepted a position at Ryerson University as Assistant Vice-President, Human Resources effective July 12, 2013. Professor Hildyard reflected on the significant contributions that Ms Sass-Kortsak had made, including, but not limited to, the development of new policies for Confidential, Professional & Managerial Staff and Research Associates; the introduction of succession planning programs; the move to on-line recruitment; the implementation of a number of key recommendations from the Deloitte HR Review; the launch of a new HR & Equity website and supporting the USW job evaluation system implementation. The Chair offered the Board's thanks and congratulations. Members applauded Ms Sass-Kortsak.

CLOSED SESSION / IN CAMERA ITEMS

The Board moved *in camera*.

REPORT NUMBER 206 OF THE BUSINESS BOARD – June 13, 2013

11. Quarterly Report on Gifts and Pledges over \$250,000, February 1, 2013 to May 31, 2013

12. Capital Projects

a. Ramsay Wright Building Teaching Laboratories Upgrades - Execution of the Project

On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

The recommendation regarding the Ramsay Wright Building Teaching Laboratories Upgrades – Execution of the Project contained in the memorandum from Professor Scott Mabury, Vice-President, University Operations, dated May 31, 2013.

b. Students Common located at 230 College Street - Execution of the Project

On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

The recommendation regarding the Student Commons located at 230 College Street – Execution of the Project contained in the memorandum from Professor Scott Mabury, Vice-President, University Operations, dated May 31, 2013.

13. In Camera Reports of the Administrative Assessors

14. Compensation for Professional, Managerial and Confidential Staff, and Advancement Professionals (PMCAPs)

On a motion duly moved, seconded, and carried with two abstentions

YOUR BOARD APPROVED

THAT the Business Board approve the implementation of the 2013-14 Compensation Plan for PMCAPs, along with the proposed financial offset.

15. Report of the Striking Committee: Co-opted Membership of the Business Board and the Audit Committee for 2013-14

On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

(a.) THAT Ms Rosanne Lopers-Sweetman be appointed to the Business Board for a one-year term from July 1, 2013 to June 30, 2014; and

REPORT NUMBER 206 OF THE BUSINESS BOARD – June 13, 2013

(b.) THAT Mr. Gary Goldberg and Mr. William E. Hewitt be appointed to the Business Board for three-year terms from July 1, 2013 to June 30, 2016.

(c.) THAT the following be appointed as co-opted members of the Audit Committee for one-year terms from July 1, 2013 to June 30, 2014:

Ms Kathryn A. Jenkins
Mr. Peter Robinson
Ms Penelope Somerville
Mr. Chris Thatcher

(d.) THAT Ms Paulette Kennedy be appointed Chair of the Audit Committee and Ms Penny Somerville Vice-Chair of the Audit Committee for one-year terms from July 1, 2013 to June 30, 2014.

The Board returned to open session.

The Chair thanked members for their attendance and participation in the Board meeting and offered his best wishes for the summer.

The meeting adjourned at 6:55 p.m.

Secretary

Chair

June 24, 2013