



THE GOVERNING COUNCIL

BUSINESS BOARD

Thursday, June 17, 2004 at 5:00 p.m.

Council Chamber, Simcoe Hall

(Cover)

AGENDA

1. **Report of the Previous Meeting - [Report Number 134 - May 3, 2004](#)***
2. **Business Arising from the Reports of Previous Meetings**
 - (a) **Report 133, Item 4 – Tuition Fee Schedule for Publicly Funded Programs, 2004-05: Report on Fundraising for Financial Support for International Students** (oral report)
 - (b) **Report 134 - Any items**
3. **Human Resources:**
 - (a) **[Professionals and Managers: Salary Increase for 2004-05](#)***

Be It Resolved

THAT the salary increases for Professionals and Managers, Confidentials, and English-as-a-Second-Language Instructors, as proposed in Professor Hildyard's June 9, 2004 memorandum to the Business Board, be approved.
 - (b) **Canadian Auto Workers, Local 2003: Agreement for 2004-06** (oral report for information)
4. **[Health and Safety: Annual Report, 2003](#)***

5. **Financial Statements** (arising from the meeting of the Audit Committee – June 16, 2004)***

(a) **Audited Financial Statements**

Be It Recommended to the Governing Council

THAT the University of Toronto audited financial statements for the fiscal year ended April 30, 2004 be approved.

(b) **Financial Highlights and Supplementary Financial Report, April 30, 2004** (for information)

6. **External Auditors: Appointment for 2004-05** (arising from the meeting of the Audit Committee – June 16, 2004)***

Be It Recommended to the Governing Council

THAT the recommendations of the Audit Committee for the appointment of external auditors be approved.

7. **Capital Project and Property Matters:**

(a) **Capital Projects Report** (for information)****

(b) **Long-Term Borrowing Pool: Status Report** (for information)*

(c) **Borrowing Strategy***

Be It Recommended to the Governing Council

1. THAT the borrowing strategy as described in Ms Riggall's June 8, 2004 memorandum to the Business Board, be approved.
2. THAT the University be authorized to borrow such amount, not exceeding \$150 million, as may be determined by the senior officer of the University responsible for financial matters, as so designated by the President, in addition to the \$160 million approved by the Business Board on January 15, 2001 and the \$200 million approved by the governing Council on June 26, 2003;
3. THAT such senior officer responsible for financial matters be authorized to determine, in consultation with the University's financial advisor, the most appropriate financing structure for this borrowing, including without limitation, by way of private debt placement, a public

7. Capital Project and Property Matters (Cont'd)**(c) Borrowing Strategy (Cont'd)**

debenture issue, syndicated bank financing, or securitization and to negotiate, approve and execute and deliver for and on behalf of and in the name of the University, all agreements, documents, certificates and instruments, including without limitation any underwriting or agency agreement and any offering document, and to take all such other actions as such officer may determine to be necessary or desirable to give effect to such financing and offering of debt securities, the execution and delivery of any such agreements, documents, certificates or instruments, and the taking of such actions being conclusive evidence of such determination;

4. THAT such senior officer responsible for financial matters is further authorized to authorize any other officer of the University to execute and deliver, for and on behalf of and in the name of the University, such certificates, documents and instruments as may be contemplated by the principal agreements entered into with respect to such debt offering or as may be required in connection with the closing of the offering of debt securities authorized hereby;
5. THAT the borrowed funds be added to the Long-Term Borrowing Pool and invested by University of Toronto Asset Management Corporation until the funds are required for each project;
6. THAT the senior officer of the University responsible for financial matters be authorized to allocate borrowing as internal financing for spending that has been approved by the Business Board or is within the approval authority of the administration;
7. THAT principal and interest repayments related to debenture borrowing be placed in the Long-Term Borrowing Pool, or other sinking fund mechanism, and, together with investment income, be used to pay periodic interest payments to lenders, to pay issue and ongoing administrative costs, with the expectation that the net sum from these additions and draw downs will be sufficient to repay the bullet debentures at maturity.
8. THAT the senior officer of the University responsible for financial matters report periodically to the Business Board on the status of the Long-Term Borrowing Pool.

7. Capital Project and Property Matters (Cont'd)

Consideration of items 7 (d) – 7(h) is subject to the Board's adopting the recommendation in 7(c) above, "Borrowing Strategy."

(d) Varsity Stadium: Authority to Enter Into a Non-Binding Letter of Intent*

Be It Resolved

Subject to Governing Council approval of the proposed Borrowing Strategy,

THAT the Interim Vice President, Business Affairs is authorized to negotiate and enter into a non-binding Letter of Intent that:

- (i) describes the basic points of the understanding between the University and the Toronto Argonauts, which will be essentially consistent with Ms Riggall's memorandum to the Business Board of June 3, 2004 on the subject of the Varsity Stadium Project;
- (ii) confirms that any interim expenses, incurred to do the preliminary design and related studies and for any rezoning applications and other necessary preliminary work, will be paid by the Toronto Argonauts, on the understanding that these will form part of the project costs if the project is to proceed; and
- (iii) includes other terms as may be necessary to protect the interests of the University.

(e) 155 College Street: Design Fees*

Be It Resolved

Subject to Governing Council approval of the Project and of the proposed Borrowing Strategy,

THAT the Vice-President, Business Affairs be authorized:

- (i) to arrange for design work for the project to renovate 155 College Street at a cost not to exceed \$1,300,000 with financing to be repaid from the University of Toronto operating budget, and
- (ii) to arrange such interim and long-term financing as required from either internal or external sources.

7. Capital Project and Property Matters (Cont'd)

(f) Downsview Library Storage Facility

Be It Resolved

Subject to Governing Council approval of the proposed Borrowing Strategy,

THAT the Vice-President, Business Affairs be authorized:

- (i) to execute the Library Storage Facility Project (Phase I) on the Downsview Campus at a cost not to exceed \$6,000,000 with full funding of the cost from the University's operating budget (i.e. the University Infrastructure Investment Fund), and
- (ii) to arrange such interim and long-term financing as required from either internal or external sources.

(g) University of Toronto at Mississauga Residences, Phase 8

Be It Resolved

Subject to Governing Council approval of (i) the Academic Board's recommendation for allocation of funding for the project, and of (ii) the proposed Borrowing Strategy,

THAT the Vice-President, Business Affairs be authorized:

- (i) to execute the University of Toronto at Mississauga Residence Phase 8 project at a cost not to exceed \$26,215,000, funded by a mortgage loan in the amount of \$26,215,000 to be amortized over a period of 25 years with payments from residence revenues and the University of Toronto at Mississauga residence ancillary operation; and
- (ii) to arrange such interim and long-term financing as required from either internal or external sources.

7. **Capital Project and Property Matters (Cont'd)**

(h) **Economics Building: Phase 1 – Increased Appropriation**

Be It Resolved

Subject to Governing Council approval of the proposed Borrowing Strategy,

THAT the Vice-President – Business Affairs be authorized:

- (i) to execute the revised Phase 1 of the Department of Economics Building Expansion Project at a cost not to exceed \$7,818,132 with the funding sources to be a mortgage to be amortized over a period of 25 years in the amount of \$6,000,000 with payments forthcoming from the Faculty of Arts and Science and a cash contribution of \$1,818,132 to be made by the Faculty of Arts and Science at project completion; and
 - (ii) to arrange such interim and long-term financing as required from either internal or external sources.
- (i) **Sunnybrook Health Sciences Centre – Revised Master Plan** (for information)*
- (j) **Design Review Committee: Annual Report** (for information)*

8. **Other Items for Approval (Consent Agenda Items)**

Be It Resolved

(a) **University of Toronto Asset Management Corporation: By-Law Amendment***

THAT the following amendment to By-Law Number 1 of the University of Toronto Asset Management Corporation be approved:

THAT clause 3, “Board of Directors,” be amended to read as follows:

The number of directors of the Corporation is hereby increased from ten to eleven (including three ex officio directors as hereinafter provided), and the affairs of the Corporation shall hereafter be managed by a board of eleven directors, each of whom at the time of his or her election or within ten days thereafter and throughout his or her term of office shall be a voting member of the Corporation.

8. Other Items for Approval (Consent Agenda Items, Cont'd)

- (b) *Investments: Performance Benchmarks – Proposed Revisions to Schedule “C” of the Service Agreement with the University of Toronto Asset Management Corporation* *

THAT the proposed revised Schedule “C” to the Amended and Restated Service and UTAM Personnel Agreement between the Governing Council of the University of Toronto and the University of Toronto Asset Management Corporation made as of the 14th day of May, 2003, containing performance benchmarks against market indices and peer universes, target returns for the Expendable Funds Investment Pool and the Foreign Exchange hedge ratios, a copy of which is attached to Ms Riggall’s memorandum of June 4, 2004, be approved on behalf of the Governing Council.

- (c) *Administrative User Fees and Fines, 2004-05 – Additions to the Schedule**

THAT the proposed application fees for non-Ontario applicants (a) to the Faculty of Applied Science and Engineering and (b) to the Commerce program be added to the Administrative User Fee Schedule.

- (d) *Property: Huron Sussex Demonstration Project*****

9. Other Reports for Information (Consent Agenda Reports)

- (a) **Report Number 72 of the Audit Committee - May 19, 2004***
- (b) *Risk Management and Insurance: Annual Report, 2003-04**
- (c) **Quarterly Report on Donations of \$250,000 or More, February 1 – May 31, 2004*****

10. Reports of the Administrative Assessors (oral reports for information)**11. Date of Next Meeting - Monday, October 4, 2004****12. Other Business**

*Pursuant to section 33 of By-Law Number 2,
consideration of items 13 and 14 will begin in camera.*

13. Closed Session Reports

**14. Report of the Striking Committee: Co-opted Membership of
the Business Board and the Audit Committee for 2004-05*****

* Documentation attached.

** Documentation distributed previously.

*** Confidential documentation attached for members only. The Financial Report, the Supplementary Financial Report and the recommendation to appoint auditors are confidential until the financial statements and the appointment of auditors have been recommended for approval by the Audit Committee. Following the meeting of the Audit Committee, the documents will be made public.

The "Public-Sector Salary Disclosure" document, containing a record of employees whose 2003 salaries and benefits exceeded \$100,000, is a formal part of the financial statements and will be included in the official printed version. This document may be consulted on the world-wide web at:

<http://www.library.utoronto.ca/utstaff/2003/>

It has not been included in the attached package. Members who wish to have a paper copy are invited to get in touch with the Board's Secretary, Mr. Neil Dobbs at 416-978-8425, or e-mail neil.dobbs@utoronto.ca.

The proposals for the appointment of auditors also remain confidential until they have been recommended for approval by the Audit Committee.

The Report of the Striking Committee must remain confidential. The names of co-opted members will become public with the release of the Board's Report.

**** Documentation to follow.

N.B. With respect to items 8 and 9, the consent agenda items entitled "Other Items for Approval" and "Other Reports for Information":

- Members with questions about the items are invited to telephone the contact person shown on the green sheet. Members with questions arising from the Report of the Audit Committee are invited to call Ms Sheila Brown, Acting Chief Financial Officer at 416-978-2065.
- Members with concerns who would like an item to be considered individually by the Board are invited to notify the Secretary, Mr. Neil Dobbs, as soon as possible at 416-978-8425, or e-mail neil.dobbs@utoronto.ca.