



THE GOVERNING COUNCIL

**BUSINESS BOARD**

**Thursday, June 19, 2003 at 5:00 p.m.**

Council Chamber, Simcoe Hall

---

(Cover)  
**AGENDA**

1. **Report of the Previous Meeting - [Report Number 126 - May 5, 2003](#)**
2. **Business Arising from the Report of the Previous Meeting**
3. **Financial Statements** (arising from the meeting of the Audit Committee – June 18, 2003)([Cover](#))([Item 1](#))([Item 2](#))
  - (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, 2003 be approved.
  - (b) **Financial Highlights and Supplementary Financial Report, April 30, 2003** (for information)
4. **[Appointment of External Auditors for 2003-04](#)** (arising from the meeting of the Audit Committee – June 18, 2003)

Be It Recommended to the Governing Council

THAT the recommendation of the Audit Committee concerning the appointment of external auditors be approved.

5. **Investments: Long-Term Capital Appreciation Pool Performance Benchmarks – Interim Report** (for information)
  
6. **Capital Projects:**
  - (a) **Capital Borrowing for Current Capital Plan and Other Requirements**

Be It Recommended to the Governing Council

    - (i) THAT the senior officer of the University responsible for financial matters, as so designated by the President, be authorized to borrow up to \$200 million, in addition to the \$160 million approved by the Business Board on January 15, 2001, and 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 debenture issue, syndicated bank financing, or securitization;
    - (ii) THAT the borrowed funds be added to the Long-Term Borrowing Pool;
    - (iii) THAT an investment strategy be developed, in consultation with the University of Toronto Asset Management Corporation to invest the borrowed funds until the funds are required for each project;
    - (iv) 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; and
    - (v) 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.

6. Capital Projects (Cont'd)

(b) Centre for Cellular and Biomolecular Research

Be It Resolved

THAT the Vice-President, Business Affairs be authorized:

- (i) to execute the proposed Centre for Cellular and Biomolecular Research project at a cost not to exceed \$87,600,000 with funding as follows:

a. Project:

• Canada Foundation for Innovation	\$29.2 million
• Ontario Innovation Trust	\$30.0
• University Infrastructure Investment Fund	\$ 2.8
• Investment Income	\$ 0.5
• I'Anson Fund	\$ 2.0
• Terrence Donnelly Donation	\$ 5.0
• Fundraising	<u>\$14.1</u>
	<b>\$83.6 million</b>

b. Equipment:

• Canada Foundation for Innovation	\$ 1.6 million
• U of T McLaughlin / Ontario Innovation Trust	<u>\$ 2.4</u>
	<b><u>\$ 4.0 million</u></b>

Total Project Cost = **\$87.6 million**

and

- (ii) to arrange such interim and long-term financing as required.

6. Capital Projects (Cont'd)

(c) University of Toronto at Mississauga: Wellness Centre –Design Fees

Be It Resolved

Subject to Governing Council approval of the project,

THAT the Vice-President, Business Affairs be authorized to expend up to \$500,000 for design fees for the Wellness Centre at UTM from funding for the full project, as follows:

- (a) a capped contribution of \$7,000,000 from the University of Toronto for the 50 cent match on each dollar raised through the student levy support;
- (b) a one-time-only contribution of \$1,000,000 from the University of Toronto at Mississauga;
- (c) a \$500,000 contribution to be secured from fund raising at the University of Toronto at Mississauga; and
- (d) a mortgage to be amortized over a period of approximately 25 years for \$16,000,000, with payments forthcoming from the planned student levy income. Student levy income will continue until such time as the mortgage is fully paid.

(d) Faculty of Arts and Science, Sidney Smith Hall – Student Space

Be It Resolved

Subject to Governing Council approval of the project,

THAT the Vice-President, Business Affairs be authorized:

- (i) to execute the proposed enclosure of the overhang area on the east and west sides of the Sidney Smith Hall patio at a cost not to exceed \$3,300,000, with full funding to be provided by enrolment growth funds; and
- (ii) to arrange such interim and long-term financing as required.

**6. Capital Projects (Cont'd)**

(e) **University College Residence - Revised Project**

Be It Resolved

Subject to Governing Council approval of the revised project,

THAT the Vice-President, Business Affairs be authorized:

- (i) to execute the revised University College Residence project at a cost not to exceed \$24,040,000 with the funding sources as follows:
  - \$2,500,000 externally secured contribution,
  - An additional \$7,500,000 to be secured from additional external fund-raising by University College,
  - \$1,485,000 contribution from the University College residence ancillary,
  - \$800,000 contribution provided by the University College food service ancillary,
  - \$50,000 allocation from the University Infrastructure Investment Fund in support of space for the Drama Program, and
  - A mortgage to be amortized over a period of 25 years in the amount of \$11,705,000 with payments forthcoming from residence revenues and the University College ancillary; and
- (ii) to arrange such interim and long-term financing as required, from either internal or external sources.

(f) **Leslie L. Dan Pharmacy Building – Site Work, Excavation and Shoring**

Be It Resolved

THAT the Vice-President, Business Affairs be authorized to expend up to an additional \$3.0 million to complete the site service relocation, excavation and shoring work for the Leslie L. Dan Pharmacy Building.

**7. Health and Safety: Asbestos Control Policy(Cover)(Item)**

Be It Recommended to the Governing Council

THAT the proposed Asbestos Control Policy be approved.

8. **Report of the Senior Salary Committee** (for information)
9. **Other Reports for Information:**
  - (a) **Risk Management and Insurance: Annual Report, 2002-03**
  - (b) **Report Number 68 of the Audit Committee - May 21, 2003**
  - (c) **Quarterly Report on Donations of \$250,000 or More**
10. **Reports of the Administrative Assessors** (oral reports for information)
11. **Date of Next Meeting – Monday, September 29, 2003**
12. **Other Business**

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

13. **Report of the Striking Committee: Co-opted Membership of the Business Board and the Audit Committee for 2003-04**
14. **Salary and Benefits: Agreement with the University of Toronto Faculty Association for Interim Salary Arrangements for 2003-04**

THAT faculty members and academic librarians be awarded an across-the-board increase of 2.25%, plus merit as determined through the “progress through the ranks” process, effective July 1, 2003.

15. **Closed Session Reports**

- 
- \* Documentation attached.
  - \*\* Documentation distributed previously.
  - \*\*\* Confidential documentation attached for members only. The financial statements and the supplementary report are confidential until the statements have been recommended for approval by the Audit Committee. Following the meeting of the Audit Committee, the financial statements

and the supplementary report will be made public.

The "Public-Sector Salary Disclosure" document, containing a record of employees whose 2002 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/2002/>

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](mailto: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.

**N.B.** With respect to item 9, the consent agenda item entitled "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, as appropriate, either Ms Sheila Brown, Acting Chief Financial Officer at 416-978-2965 or Mr. Mark Britt, Director of Internal Audit at 416-978-6660.
- 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](mailto:neil.dobbs@utoronto.ca).