

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL

Thursday, February 24, 2005

MINUTES OF THE GOVERNING COUNCIL special meeting held on
Thursday, February 24, 2005 at 8:30 a.m. in the Council Chamber, Simcoe Hall.

Present:

Ms Rose M. Patten (In the Chair)
Mr. John F. (Jack) Petch (Vice-Chair)
Dr. Robert M. Bennett
Professor Pamela Catton
Mr. P.C. Choo
Professor Brian Corman
Mr. Brian Davis
Professor Vivek Goel
Dr. Gerald Halbert
Dr. Joel A. Kirsh
Ms Françoise Dulcinea Ko
Mr. Ari David Kopolovic
Dr. John P. Nestor
Ms Jacqueline C. Orange

Mr. Timothy Reid
Professor Barbara Sherwood Lollar
Mr. Stephen C. Smith
Miss Maureen J. Somerville
Ms Oriel Varga
Mr. Robert S. Weiss

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

Secretariat:

Mr. Neil Dobbs
Ms Cristina Oke

Absent:

Ms Holly Andrews-Taylor
Professor Mary Beattie
Professor Philip H. Byer
Dr. John R. G. Challis
Mr. Shaun Chen
Professor W. Raymond Cummins
Dr. Claude S. Davis
The Honourable William G. Davis
Dr. Alice Dong
Ms Susan Eng
Dr. Shari Graham Fell
Dr. Paul V. Godfrey
The Honourable Frank Iacobucci
Ms Shaila R. Kibria

Mr. Joseph Mapa
Professor Michael R. Marrus
Professor Ian R. McDonald
Mr. George E. Myhal
Mr. Stefan A. Neata
Mr. Richard Nunn
The Honourable David R. Peterson
Mr. Andrew Pinto
The Honourable Vivienne Poy
Ms Marvi H. Ricker
Professor Arthur S. Ripstein
Professor Jake J. Thiessen
Professor John Wedge
Mr. W. David Wilson

In Attendance:

Ms Catherine Riggall, Vice-President, Business Affairs
Mr. Andrew Drummond, Assistant Secretary of the Governing Council
Professor Peter Lewis, Vice-Dean, Research, Faculty of Medicine
Ms Margaret McKone, Administrative Manager, Office of the Governing Council
Mr. Brian Szuberwood, Senior Project Manager, Capital Projects
Professor Ronald Venter, Vice-Provost, Space and Facilities Planning
Mr. Nick Zouravlioff, Director, Project Management

1. Chair's Remarks

(a) Welcome

The Chair welcomed members and guests to the meeting.

(b) Audio web-cast

The Chair reminded members that the meeting was being broadcast on the web.

(c) Purpose of Special Meeting

The Chair reminded members that the purpose of the special meeting was to consider the recommendation for approval of the Project Planning Report for 155 College Street to enable the mechanical and electrical infrastructure contracts to be signed and work begun to complete the building for the required September 1, 2005 occupancy.

2. Capital Project: Centre for Health Improvement and System Performance (CHISP), 155 College Street – Project Planning Report

Professor Corman reported that members of the Academic Board had been informed that, at the time of the approval of the project in May, the estimated project cost had been \$24.1 million. Exploratory design work undertaken over the summer had identified problems that had resulted in an expanded project scope and a revised estimated project cost of \$28.1 million.

At the Planning and Budget Committee meeting, questions had been raised concerning the status of the parking facility and the basis on which contingency amounts were decided. Mr. Bisanti had informed Committee members that the demolition of the parking facility had been an Accommodations and Facilities Directorate (AFD) project, which had been completed. The lot was now paved, and would be landscaped. Professor Goel had noted that the site at 256 McCaul, including the adjoining parking lot, was the largest open site on the campus after the Varsity site. With respect to the determination of contingency amounts, members had been informed by Mr. Bisanti that amounts set aside for contingencies were based on past experience and general industry practice.

At the Academic Board, a member had asked whether student space was included in this capital project. Professor Venter had replied that he could not provide the detailed numbers at that time, but would be pleased to make available to the member the complete details of the proposed space program for the project.

Ms Orange informed members that the Business Board had agreed that upgrading the mechanical and electrical equipment and wiring at this time would be money well spent. It would avoid the need for more expensive and disruptive work a very few years down the road. The Board was comforted to know that the current cost estimate was a firm one. A substantial amount of work had already been completed, and the condition of the building was now well known. In addition, the project cost included a provision for inflation. The additional cost would come from operating funds, placing no further strain on the University's borrowing, and repayment, capacity.

The Business Board, at its meeting of January 17th, had approved the execution of this project, subject to Governing Council approval.

2. Capital Project: Centre for Health Improvement and System Performance (CHISP), 155 College Street – Project Planning Report (cont'd)

A member requested information about the amount of student space included in the capital project. Professor Venter replied that the amount of student space in the project plan for 155 College included 400 net assignable square metres (nasm) in the space to be occupied by the Faculty of Nursing; 286 nasm in the space to be occupied by the Department of Health Policy, Management and Evaluation (HPME); 94 nasm in the space to be occupied by the Department of Public Health Sciences (PHS); and 260 nasm of common student space. Professor Goel added that this represented an increase in student space, since the units currently lacked graduate student space.

A member expressed his concern about the cost of the project, and requested that benchmarks of construction costs, such as the cost per square metre, be provided to members to assist them in their consideration of capital projects. Ms Riggall replied that a report on expense benchmarks was being prepared for consideration of the Business Board at its May 2, 2005 meeting. Professor Goel added that construction and renovation costs on the St. George campus were higher than comparable costs on other campuses because of site constraints and the age of the buildings. The member reaffirmed the importance of identifying all costs at the time of the purchase of property by the University. He also requested an update on the status of possible government funding for the capital project at 155 College Street. Professor Goel replied that obtaining government funding for this capital project was a top priority for the University. The Postsecondary Review Report (Rae Report) had recommended increased funding for capital needs and for clinical education, and the University would be advocating for the implementation of all the Report's recommendations.

A member commented that a number of projects involving the University were transforming health sciences education in Canada. These included the Medical and Related Sciences (MaRS) Discovery District, the Terrence Donnelly Centre for Cellular and Bio-Molecular Research (CCBR), and the Leslie Dan Faculty of Pharmacy building.

A member asked whether naming opportunities for the 155 College project were being sought. Professor Goel replied that 155 College was a top advancement priority for the Faculty of Medicine and the Faculty of Nursing. The member also asked what impact the \$24 million cost would have on the University's capital funds. Ms Riggall replied that the debt position established in June 2004 included this \$24 million expenditure.

A member asked what percentage of the Provost's funds for infrastructure was represented by the \$4 million allocation to this project. Professor Goel replied that the fund totaled \$6 million. It was important to complete the infrastructure upgrades to 155 College Street at this time, rather than to delay the upgrades to a later date at an additional cost. The member asked whether the remaining \$2 million had been targeted. Professor Goel replied that there were a number of projects under consideration.

A member noted that the total of the identified funding sources was \$28.14 million, but the Business Board had approved execution of the project at a cost of \$28 million. He asked whether this discrepancy would pose any problems. Ms Riggall replied that the Vice-President, Business Affairs was authorized to approve overages up to 10% of the total project cost. Any such approval would be reported to governance.

A member identified several references to student space in the Project Planning Report document and questioned the discrepancy among them. Professor Goel explained that calculations for student space were based on the number of students in a Department. However, since many graduate students in HPME and PHS were located in hospitals,

2. Capital Project: Centre for Health Improvement and System Performance (CHISP), 155 College Street – Project Planning Report (cont'd)

less space was being allocated to students in those departments. By co-locating the three units in one location, space for students that did not currently exist had been created, including common space that would enhance the student experience.

A member asked if there would be enough parking available, since the parking garage had been demolished. Ms Riggall replied that there was a surplus of parking available on the St. George campus. Professor Goel added that there were municipal restrictions on the amount of parking on the St. George campus.

A member asked what safety measures would be taken during the removal of asbestos from 155 College. Ms Riggall replied that, given the scale of the removal, the work would be contracted out and would be fully in compliance with existing labour regulations.

A member commented on the amount of detail on the academic priorities of the 155 College project that was contained in the Project Planning Report, and suggested that such information be highlighted more prominently in future. In his view, the project represented excellent value for the University.

On motion duly moved and seconded,

It was RESOLVED

1. THAT the expanded scope for the Center for Health Improvement & System Performance [CHISP] project at 155 College Street to address the additional infrastructure needs, a copy of which is attached to Report Number 133 of the Academic Board as Appendix "D", be approved in principle;
2. THAT the objective of addressing the infrastructure and deferred maintenance needs of the building be approved in principle;
3. THAT the funding for the project be approved at an estimated total project cost of between \$28,000,00 and \$28,140,000 from the following sources:
 - (i) \$11,192,000 to be financed by an internal loan (mortgage), amortized over twenty years, to be repaid from the operating budget of the Faculty of Medicine, and
 - (ii) \$12,947,000 to be financed by an internal loan (mortgage), amortized over twenty years, to be repaid from the operating budget of the Faculty of Nursing, and
 - (iii) \$4,000,000 from the one-time-only fund identified in the 2004-05 operating budget of the Office of the Provost for academic projects seriously restricted by shortcomings in infrastructure and deferred maintenance.

The meeting adjourned at 9:00 a.m.

Secretary

Chair

March 3, 2005