

UNIVERSITY OF TORONTO  
THE GOVERNING COUNCIL  
**REPORT NUMBER 189 OF THE BUSINESS BOARD**

**May 4, 2011**

To the Governing Council,  
University of Toronto.

Your Board reports that it met on Wednesday, May 4, 2011 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Mr. W. David Wilson (In the Chair)	Professor Arthur S. Ripstein
Ms Shirley Hoy, Vice-Chair	Ms Penny Somerville
Ms Catherine J. Riggall, Vice- President, Business Affairs	Mr. Olivier Sorin
Professor Angela Hildyard, Vice-President, Human Resources and Equity	Ms B. Elizabeth Vosburgh
Mr. Jeff Collins	Professor R. Paul Young, Vice-President, Research
Mr. William Crothers	Professor Scott Mabury, Vice-Provost, Academic Operations
Ms Mary Anne Elliott*	Ms Christina Sass-Kortsak, Assistant Vice-President, Human Resources
Mr. Kent Kuran	
Mr. Gary P. Mooney	Mr. Neil Dobbs, Secretary
Ms Deborah Ovsenny	
Mr. Tim Reid	*By telephone

Regrets:

Mr. P. C. Choo	Ms Melinda Rogers
Mr. J. Mark Gardhouse	Mr. Howard Shearer
Mr. Steve (Suresh) Gupta	Professor Janice Gross Stein
Ms Paulette L. Kennedy	Mr. W. John Switzer
Mr. George E. Myhal	

In Attendance:

Ms Andrea Carter, Employment Equity Officer and *Accessibility for Ontarians with Disabilities Act* Officer.  
Mr. Patrick Dolan, Chair, Responsible Investing Committee  
Mr. Thomas Felix, Co-Vice-Chair, Responsible Investing Committee  
Ms Susan Fern-MacDougall, Director, Office of Environmental Health and Safety  
Ms Connie Guberman, Status of Women Officer  
Ms Myra Lefkowitz, Manager, Health and Well-Being Programs and Services  
Ms Mary Ann McConkey, Director, Labour Relations  
Mr. John Maiorano, Member, Responsible Investing Committee  
Ms Cristina Oke, Secretary, Responsible Investing Committee  
Mr. William (Bill) Simmons, Assistant Vice-President, University Development  
Ms Emily Tan, Co-Vice-Chair, Responsible Investing Committee.  
Mr. Henry T. Mulhall, Assistant Secretary of the Governing Council

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ALL ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

**1. Report of the Previous Meeting**

Report Number 188 (April 4, 2011) was approved.

**2. Vice-President, Human Resources and Equity: Annual Report, 2010**

Professor Hildyard introduced the senior members of the Human Resources and Equity staff.

**(a) Human Resources**

Ms Sass-Kortsak presented the first part of the annual report on Human Resources and Equity. Among the highlights of the report were the following.

- **Areas of focus.** The Division sought to ensure that the University was regarded as an employer of choice both by current and prospective employees: faculty and staff. The Division wished to serve as a strategic partner to the University's divisions, assisting them in achieving their priorities as well as those of the University. To do so, the University would make clear its commitment to equity and diversity in the everyday experience of its employees and students. It would work to ensure a safe and healthy teaching, learning and working environment. Finally, it would seek to develop efficient and effective administrative structures and process, which would be largely invisible when they were most efficient and effective.
- **Staffing numbers.** In 2010, the University had: 3,215 faculty members and librarians; 5,983 staff members; 3,475 casual staff; 1,125 sessional lecturers; and 4,255 teaching assistants.

The budget for salaries in 2010-11 was \$920.9-million. Legislated benefits (Canada Pension Plan and Employment Insurance) cost \$56.9-million. Contributions to the pension plan, including the \$27.2-million special payment, amounted to \$103.5-million. Other benefits (including among, other things, extended health care, dental care and long-term disability insurance) cost \$63.2-million.

- **Employee survey.** The University had conducted a survey of its employees in the fall of 2010. The response rate among faculty, librarians and staff was 52%, a rate with which the Human Resources and Equity Division was very pleased. The survey had been administered by Ipsos Reid, a leading Canadian market-research firm. The survey, consisting of over 80 questions, was intended to measure the University's progress since the previous one in 2006 and to identify areas for improvement. The 2010 survey also included full- and part-time clinical faculty in Medicine and sessional instructors. The results for those groups were not included in the Annual Report; they would be released later in the year. The response rates for those groups had been significantly lower.

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### 2. Vice-President, Human Resources and Equity: Annual Report, 2010 (Cont'd)

#### (a) Human Resources (Cont'd)

Overall, 77% of respondents said that they were “very satisfied” or “somewhat satisfied” with being an employee of the University – a rate that compared very well with the benchmark data supplied by Ipsos Reid for the Canadian public sector and for international educational institutions in the Americas. 87% of respondents indicated that they felt “very proud” or “proud” to work at the University – a very positive factor for attracting and retaining faculty and staff.

Ms Sass-Kortsak displayed responses to two questions indicating the need for improvement. First, only 58% of employees “strongly agreed” or “agreed” that they received recognition for their accomplishments at work – down from the 64% rate in the 2006 survey. The Human Resources Division and the other divisions would therefore work on improving the recognition of employee accomplishments. Second, only 46% of respondents “strongly agreed” or “agreed” that the hiring and promotion processes at the University were conducted fairly. That 46% was an improvement from the 38% rate of agreement in 2006, perhaps reflecting changes in the hiring and promotion processes for staff and in the provisions in the collective agreements dealing within hiring and promotion. There was, however, still need for work to improve the hiring and promotion processes and their transparency, particularly with respect to unionized staff.

- **Development and learning, and succession planning** represented the keys to success in human-resources efforts. The Human Resources and Equity Division had identified a small group of individuals with real leadership potential, and it was providing them with (a) extensive feedback on the development of their leadership skills, and (b) individualized coaching and development. There was a strong general emphasis on career development and mentoring to promote the development of needed skills and to promote work engagement and retention. The new space provided for the Organizational Development and Learning Centre was proving to be very important both in providing a more effective service and in sending a signal about the importance of learning and development. The Centre had also developed a new website.
- **Labour Relations** had been a major area of focus. There were currently twenty-one collective agreements for University staff, and there was an application before the Labour Relations Board for a twenty-second agreement. The Canadian Union of Public Employees was applying to represent the University’s post-doctoral fellows. The University had faced three major challenges over the past year in the area of labour relations: the Ontario Government’s salary restraint legislation, the pension deficit, and the job-evaluation project for staff represented by the United Steelworkers. Those challenges remained in place at the current time.
- **Work environment.** The University had been required to comply with new provisions under the Ontario Health and Safety Act concerning harassment and violence in the workplace. All

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organizations were required to have appropriate policies in place. While the University had previously had in place guidelines on civility, which dealt with harassment, it subsequently put into place a new Policy with Respect to Workplace Harassment and another Policy with Respect to Workplace Violence. There were also new Guidelines on Discrimination and Discriminatory Harassment. The objective in all cases was to ensure that people with issues could have them addressed pro-actively, constructively and fairly.

- **Improving the delivery of Human-Resources services.** The Human Resources Department had worked with consultants from Deloitte to review its service-delivery model. The main finding of that review had been that the current service-delivery model was working very well and to the satisfaction of the University's divisions. That model combined the provision of day-to-day services by twelve decentralized Human Resources offices with the provision of services by specialists in central offices. The review had made a number of recommendations, particularly to make more optimal use of technology in delivering services. The consultants had recommended reducing the number of staff members responsible for entering information into the Human Resources Information System and improving the training of remaining staff. The review had also recommended expanding the use of technology to streamline processes and improve service.

Among the matters that arose in questions and discussion were the following.

**(a) Employee survey responses.** A member observed that while 87% of the "Speaking Up" survey respondents felt proud to work at the University, only 77% felt satisfaction and only 65% felt that their contributions to the University were valued. How could the differences be explained, and which question was the most important in representing employees' real attitude? Professor Hildyard replied that pride in being a University employee was a very positive factor, reflected in the low rate of turnover among employees. The University was well regarded in the community, and that fact was reflected in employees' pride. The level of satisfaction might well be lower because of workload issues. Many employees reported difficulty in maintaining work/life balance. The lower proportion of employees who felt that their work was valued demonstrated the University's need to make a greater effort to recognize employee achievements and contributions. The Vice-President and Provost had been working with the academic divisions to promote greater recognition of faculty achievements, and the Vice-President, Research and his colleagues had been working to generate more nominations for faculty awards that would recognize the value of their research. The University needed to, and planned to, do more to establish programs to recognize staff members who did outstanding work so that they would feel that their contributions were valued. The issues of workload and work/life balance remained. One question in the "Speaking Up" survey showed that many employees, particularly academics, did not mind working long hours. Doing so was an accepted part of the University's culture. The

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Human Resources Department did, however, plan to analyze the responses to this question more carefully to determine any differences in the responses broken down by such variables as gender and age.

A member observed that the responses had not changed a great deal from the 2006 survey, and he asked whether employees had been asked directly what things they would like to see in place to improve their experience. Asking that question directly might prove to be more useful than seeking to extrapolate from the survey data. Ms Sass-Kortsak replied that after the 2006 survey the Human Resources department had set up working groups consisting of employees from different groups and from across the University. The focus groups had dealt with various questions including one on recognition for exceptional achievements. Those groups had produced several recommendations. Following the 2010 survey, a similar step would be taken. The Human Resources Department would also use focus groups to learn more about employee opinions. The outcomes of the survey for each division would also be provided to the division to enable them to follow up with similar sessions to find changes that could be made. Professor Hildyard added that employees had been able in the 2006 survey to add qualitative comments, and about 8,000 such comments had been received, stating things employees disliked and things they recommended be done. In the 2010 survey, to facilitate analysis, the opportunity for qualitative comments was more limited, but such comments had been received in all categories. Those comments had been analyzed by Ipsos Reid and compared to the responses in 2006. When the results of the survey are provided to the divisions, the qualitative comments, in an abbreviated form, would also be provided to enable the divisions to consider actions that could be taken.

**(b) Goals.** In response to a member's question, Professor Hildyard said that the University did not have any quantitative goals for the employee satisfaction surveys. It was really not possible to know what goal to set for responses. Clearly, 100% satisfaction could not be achieved. Therefore, it was important to have benchmarks to enable comparison of the University with other comparable employers. The consultants' benchmarks had shown that the University of Toronto responses were generally superior. Because several other Canadian and U.S. universities were using the same survey, and more were moving to do so, substantially better comparative data would become available over time. The member urged that the University set goals in terms of improvements over current responses and, in that way act to achieve improvements and to lead the way. It was important that the University have its own metrics and goals. Each University was different and employees' pride, satisfaction and sense of being appreciated all affected the quality of student's education and general university experience.

**(c) Workload.** A member asked about the actual workload of employees. He had been able to find no data about actual faculty workload apart from the result of a very old survey completed at the University of Western Ontario, where faculty had indicated that they worked an average of about 50 hours per week. Professor Hildyard replied that no accurate data concerning faculty working hours existed at the University of Toronto, but it was likely that the hours were long.

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For staff, unionized staff worked 36¼-hour work weeks, with work beyond that time being overtime work that had to be authorized and paid. Professional and managerial staff managed their own workload, but they should not work in excess of 40 hours per week.

**(d) Performance-review process.** A member observed that a good program of performance reviews, along with regular encouragement through praise for good performance, were of great importance in determining employee perceptions that their work was valued. Did those factors help to explain responses in the employee surveys? Ms Sass-Kortsak replied that the survey contained no specific questions on the topic, but the 2006 survey had certainly included comments on the matter, both positive and negative. The result had been an increased effort to provide more training for managers in the completion of constructive performance reviews. In response to the member's comment, Ms Sass-Kortsak understood that there was need for on-going feed-back in addition to the annual performance review process.

A member noted that she had extensive professional experience in Human Resources work, and, while there was always room for improvement, members should be aware that the responses on the employee surveys had been world class. The University should be very proud of them.

**(b) Environmental Health and Safety**

Professor Hildyard said that, because of the Board's special responsibility in the area of Health and Safety, all issues had been reported in the regular quarterly reports to the Board. The trend in the area had been a substantial increase in regulatory requirements, especially in relation to research activities. The University had continued to be pro-active in its risk assessments, particularly with respect to research laboratories. One of the major problems over the years had concerned the Joint Health and Safety Committees, which were required (among other things) to meet at least four times per year. The University had completed a lengthy process of re-organizing the committees to ensure both that they were able to meet legal requirements and that they were functioning effectively and efficiently.

Professor Hildyard said that radiation safety and bio-safety were major matters at the University. There had been increased monitoring in those areas following a 2010 recommendation from the Internal Auditor for more work to ensure compliance. There had been improved programs and training for principal investigators and others who worked in research laboratories. Databases had been established to track radioactive material, chemicals and biological materials and to ensure their safe disposal. There had also been an active approach to ensuring the safe decommissioning of laboratories. The University had been actively involved in consultations with governmental authorities to ensure the compatibility of government regulations and the practical situations in laboratories.

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Professor Hildyard reported that there had been a slight improvement in accident trends over those of the previous year. There had been on-going training programs and on-going monitoring of trends through databases. There had been some increase in trip and fall accidents, including those taking place indoors. The University faced some limitations in its ability to seek further reductions in accident trends owing to its aging workforce and its aging infrastructure.

**(c) Equity, Diversity and Excellence**

Professor Hildyard said that the University had been very well served by its several equity officers. She acknowledged especially the work of Ms Connie Guberman, Status of Women Officer, who had also served for some years as Professor Hildyard's Special Advisor on Equity. The University had done a great deal of work to enhance awareness of the services provided by the equity officers. One specific challenge faced by some of the equity officers was that of operating on three campuses. While most of the officers were based on the St. George Campus, they had responsibility to provide their resources and services to members of the UTM and UTSC campuses. The officers were focusing considerable effort on the divisions, working with individuals identified by the divisions as leaders in promoting equity. Other areas of focus had included the promotion of equity in career development and general community building. Issues of faith had become increasingly important, with the University's Anti-Racism and Cultural Diversity Officer working with the Multi-Faith Centre to deal with particular issues and to assist individuals with concerns.

Professor Hildyard reported that addressing mental-health issues had been an on-going priority. The university student age group was one in which depression and other mental-health issues were comparatively frequent. It was important that students who had encountered such problems receive assistance with their return to their studies, and Professor Hildyard was working with Professor Jill Matus, the Vice-Provost, Students, on the matter. In response to questions, Professor Hildyard undertook to discuss with Professor Matus the possibility of using a mentoring program, including one involving alumni, in seeking to assist in students in dealing with mental-health problems. She noted, however, that it was frequently the case that students in need required professional help rather than, or in addition to, mentoring. The University had a committee to deal with high-risk situations, which included in its membership Professor Hildyard, Professor Matus and others as required. That Committee held regular debriefings on the subject of the situations it had to deal with, seeking to learn from those experiences. That Committee also frequently had legal counsel present for advice concerning appropriate protection of privacy. University employees also had access to an Employee Assistance Program, which would refer faculty and staff to appropriate expert help to assist them in dealing with problems. The University committee that dealt with high-risk situations could and did call on staff from the Centre for Addiction and Mental Health and elsewhere when their expertise could be helpful. Ms Lefkowitz added that the expert personnel who assisted the University in dealing with high-risk situations consulted with professional colleagues when appropriate. Professor Mabury noted

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that, at the divisional level, College Registrars and other student-service personnel would, when appropriate, consult with medical professionals to seek assistance in dealing with students with mental-health problems and helping them to find appropriate assistance.

**(d) Employment Equity**

Professor Hildyard said that the format of the Employment Equity Report differed from that in previous years. The University was required to adhere to terms of the Federal Contractors Program. That Program required employers to identify areas where the representation of any group designated by the Program did not match the representation of that group in the external community. To determine the proportionate representation in the external community, the Program looked at the proportion of members of the group with the minimum qualifications for a position. That was sometimes problematic for the University. For example, the minimum qualification considered by the Federal Contractors Program for faculty positions was a doctoral degree, but the University frequently did not regard that as a sufficient qualification in its searches for faculty appointments. The University's Employment Equity Report provided data when there was a gap of more than 20% or 3 people between the representation of a group in the University's workforce and that in the external community. Among the highlights of Professor Hildyard's report were the following

- **Gender.** The Report had identified no gaps in terms of gender in broad employee groups; women formed a satisfactory proportion of all broad groups of employees: faculty, academic administrators, unionized staff and non-union staff. There was, however, a gap in the representation of women among employees in the skilled crafts and trades.
- **Persons with disabilities.** The report did identify gaps for persons with disabilities in all employee groups. However, the number of employees approaching the Health and Well-Being Programs and Services Office seeking accommodation for disabilities was substantially larger than the number of employees who identified themselves in the employee survey as having a disability. Therefore, Professor Hildyard thought that a significant part of the problem was the failure of employees to self-identify in this category. In any event, the University was offering more training to increase awareness about the need to build more inclusive work environments for persons with disabilities. The University had, for example, begun a pilot project in connection with the Canadian Hearing Society to encourage individuals with hearing disabilities to apply for positions at the University. University staff also participated in panel discussions, with audiences of job seekers, to stress the University's commitment to inclusive and accessible hiring.
- **Aboriginal employees.** The number of aboriginals in the community and on the University's staff were small. The University had been working over the past year on measures to recruit more aboriginal employees. Under the leadership of the Aboriginal Initiatives Committee,

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## 2. Vice-President, Human Resources and Equity: Annual Report, 2010 (Cont'd)

## (d) Employment Equity (Cont'd)

University staff had been working with aboriginal students to encourage them to think of the University as a potential employer, and there had been other outreach efforts. Through that Committee, co-Chaired by the Director of First Nations House, and community elders, the University had sought to identify, recruit and retain more aboriginal employees, especially through mentoring.

- **Visible minorities.** There were no gaps to be reported pursuant to the Federal Contractors Program with respect to visible minority representation in the academic occupational groups. There were gaps in the staff complement, including supervisors and manual workers. The University was providing diversity training to managers in its *Hiring Equitably* program. Applicants were permitted to self-identify as members of visible minority groups in the on-line application form, and it was hoped that more members of visible minorities would be interviewed. In general terms, the University was doing very well in its employee population in this category.

Professor Hildyard concluded that a diverse population of employees made up the University's world-class faculty and staff.

A member observed that the number of women pursuing doctoral degrees in the mathematical and physical sciences had, after some years of increasing, begun to decline significantly. That would no doubt soon be reflected in the number of women faculty members in those disciplines. Were efforts being made to counter that trend? Why was there a decline after a number of years of an increasing trend? Another member asked whether the decline might have been a reflection of changes, as they affected women doctoral students, in the time limit allowed to complete the Ph.D. degree. Professor Hildyard, Professor Mabury and Ms Guberman replied. The challenge to hire women for faculty positions in mathematics and the physical sciences was one that faced all research-intensive universities at the present time. Women faced particular pressures in efforts to combine family responsibilities with academic needs in the form of the work required to obtain tenure, to manage a research laboratory and to supervise graduate students. The University did have in place parental leave policies available both to women and men, but women faculty were sometimes reluctant to take advantage of their full leave entitlement because of concern about their ability to continue with their research programs and to attain the level of achievement required for tenure. Indeed, some institutions were seeking to counter that concern by making it mandatory for faculty members to take the full parental leave to which they were entitled. The University of Toronto could certainly look into options such as that. The University was working with appropriate women science students to encourage them to see academe as a good place to work. Mentoring was a key aspect of that initiative. There had been no change in the time limit to complete a Ph.D. degree, but full funding for graduate students was normally provided for only five years. Especially where doctoral students were funded through the research grants of their supervisors, there was often some effort made to reduce the time to completion of the degree. That was less the case when

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University funding was provided. There was no evidence that any pressure to reduce the time to completion of the degree had different outcomes based on gender.

A member commented that the annual reports on Human Resources and Equity and on Employment Equity had been excellent ones.

**3. Quarterly Report on Compliance with Legal Requirements**

The Board received for information Professor Hildyard's quarterly report on compliance with health and safety requirements. That report stated that to the best of Professor Hildyard's knowledge, the University was in compliance with all of its health and safety obligations.

**4. Vice-President, Research, Annual Report, 2010**

Professor Young stated that over the past almost 200 years, the University of Toronto had built a record of excellence in the research of its various academic departments. To sustain that record and enhance it, it was at this time necessary to turn a number of challenges into opportunities.

The first challenge had to do with the University's share of funding from the three major federally funded research-granting councils (the tri-Councils) – the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council. The University's "market share" of tri-Council funding had been slowly but steadily declining for the past ten years. That market share also affected the University's eligibility for other major funding programs: the Canada Research Chair program, the infrastructure funding program of the Canada Foundation for Innovation, and the federal support for the indirect (overhead) costs of research. For example, the University had been gradually losing funding for Canada Research Chairs. When that program had begun, the University had been awarded 271 Chairs. That had then declined to 249, and the University had recently learned that it would lose a further 11 Chairs. It was clearly necessary to turn around that decline.

The second challenge was to do better in forming partnerships with organizations and firms in the public and private sectors. Traditionally, academics had pursued their research seeking to make discoveries and, sometimes, undertaking research contracts where their research was of interest to private-sector and other sponsors. The outcome was to push out existing research for application elsewhere. Another model was one in which knowledge was pulled out from the University – where University experts worked with organizations and companies that funded research at the University to assist them in solving their problems. Over the past decade, revenue from contract research had amounted to no more than 10% of total research revenue for the University and its affiliated teaching hospitals. That amounted to about \$70-million out of total research revenue of about \$800-million per year. That 10% proportion, however, given the

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size of the University and its affiliates, was not the highest in Canada. The University of British Columbia had a higher proportion of partnership activity. The University of Toronto, therefore, had a real opportunity to improve its position.

The third challenge involved the risks inherent in research activity. Indeed, research was one of the riskiest areas in which the University participated. External funding for research had to be accounted for. Ethical standards had to be met. They included standards concerning the use of human subjects, animal care, and others. There was need, therefore, to do what was necessary to mitigate the risks involved.

Professor Young said that the University's actions were being carried out in a funding landscape that had changed profoundly over the past ten or so years. Whereas previously, research funding had consisted almost exclusively of grants from agencies for basic, discovery-driven research, more recently a number of new programs had been inaugurated including: funding from the Canada Foundation for Innovation for the building of research infrastructure, funding of Canada Research Chairs, and funding for the indirect costs of research. That additional funding was very substantial and very welcome. It had, however, brought with it a very large amount of administrative complexity including requirements for accounting, evidence of compliance with procedures, and auditing.

Professor Young commented on the action required to turn the University's challenges into opportunities. With respect to market share of tri-Council funding, the University was achieving excellent results in attracting funding for fundamental research. One source ranked it 17th in the world in terms of research output. In the area of tri-Council funding programs associated with partnerships, however, there was need for improvement to restore the University's share of tri-Council funding overall and in turn to restore the level of funding for such other programs as the Canada Research Chairs. Improvement was particularly important because much of the incremental government funding for research would be provided for targeted areas reflected in such programs as the National Networks of Centres of Excellence, the Strategic Network Grants and Industrial Research Chairs. Improving the University's performance would require simultaneously increasing private-sector funding which would be used as leverage for improved tri-Council funding and in turn for improved funding for Canada Research Chairs, infrastructure funding and funding for the indirect costs of research. At the present time, research funding from partners amounted to about 10% of total research funding, meaning that there was a clear opportunity for improvement. Professor Young had produced a model of the consequences of the University's increasing its partnership funding, which led him to the conclusion that the University should be able to restore its qualification for 250 Canada Research Chairs over the next five years. The number of those Chairs represented a kind of litmus test to illustrate how well the University was doing in its research funding overall. The University's partnership funding had been increasing over the past two years, but the formulae used a rolling average of funding over a number of years, meaning that an increase in Canada Research Chairs would take some years to achieve.

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The Office of the Vice-President, Research had responded to the increasing complexity of the administration of external research funding by a restructuring into three service pillars. The first was the Research Services Office, which looked after administration of the usual funding sources, including the tri-Councils and the Canada Foundation for Innovation. The Innovations and Partnerships Office assisted faculty members with commercialization of their discoveries and with the formation of partnerships. The Research Oversight and Compliance Office (ROCO) was an innovation at the University – the first such office at a University in Canada – which dealt with many of the areas of risk inherent in research. The University had recruited an individual who had been a Vice-President at Siemens Canada as Director of the Office. In the next to most recent audit carried out at the University by the tri-Councils, the University had almost failed to achieve a satisfactory rating, receiving a substantial list of remedial steps to be taken. In the 2010 audit, however, the outcome had been very favourable, resulting in significant part from the work of ROCO to strengthen oversight and compliance. The need for the work of ROCO had grown substantially in recent years. For example, when the Canada Foundation for Innovation had made a grant for research facilities, it had in the past required an audit of the use of that grant at the end of the relevant project. The current situation was that many funding agencies required audits as projects progressed. Similarly, grantors now required much more frequent submission of updated research protocols. In short, the amount of administration required for each dollar of research funding had increased a great deal. The result was a challenge to innovate – to provide faculty with one-stop shopping for research-administration needs, with the Vice-President's Office focusing on the provision of services to clients and enabling the University's excellent faculty members to concentrate on what they did best - teaching their students and completing their research.

**5. Capital Projects Report as at March 31, 2011**

The Board received for information the Report on Capital Projects Under Construction as at March 31, 2011, providing information on projects costing over \$2-million, with a total budgeted cost of \$379.78-million.

A member recalled that Professor Hildyard, in her annual report, had observed that the University had encountered difficulty in reducing its accident rate because of aging staff and aging infrastructure. A recent report on deferred maintenance had shown that the backlog of maintenance amounted to about \$300-million. Had the University, in order to address this backlog, undertaken any initiatives to study ways of reducing the cost of renovating and adding to its buildings? Ms Riggall replied in the affirmative. She had in 2003, as Assistant Vice-President for Facilities and Services, presented a report to the Business Board entitled *Crumbling Foundations* describing the origins and extent of the problem and proposing means of dealing with it. First, it was important that the University plan and coordinate its program of renovations and repairs in order to avoid first repairing facilities and then replacing them as part of a renovation. Rather, the repairs should, to the extent possible, be achieved at the same time as renovations. Second, it was recommended that the University budget more money for deferred maintenance work because the money required for basic repairs to maintain buildings was less expensive in the long run than having to renovate or replace

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those buildings because of on-going maintenance problems. Third, in 2006, consultants had been engaged to review the University's infrastructure. They made recommendations on means of avoiding a major financial shock arising from infrastructure failures. Fourth, the University had begun to consider proposals for capital projects on the basis of cost per unit of space compared to those of other universities for similar types of buildings. Fifth, the University had begun to look at the most efficient use of space. For example, when the Facilities and Services Department and the Real Estate Department had moved to new locations in a converted warehouse, the facilities were designed to enable the use of 25% less space to accommodate the same functions and staff as previously.

**6. Capital Project Closure Report**

The Board received for information a Capital Projects Closure Report, reporting on the closure of the St. George Campus Examination Centre project at 255 McCaul Street at a cost of \$17,968,205, which was \$89,631 under the approved cost.

A member asked about the disposition of the saving from the project. For example, the Examination Centre contained a facility for students with disabilities to complete examinations. Could that be improved? Ms Riggall replied that the saving on any individual project would revert to the funding source, which in this case was central University funding, to be used for such other purposes as required.

**7. Responsible Investing Committee: Annual Report 2010**

Ms Riggall said that the Responsible Investing Committee had been established in 2009, arising from the work of a number of students, particularly students in the Faculty of Law. The interest in having such a committee arose from an interest in how the University should invest and how to engage members of the University in a dialogue on that subject. The question was made a more complex one at the University of Toronto because its investments were managed by the University of Toronto Asset Management Corporation (UTAM) rather than directly, and UTAM itself used external managers rather than itself making decisions to buy or sell shares. Ms Riggall described the structure of the Responsible Investing Committee and introduced the members who were present. The Committee had been successful in its work to date. The original plan was to review the work of the Committee formally after three years. The Committee did not report formally to the Business Board but rather to the Vice-President, Business Affairs. That arrangement was intended to provide a higher level of flexibility for the Committee as it established itself.

Among the matters that arose in questions were the following.

**(a) Level of interest on campus.** Invited to respond to a member's question, Mr. Felix said that there had been a good level of interest on campus in the work of the Committee. For example, over fifty students had attended its original town-hall meeting. It had sought to reach out to the

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University community by such means as town-hall meetings and informal pub nights. At its core, the Committee sought to do what the University did best – engage in research and stimulate creative ideas. Members were encouraged by the opportunity to publish the outcome of their research on line. Students involved in the work of the Committee came from various areas of study including law, political science and biology. A key area of interest was application of the United Nations Principles for Responsible Investment. The Committee, through its four working groups, sought means to encourage synergies between good long-term investment returns and the growth of good business standards of environmental, social and governance practices. One important area of concern was the voting of proxies on shares owned by the University, and the Committee was working directly with UTAM on the matter.

**(b) Responsible investing at other universities.** In response to a member's questions, Mr. Felix said that many universities in North America and Europe were considering responsible investing. In Canada, three other universities were doing so, including McGill. A number of major pension plans in Canada were also considering environmental, social and/or governance practices in their decision-making. In the U.S., a substantial number of universities were considering responsible investing criteria, including Harvard, Yale and some other universities in the Ivy League. Investors considering such criteria as the United Nations Principles for Responsible Investing represented a very large amount of assets. The notion of responsible investment was no longer to be regarded as a radical one. Rather it was one being considered and often practiced by large and small funds.

**(c) Future of the Responsible Investing Committee.** A member observed that the Committee was about to be reviewed. It was seeking to carry out its work in an environment in which there were a number of obstacles to the implementation of its recommendations. Where did the Committee see its activities in ten years' time? Mr. Felix said that the Committee was a student initiative, and its work was based on empirical evidence. He hoped that the Committee would continue in that direction, looking in a non-traditional manner at the risk involved in making particular investments, including reputational risk and legal risk. He hoped that it would succeed in having the University exercise its proxy votes in a manner that would promote both responsible behaviour by investee companies and their long-term profitability. He hoped that there would be more transparency and accountability in proxy voting, and that proxies would be voted to promote good corporate governance and practices that would be environmentally responsible. The Committee was currently working on a report on how proxy voting could be used to influence corporate practices so that they would take into account the risk of climate change. Mr. Felix hoped that the report would serve as a template for future research reports dealing with other issues.

A member congratulated the Committee on its very good work.

**8. Date of Next Meeting**

The Chair reminded members that the final regular meeting of the academic year was scheduled for Thursday, June 16, 2011 at 5:00 p.m. That meeting would, among other

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things, consider the report of the Audit Committee on the audited financial statements for 2010-11.

THE BOARD MOVED *IN CAMERA*.

**9. United Steelworkers of America: Tentative Settlement in respect of Job Evaluation and Pay Equity**

Professor Hildyard reported on the memorandum of settlement between the University and Local 1998 of the United Steelworkers on the job evaluation / pay equity process. (The union local represented approximately 3,400 administrative staff employees at the University.) The settlement had been ratified by the union membership. In the course of her report, Professor Hildyard advised the Board of the implications of the settlement for the pension plan. While the approval of the Board was normally required for matters involving the pension plan, in this case the University was obliged by law to make the retroactive salary payments pensionable. Therefore, the approval of the Board was not required for those aspects of the settlement affecting the pension plan.

The Chair stated that Professor Hildyard's report was for information; no Board action was required. The administration had authority for "approval of changes to collective agreements under the Labour Relations Act that fall within existing policies and salary determination procedures."

**10. Retirement Incentive Program for Professional, Managerial and Confidential Staff**

Professor Hildyard presented the proposal for a retirement incentive program for professional / managerial and confidential staff.

The Chair noted that such staff did not fall under a collective agreement. Therefore, the proposal required the approval of the Business Board. He stated that By-Law Number 2 included a provision with respect to conflict of interest. It stated that "no member of the Council or of a committee of the Council, other than the President or a Vice-President, who is an employee or a member of whose immediate family is an employee of the University, may move or second motions or vote on matters related to the remuneration or benefits, terms of employment, rights or privileges available to employees of the University that are directly related to compensation . . . ."

After discussion, on the recommendation of the Vice-President, Human Resources and Equity,

**YOUR BOARD APPROVED**

The proposed Retirement Incentive Program for Professional / Managerial and Confidential staff, as outlined in Professor Hildyard's memorandum of April 27, 2011.

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**11. United Association of Journeymen and Apprentices of the Plumbing and Pipe-Fitting Industry: Collective Agreement, 2010-13**

Professor Hildyard reported on the 2010-13 collective agreement between the University and Local 46 of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.

THE BOARD RETURNED TO OPEN SESSION

The meeting adjourned at 7:20 p.m.

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Secretary

\_\_\_\_\_  
Chair

June 2, 2011

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