

THE UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 126 OF THE BUSINESS BOARD

May 5, 2003

To the Governing Council,
University of Toronto.

Your Board reports that it held a meeting on Monday, May 5, 2003 at 4:00 p.m. in the Council Chambers with the following members present:

Ms. Jacqueline Orange, (In the Chair)
Professor Robert J. Birgeneau, President
Mr. Felix P. Chee, Vice-President,
Business Affairs
Professor Angela Hildyard,
Vice-President, Human Resources
Mr. Mark Braun
Mr. Donald A. Burwash
Mr. Brian Davis
Dr. Claude S. Davis
Professor Sherwin S. Desser
Ms. Susan Eng
Dr. Paul V. Godfrey
Professor Brian A. Langille
Mr. Gerald A. Lokash
Ms. Kim McLean
Mr. Roger P. Parkinson
Mr. Chris Ramsaroop
Mr. Robert S. Weiss

Mr. John Bisanti, Chief Capital Projects
Officer
Ms. Sheila Brown, Acting Chief Financial
Officer and Director of Financial
Services
Mr. Louis R. Charpentier, Secretary of the
Governing Council
Dr. Jon Dellandrea, Vice-President and
Chief Advancement Officer
Dr. Sheldon Levy, Vice-President,
Government and Institutional Relations
Professor Derek McCammond,
Vice-Provost, Planning and Budget
Professor Shirley Neuman, Vice-President
and Provost
Ms. Catherine Riggall, Assistant Vice-
President, Facilities and Services
Professor Ronald D. Venter, Vice-Provost,
Space and Facilities Planning

Secretariat:

Mr. Neil Dobbs
Mrs. Beverley Stefureak

Regrets:

Ms. Shirley Hoy
Mr. George E. Myhal
Mr. Richard Nunn
Mr. John F. (Jack) Petch
The Hon. David R. Peterson

Mr. Timothy Reid
Mr. Amir Shalaby
Ms. Carol Stephenson
Mr. John H. Tory

In Attendance:

Mr. Dan Bandurka, President, Scarborough Campus Students' Union
Professor Michael K. Berkowitz, Chair, Department of Economics
Ms. Sue Bloch-Nevitte, Director, Public Affairs and Advancement Communications
Ms. Rivi Frankle, Assistant Vice-President, Alumni and Development
Mr. J. W. Chris McNeill, Interim Director, Office of Environmental Health and Safety
Mr. Ashley Morton, President, Students Administrative Council

In attendance: (cont'd)

Ms. Rosie Parnass, Quality of Work Life Advisor and Special Assistant to the Vice-President
Human Resources

Professor Peter H. Pauly, Associate Dean, Research and Academic Resources, Joseph L.
Rotman School of Management

Mr. Robert Price, Senior Project Manager, Capital Projects Department

Professor Edward C. Relph, Associate Principal, Campus Development, University of Toronto
at Scarborough

Professor Stuart Whittington, Acting Chair, Department of Chemistry

ALL ITEMS ARE REPORTED FOR INFORMATION.

1. Report of the Previous Meeting: Report Number 125 – April 7, 2003

Report Number 125 of April 7, 2003 was approved.

2. Business Arising from the Report of the Previous Meeting

There was no business arising from the Report of the previous meeting.

3. Government Relations Activities: Annual Report of the Vice-President

The Chair indicated that this would be the first annual report from the Vice-President, Government and Institutional Relations and, because of the nature of his responsibilities, Dr. Levy would report orally rather than with a formal written report.

Using powerpoint (attached as Appendix “A”), Dr. Levy began by viewing the University of Toronto as a partner in a tripartite community comprising the University, the Government and the public, each of whom had a vital interest in post-secondary education and, at times, with competing priorities. Each had a responsibility to understand the priorities and interests of the other two. The University’s priorities were to provide a quality education to a balanced pool of undergraduate and graduate students within a limited envelope of operating grant funding and tuition revenue, while addressing concerns about levels of tuition fees and capital funding for appropriate space. Government, aware that knowledge led to progress, effectively had to manage competing demands for tax dollars so as to ensure accessibility for aspiring students by maintaining low levels of tuition and setting expectations for more efficient use of space within a limited level of capital funding. Finally, the interest of the public was in securing access to higher education for their children at affordable cost and reasonable levels of taxation. It was within this environment of competing demands and priorities that it was important for universities to communicate effectively with both government and the public toward a mutual understanding of the value and cost of a post-secondary education.

Dr. Levy reviewed activities within his portfolio over the past year, many of which had focused on achieving agreement with the Ministry of Training, Colleges and Universities (MTCU) as to how many students the University of Toronto could accommodate in September 2003 and the funding that would be necessary for this to occur. The Government had responded positively to extensive lobbying by the University of Toronto and others and, for the upcoming year at least, funding would be sufficient to allow the University of Toronto to accept its share of the double cohort. Dr. Levy recalled the Enrolment Target Agreement with the Ministry that mapped planned enrolment intake of applicants from secondary school for the next three years, as well as growth initiatives as a result of joint programs in Dental Hygiene and Medical Radiation Sciences. He also reviewed a preliminary proposal that had gone to the Government of Ontario in February 2003 which would encourage enrolment growth and concurrent capital expansion in Nursing.

3. Government Relations Activities: Annual Report of the Vice-President (cont'd)

Dr. Levy indicated that, though discussions had been underway for some time, the University had not been successful in achieving full funding for graduate programs. This would be a primary objective for 2003 and the rationale, including the need for teaching assistants and professors to manage double cohort enrolment and a good balance between undergraduate and graduate student to be more competitive globally, would be strong in making the case to Government. Other areas of focus for the upcoming year would be a review of the government cap on tuition fees and OSAP reform. The University of Toronto administration and students had worked successfully to develop thirteen recommendations on Ontario Student Assistance Program (OSAP) reform and Dr. Levy was hopeful that the Government would be convinced to accept them.

Dr. Levy reported success in having the MTCU portion of the special health research grant moved into University base funding and continuing discussions were underway about having the Ministry of Health and Long-Term Care portion also moved into base. In closing, Dr. Levy reviewed briefly his federal and municipal relations activities, the latter of which involved co-chairing with Olivia Chow the University of Toronto and City of Toronto Liaison Committee looking at land development.

Responding to a question about the ability of the University to manage the increased enrolment to which it had committed, Dr. Levy said that 75% of the revenue from the increased enrolment would be returned to the St. George divisions and 90% to the East and West campuses in order that they could accommodate the extra students and maintain the quality of their programs. The Principals of UTM and UTSC and divisional leaders at St. George had been part of the broad consultation leading up to the Enrolment Target Agreement and they had given assurances that the expansion could be accommodated. He did not expect that the quality of programs would be negatively affected.

A member asked if there were ways in which the members of Governing Council and the Business Board might assist in lobbying government leaders or political candidates on behalf of the University. Dr. Levy agreed to prepare briefing notes that could be so used to convey a consistent and focused message to political leaders and the public.

4. Capital Projects: Capital Projects Report

An updated summary list of the Capital Plan for Buildings and Projects in Excess of \$2 million had been placed on the table. Using powerpoint, Professor Venter highlighted portions of the first page to inform members of the status of various projects that had had at least some level of consideration in governance, the schedule for moving them forward and the location of the proposed projects in relation to other buildings on their respective campuses. The second page of the Capital Plan listed projects that were in the conceptual or planning stage with priority to be determined at a later time.

With the permission of the Board, the order of the Agenda was varied, respectful of time restraints on some of the guests invited for particular projects.

5. Capital Project: Lash Miller Chemical Laboratories

The Chair welcomed Professor Whittington to the meeting for this item.

Mr. Bisanti used powerpoint to highlight the background, financial and planning implications, and sources of funding for this project which had been outlined in his memorandum of April 24, 2003.

Responding to questions and subsequent discussion, Mr. Bisanti confirmed that the cost for

5. Capital Project: Lash Miller Chemical Laboratories (cont'd)

upgrading of the heat exchangers and heating coils, which would address a significant deferred maintenance item, would be covered under the Facilities Renewal Fund.

Concern was expressed about the number of long-term mortgages to be undertaken and the increasing fund-raising demands to meet the cost of capital expansion. Professor Neuman replied that she was meeting with the Acting Chief Financial Officer, the Vice-President, Business Affairs and others reviewing the capital plan with a view to determining urgency of need, commitments to funding sources, and debt tolerance. She anticipated that they would in a position to report to the Board at its next meeting. She noted, too, that this particular project was a necessary one both for safety reasons and to accommodate the double cohort expansion expected at St. George campus.

Professor Whittington was invited to comment. He said that much had changed in Chemistry in the years since these laboratories had been built. While research facilities had kept pace with the change, undergraduate laboratory space had stayed the same. These upgrades and expansion would vitally change the student experience and allow the Department to deliver its program in a modernized, safer environment.

A member asked for assurance that the contributions from Chemistry and Arts and Science were part of the operating and capital budgets approved at the last meeting. Professor Neuman confirmed that these would have been part of the divisional budgets, and thus would not have been visible in the overall budget report that came to governance.

On the recommendation of the Vice-President, Business Affairs

YOUR BOARD RESOLVED

Subject to Governing Council approval of the project,

THAT the Vice-President, Business Affairs be authorized to execute the proposed renovation of the undergraduate chemistry laboratories in the Lash Miller Chemical Laboratories at a cost not to exceed \$5,600,000 with funding arranged as follows:

- (i) \$4,000,000 from the defined Enrolment Growth Fund,
- (ii) \$700,000 from the Department of Chemistry, and
- (iii) \$900,000 from the Faculty of Arts and Science

6. Capital Project: University of Toronto at Scarborough, Student Centre

Mr. Bandurka, Professor Relph and Mr. Price were welcomed to the meeting for this item.

Mr. Bisanti, with the assistance of powerpoint, summarized the highlights, financial and planning implications and proposed funding for the University of Toronto at Scarborough, Student Centre outlined in his memorandum of April 28, 2003. He responded to questions, confirming that there were retail outlets planned for the Student Centre, some managed by the students and seen by them as revenue generating opportunities; that the professional fees, though they may seem high, included professional management fees as was the usual case when reporting to the Business Board; and, that the risk related to fund-raising was minimal because UTSC and the Student Union had committed and were in a position to guarantee any shortfall in that portion of the funding. Ms. McLean, speaking as Chief Administrative Officer at UTSC,

6. Capital Project: University of Toronto at Scarborough, Student Centre (cont'd)

added that this project had been based on a very conservative business plan and, though there had been no money raised to date, she believed there was no risk to the project relative to funding.

On the recommendation of the Vice-President, Business Affairs

YOUR BOARD RESOLVED

Subject to Governing Council approval of the increased scope of the project,

- (a) THAT the Vice-President, Business Affairs be authorized to expend up to \$13,923,000 for the construction of the University of Toronto at Scarborough Student Centre; and
- (b) THAT the funding for the project be arranged as follows:
 - (i) \$3,748,695 from the University of Toronto for the 50% matching of the student levy support;
 - (ii) \$975,000 one-time-only funding from the University Infrastructure Investment Fund;
 - (iii) \$1,000,000 from fund-raising by the University of Toronto at Scarborough;
 - (iv) \$1,250,000 from the student levy support already collected; and
 - (v) \$6,949,305 financing to be amortized over a period of approximately 25 years with repayment from the planned student levy income, with that student levy income continuing until the financing is fully amortized.

7. Capital Project: Joseph L. Rotman School of Management Building: Addition of Office Space on the 4th and 5th Floors

Professor Pauly was welcomed to the meeting for this item.

Mr. Bisanti reviewed, with powerpoint, the highlights, financial implications and funding sources for this project as outlined in his memorandum of April 24, 2003.

A member asked if there were future plans for another building. Professor Venter was invited to reply. He indicated that the project planning committee had identified space needs that went beyond what would be met by this project. However, the committee had been unable to identify a plausible alternative to what was proposed here. To maintain the integrity of its academic program the School required classroom space contiguous to what they currently occupied, building separately was in any event significantly more expensive, and these two additional floors were the maximum that could be achieved on this site without a great deal more cost to provide the necessary structural support and to address difficulties with zoning. Dr. Dellandrea confirmed, in response to a question, that with this division's track record for fund-raising, he anticipated no difficulty securing the remaining funds to be raised.

Mr. Chee noted that authorization was sought for \$4 million, not \$4.4 million and the recommendation should be corrected accordingly.

7. Capital Project: Joseph L. Rotman School of Management Building: Addition of Office Space on the 4th and 5th Floors (cont'd)

On the recommendation of the Vice-President, Business Affairs

YOUR BOARD RESOLVED

Subject to Governing Council approval of the project, and subject to the identification and securing of the funding identified in (iii) below,

THAT the Vice-President, Business Affairs be authorized to expend up to \$4,000,000 to undertake the 4th and 5th floor expansion of the Rotman Building to be funded as follows:

- (i) \$3,000,000 from a secured donation;
- (ii) \$341,000 from the Rotman Building Construction Project Fund; and
- (iii) \$659,000 to be raised from external donors to meet the complete project costs.

8. Capital Project: Economics Building Expansion and Renovation

Professor Berkowitz was welcomed to the meeting for this item.

Mr. Bisanti used powerpoint to review his memorandum of April 24, 2003 requesting approval to execute the Economics Building Expansion and Renovation. In responses to questions it was clarified that the existing coachhouse building behind the Victorian edifice facing the street would be demolished to accommodate Phase 1 and that Phase 2, if it were to proceed, would require the demolition of the Georgian-style addition to the original Victorian building. The project was proceeding in this sequence to achieve maximum additional space with the least disruption to current space. Future capital updates would keep the Board informed as to the progress, or lack thereof, of Phase 2. Finally, the fully leveraged project could be managed within the enrolment growth revenue from the Commerce program, 2003-04 fees for which were \$8,000.

On the recommendation of the Vice-President, Business Affairs

YOUR BOARD RESOLVED

THAT the Vice-President, Business Affairs be authorized:

- (i) to execute the design and the construction of Phase 1 of the Economics Building and the schematic design of Phase 2 at a cost not to exceed \$6,000,000, and
- (ii) to arrange financing in the amount of \$6,000,000 to coincide with the needs of the Project, to be repaid over a 25-year amortization period by the Faculty of Arts and Science; and
- (iii) subject to and conditional upon the Faculty of Arts and Science raising \$8,300,000 from external sources, to execute the remaining design work and the construction for Phase 2 of the project.

9. Vice-President and Chief Advancement Officer: Campaign Update

Dr. Dellandrea reported briefly, with the assistance of powerpoint, on the Campaign. The report was positive, indicating: that fund-raising, which had also triggered government support, had generated almost \$1.3 billion to date; that the number of endowed chairs had increased tenfold; that donations in support of key capital projects had increased; that faculty and staff support had risen; that there had been a dramatic increase in the number of million-dollar-or-more donors, total donors and first-time donors; that sources of donations by sector were fairly consistent; that the campaign was currently on projection; that administrative expenses had continued to stay at 10% or lower; and that the advancement activities were, as always, servant to academic priorities. In conclusion, Dr. Dellandrea said that, in continuing meetings with the President, future advancement strategy was under discussion but he believed the current focus of ongoing intensive fundraising would not change.

10. Vice-President and Chief Advancement Officer: Proposal Re: Out-of-Date Policies

Dr. Dellandrea indicated that this proposal was in response to advice from the Secretary of Governing Council. The policies listed in the proposed resolution were in some cases outdated, in other cases were redundant because of changes approved last year to the terms of reference of the Business Board, and in still other cases did not accurately reflect current practice. He noted that it had been brought to his attention that the existing terms of reference for the *University of Toronto Alumni Magazine* had not included a reference to students. This had been corrected.

It was duly moved and seconded,

(a) THAT the following policies be rescinded:

- Division of Development and University Relations: Policy Statement (approved by the Committee on Campus and Community Affairs on June 1, 1988)
- Community Relations: Policy Statement (approved by the External Affairs Committee on December 20, 1973)
- Public and Community Relations Department: Policy Statement (approved by the Committee on Campus and Community Affairs on December 9, 1987)
- University of Toronto Alumni Magazine: Composition and Terms of Reference of the Advisory Board (approved by the Committee on Campus and Community Affairs on February 3, 1988)
- Policy on Alumni Affairs (approved by the Governing Council on May 20, 1982);
- Setting Priorities for Raising Private Funds (approved by the Governing Council on April 17, 1995); and
- Policy Statement on Fundraising Strategy (approved by the Business Board on April 17, 1995); and

(b) THAT the revised *University of Toronto Magazine* Terms of Reference be approved, replacing the *University of Toronto Alumni Magazine* Objectives, approved by the Committee on Campus and Community Affairs on February 3, 1988.

There was discussion about how the Board would have continuing involvement in fund-raising strategy and policy, if the two policies from April 1995 were rescinded. Dr. Dellandrea indicated that the current campaign was based on academic priorities set by the Provost's Office; that the Business Board had approved that strategy as well as the decision to continue the campaign; and that, in his view, if the strategy for fund-raising were to change, the proposed

10. Vice-President and Chief Advancement Officer: Proposal Re: Out-of-Date Policies
(cont'd)

change would need to be approved by the Board. He added that other elements of how his portfolio was carried out were reviewed by the Board through his regular accountability reports. The Secretary of the Board further assured members that this item was primarily one of housekeeping, relating to policies that had been outdated by subsequent direction or changes in the terms of reference of the Business Board. The Board's influence and guidance would be reflected in future approvals of strategic directions and concerns that came forward during the Vice-President's regular reporting. Professor Neuman added that she, too, initially had questioned the rescission of the policies on "Setting Priorities for Raising Private Funds" and "Policy Statement on Fundraising Strategy". However, there was in place a requirement that all fund-raising priorities had to be approved by the Provost. Guidelines were being drawn up to articulate what was, in fact, standing practice.

It was duly moved and seconded

THAT the resolution be amended to retain as policies "Setting Priorities for Raising Private Funds" and "Policy Statement on Fundraising Strategy" until the Board had been apprised of the guidelines.

The vote on the amendment was taken and carried.

Mr. Morton was invited to speak. He indicated that many of the items that he had intended to address had already been raised by members of the Board. He thanked Dr. Dellandrea for responding to his concern about the omission of any reference to students in the *University of Toronto Magazine Terms of Reference*. He wished to draw one final point to the Board's attention and that was the question of ethical considerations in decisions to accept donations. He hoped there could be formalized guidelines with respect to groups from whom the University would not accept donations and that the University would not accept donations with conditions attached.

Addressing the second aspect of the speaker's concerns, Dr. Dellandrea responded that these guidelines were already in place, as was a requirement for him to bring to the Business Board any donor items of an unusual nature.

The vote on the amended motion was taken and carried.

11. Health and Safety, Annual Report, 2002

A member suggested that this item be deferred to the next meeting to allow union representatives, who indicated that they had not had time to review the report effectively, to be present and speak to the report. In subsequent discussion, a number of members stated their view that this was an important accountability report which came to the Board for information at about this time each year and which had been publicly available on the Web for a week. The item was in response to a requirement by the Board of management for timely information in an area in which governance had a responsibility for regulatory compliance. As such, it did not seem appropriate that the Board should hear from union representatives together with the item. Members of the community were encouraged to express their concerns and views in writing and these would be shared with the Board.

It was duly moved and seconded,

THAT debate on this item be adjourned.

The vote was taken and the motion was defeated.

11. Health and Safety, Annual Report, 2002 (cont'd)

Professor Hildyard presented the 2002 Annual Health and Safety Report, using powerpoint (attached hereto as Appendix “B”) to focus on highlights of the Report, and introduced Mr. Chris McNeill, Interim Director of Health and Safety.

In response to questions, Professor Hildyard indicated: that she would be working to bring down the numbers of injuries and to minimize the risks inherent for sprains/strain kinds of injuries in an aging workforce by focusing heavily on preventative measures; that, despite the rising costs of contracting out the removal of hazardous waste, the decision to demolish the hazardous waste unit to build the Bahen Centre had been a considered and cost-effective one; health and safety issues among students would normally attract the attention of the relevant health and safety committee, but that compliance in terms of addressing issues and membership on committees was directed by the *Occupational Health and Safety Act* and did not provide for formal student involvement.

A member expressed grave concern with the matter of non-compliance with University policy among contractors working for the University in addressing the Ministry of Labour work orders for asbestos removal and hoped that this would not recur. Professor Hildyard agreed that this was a serious matter and that it was being monitored. She also indicated that she would be presenting the Asbestos Task Force Report at the next Business Board meeting, which would include a series of recommendations, some related to this area of concern.

A member asked if there was a relationship between the effectiveness of a group's Health and Safety Committee and the accident rate among members of that group. A member responded, indicating that, in his view, a correlation was unlikely. In his view, the Trade and Utilities group had one of the most active and effective Joint Health and Safety Committee, yet its accident rate was very high.

12. Employment Equity Report, 2002

Professor Hildyard used a powerpoint presentation (attached hereto as Appendix “C”) to review the Employment Equity Report 2002.

There was debate about the possibility of setting benchmarks against which the annual statistics could be measured; about ways in which recruitment pools could be enriched with qualified candidates from broadly diverse backgrounds; and about how to overcome the very real issue of life-style choices by women that do not include academe or academic administration. Both Professor Hildyard and Professor Neuman expressed their commitment to continuing efforts for significant and effective movement toward an environment where faculty and staff mirrored the diversity in the student body and the City.

13. Reports of the Administrative Assessors

Professor Hildyard reported briefly on the certification application of Canadian Union of Public Employees (teaching assistants) on behalf of sessional lecturers and stipendiary instructors. The vote had taken place in April but votes were sealed until a review by the Ontario Labour Board on May 14. Questions had arisen about the potential size of this unit, and the University and CUPE were in disagreement with regards to the names and numbers on the voters' list. In addition, it was uncertain that CUPE had had the required 40% signed cards that were necessary for a certification vote. If agreement were not reached between CUPE and the University, the Ontario Labour Relations Board would rule on these issues.

14. Date of Next Meeting –Thursday, June 19, 2003

The Chair reminded members that the next regular meeting of the Business Board was scheduled for Thursday, June 19, 2003 commencing at 5:00 p.m.

15. Other Business

There was no other business.

ON MOTION DULY MOVED AND SECONDED, THE BOARD MOVED *IN CAMERA*.

16. Report of the Vice-President, Human Resources – UTFA Negotiations

Professor Hildyard informed the Board of the status of negotiations with the University of Toronto Faculty Association.

ON MOTION DULY MOVED AND SECONDED, THE BOARD RETURNED TO OPEN SESSION.

The meeting adjourned at 7:00 p.m.

Recording Secretary

Chair

May 12, 2003