

UNIVERSITY OF TORONTO  
THE GOVERNING COUNCIL

**REPORT NUMBER 102 OF THE BUSINESS BOARD**

**December 6th, 1999**

To the Governing Council,  
University of Toronto.

Your Board reports that it met on Monday, December 6th, 1999 at 5:00 p.m.  
in the Croft Chapter House, University College, with the following members present:

Mr. Amir Shalaby (In the Chair)  
Ms Rose M. Patten, Vice-Chair  
Professor Michael G. Finlayson,  
Vice-President - Administration  
and Human Resources  
Mr. Robert G. White, Chief  
Financial Officer  
Dr. Robert Bennett  
Professor Vivek Goel  
Dr. Anne Golden  
Professor Brian A. Langille  
Mr. Gerald A. Lokash  
Mr. Frank MacGrath  
Professor Heather Munroe-Blum  
Dr. John P. Nestor  
Mr. Martin Offman  
Ms Jacqueline C. Orange  
Mr. Roger P. Parkinson  
Mr. Kashif S. Pirzada

Mrs. Susan M. Scace  
Dr. Alexander R. Waugh  
Mr. Robert S. Weiss  
Ms Judith J. Wilson  
Mr. Vilko Zbogar

Mr. Louis R. Charpentier, Secretary of the  
Governing Council  
Professor Derek McCammond,  
Vice-Provost, Planning and Budget  
Ms Janice Oliver, Assistant Vice-President,  
Facilities and Services

Secretariat:

Mr. Neil Dobbs  
Ms Susan Girard  
Mr. Kenneth Hamilton

Regrets:

Ms Shruti Dev  
Ms Wanda M. Dorosz  
Mr. H. Garfield Emerson  
Mr. Paul V. Godfrey  
Dr. Robert J. Kyle

The Hon. David R. Peterson  
Dr. Joseph L. Rotman  
Mr. Terrence L. Stephen  
Mr. John H. Tory

In Attendance:

Mr. Robert W. Korthals, Senior Advisor to the President; Chair, President's Investment  
Committee  
Ms Sheila Brown, Controller and Director of Financial Services  
Mr. Tad Brown, Finance and Development Counsel  
Mr. Stuart J. Budden, Treasurer and Director of Investments  
Ms Laurie M. Lawson, Assistant Treasurer  
Mr. Brian Marshall, Director of Human Resources  
Ms Gayle Murray, Executive Assistant to the Vice-President and Employee Relations  
Coordinator, Office of the Vice-President - Administration and Human Resources  
Mr. Pierre Piché, Associate Controller  
Mr. Allan Shapira, Hewitt Associates  
Ms Deborah Simon-Edwards, Executive Assistant to the Chief Financial Officer

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ALL ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

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**1. Report of the Previous Meeting**

Report Number 101 (October 25th, 1999) was approved.

**2. Background Briefing: the Human Resources Environment**

The Chair said that to permit a frank report on the human resources environment, including matters that had to remain confidential because of their effect on negotiations, it was proposed that this item be considered in closed session.

On motion duly moved and seconded, it was resolved

THAT, pursuant to section 33(1) of By-Law Number 2, the Board continue in closed session, with staff members named by Professor Finlayson invited to remain.

Professor Finlayson presented his report and responded to questions.

On motion duly made and seconded, it was resolved

THAT the Board return to open session.

**3. Capital Project: Centre for Information Technology**

Miss Oliver said that the University proposed to build a new Centre for Information Technology in the interior of the block bounded by College, Huron, Russell and St. George Streets, above the new parking garage, which the Board had approved at its previous meeting. The building would provide 30,000 gross square meters of space. It would house the expanded teaching program in computer science and information-technology-related areas of engineering and contain 53 classrooms and tutorial rooms. It would accommodate the Departments of Computer Science, Electrical and Computer Engineering, the program in Engineering Science, and part of the faculty in Mechanical and Industrial Engineering. It would also be the site of four research centres: the Bell Canada University Laboratories, the Bell Canada Multi-Media Laboratories, the Centre for Advanced Coatings Technologies and the Nortel Institute for Telecommunications. Miss Oliver requested that the Board approve the spending of \$10-million on the project to pay for: demolition of buildings on the site, relocation of the functions and staff in those buildings, relocation of site services, building permits, excavation, architects and consultants' fees, and the top floor of the parking garage, which was regarded as the foundation/basement of the new building with the result that its cost would be borne by the funding for the new building (with the remainder of the cost borne by the Parking Ancillary). Sufficient funding was in hand to cover this phase of the project. Funding sources were: (a) donations, (b) Provincial funds that matched private support for the research components of the building, (c) Provincial funds for the capital costs of the Access to Opportunities Program (ATOP) to double enrolment in computer science and computer engineering, and (d) the University Infrastructure Investment Fund.

Discussion focused on the following topics.

**(a) Completion of the building by the target date of September, 2001.** Two members noted that the Province's ATOP program required the doubling of entry enrolment in computer science, computer engineering and related fields by September 2001. This project had therefore been placed on a "fast track." Was it likely that the building could be completed by that

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deadline? If it was not, was there risk of liability with respect to the ATOP grant? Miss Oliver replied that she was seeking to complete the project on a "fast track" basis, but with some of the delays encountered to date, it would be very difficult to have the building open by September 1st, 2001. The objective was to have the building open as soon as at all possible. For example, if the building was ready for November 2001, it would open in November rather than await the break between the first and second terms. The need for the space to accommodate the expanded enrolment and the new research initiatives was very intense, and every possible approach was being examined, including staging strategies, rental of temporary space, and more intensive use of existing classroom facilities, for example holding Saturday classes. Miss Oliver and her colleagues were currently interviewing contractors. One option was having the teaching parts of the building ready in a first phase. However, this did not appear likely as the research space would include "clean rooms" that had to be built in carefully controlled conditions. Miss Oliver stressed that the costs of such intermediate steps as renting temporary space had been built into the estimated cost of the project.

**(b) 44 St. George Street.** A member asked about 44 St. George Street, a building on the site that had been designated by the Toronto Historical Board. Miss Oliver replied that the building would be retained on its current site, with the new building wrapping around it. 44 St. George Street would be restored, a courtyard would be constructed to the South of this old house, and the current unsightly fire escape would be replaced by a balcony looking over the courtyard designed in a fashion consistent with Victorian-era mansions. The Historical Board was very pleased with the plan.

**(c) Degree of commitment to completion of the project.** A member expressed concern that by approving \$10-million of spending for this project, the Board would in effect be making a commitment to spend the remainder of the \$88.1-million estimated cost of the project, whether or not the remaining funding was achieved. Miss Oliver replied that the project could stop with the completion of the underground garage, much like the office building project between Richmond and Adelaide, east of Bay Street, which remained an underground parking garage for the time being. The Chair, Professor McCammond and Miss Oliver did, however, note that it was very unlikely that the full funding for the project would not be secured. Over half of the funding was now secure. The Government of Ontario had made reference to the project as a prime example of the kind of project intended to be assisted by the new SuperBuild Growth Fund.

**(d) Construction project management.** A member noted that the review of the Operations and Services Department included a number of recommendations concerning the management of major construction projects, including a four phase model, suggesting steps to be completed in the pre-design phase, the design and review phase, the implementation phase, and the phase dealing with the coordination and evaluation of occupancy and the final accounting of the project budget. Would the recommendations contained in the review be applied for this major new project? Professor Finlayson replied that where the recommendations were applicable, they would be applied. The Chair noted the comment in Professor Finlayson's administrative response to the review that unless a project had an individual assigned to be the project sponsor, the project would not be brought to the most successful conclusion. Was there such a sponsor for the Centre for Information Technology? Professor Finlayson replied in the affirmative; Professor Emeritus Peter I. P. Boulton was playing that key role.

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**3. Capital Project: Centre for Information Technology (Cont'd)**

On the recommendation of the Vice-President - Administration and Human Resources,

YOUR BOARD APPROVED

THAT the Vice-President - Administration and Human Resources be authorized to expend up to \$10-million for the completion of the design, staging costs and site development work related to the Centre for Information Technology, with funding provided from the funds received to date from the private sector supporters, the Provincial Access to Opportunities grant, and the University Infrastructure Investment Fund.

**4. Pension Plans: Annual Financial Report**

Mr. Weiss said that the Audit Committee recommended that the financial statements for the University of Toronto pension plan and the Ontario Institute for Studies in Education (OISE) pension plan be approved so that they could be submitted, in accordance with a statutory requirement, to the Financial Services Commission of Ontario. As part of the process, the Audit Committee had reviewed a full financial report on the pension plans: the main pension plan, the OISE pension plan, and the Supplementary Retirement Arrangement. The report on the two registered pension plans included their audited financial statements, a summary of their actuarial reports and a report on investment returns. The auditor, the actuary, and the University's Treasurer and Director of Investments had been present at the Audit Committee meeting. The Audit Committee's primary duty in examining the annual financial report was to assure itself and the Business Board that the pension plans were in solid financial condition.

With respect to the main pension plan and the OISE plan, in spite of the absence of employer contributions, in spite of a contribution holiday taken by most participants, and in spite of significant plan improvements, the actuarial surpluses as of July 1st, 1999 had increased over the previous year. In the main plan, that surplus had increased from \$327-million to \$352-million, before the surplus reserve prudently identified to provide for future adverse fluctuations in the value of the assets. In the OISE plan, the surplus had increased from \$25-million to \$27-million, again before the surplus reserve. Mr. Weiss noted that all new University staff, including staff working at OISE/UT joined the main University plan. The OISE plan covered only plan members from before the merger. The main reason for the growth in the surplus was the strong investment earnings of the pension funds over the past several years. The actuarial valuation of pension plans took into account investment returns over three years in order to smooth out the usual short-term spikes and valleys of the securities markets. Over the past three years, the investment returns of the pension funds was well in excess of the actuarial assumption. Therefore, the actuarial valuation of the assets had increased even though the investment return on the main pension fund for 1998-99 was only 2.5%, well below the actuarial assumption. There had also been changes to the actuarial assumptions to reflect more recent experience with inflation and investment earnings, and those changes had also contributed to an increase in the actuarial surplus, but the effect of the changes in assumptions had been slight.

Mr. Weiss recalled that the University had in 1997 established a Supplementary Retirement Arrangement (S.R.A.) for faculty and others with earnings above the maximum pensionable earnings permitted by Revenue Canada regulations. The University had at the time decided, as a matter of prudence, to begin setting aside money to match its liability under the S.R.A. Because of the surplus in the registered pension plans, the University was able to devote most of its pension benefits budget to building up an internal reserve in the "funds committed to specific purposes"

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to offset the S.R.A. liability, with the reserve being invested in the Consolidated Investment Pool, the investment vehicle used for the University's endowments. It had been planned to bring that internal reserve up to the amount needed to match the full S.R.A. liability by 2002. With the recent pension plan improvements, however, the liability had grown, and, according to the usual practice of amortizing this liability over five years, it would now take until 2004 to build the S.R.A. reserve up to match the accrued liability. As at June 30th, 1999 the accrued liability for the S.R.A. was \$102-million, and the reserve set aside to match that liability had reached \$57-million.

In the course of discussion, Mr. Weiss noted that the primary role of the Audit Committee, and the primary role of the Business Board at this time, was to consider the financial position of the pension plans. Later in the year, a separate report would be presented to the Business Board to deal with the investment performance of the pension funds - and the Consolidated Investment Pool - during the 1999 calendar year. Nonetheless, as noted in the excerpt from Report Number 55 of the Audit Committee, the Committee had devoted substantial time to a discussion of the investment returns on the pension funds. Mr. White noted that the annual report of the President's Investment Committee was scheduled for the May 1st, 2000 meeting of the Board. As well as that detailed report, the Board would also receive recommendations concerning the pension funds' investment policies as well as the Investment Policy for University Funds.

Questions and discussion focused on the following topics.

**(a) Plan liability and number of retirements.** A member noted that the University expected a large number of retirements over the next few years as the many faculty members appointed during the expansion of the 1960s reached retirement age. Was this factor built into the planning for the University's pension obligations? Invited to respond, Mr. Shapira said that the age profile of the faculty and staff was built into the actuarial projections, as was a recognition that the actual average retirement age was below 65 years. Any experience of early retirements beyond those projected was included in the valuation annually. Therefore the calculation of the plans' liability would always be up to date so that the plan could be fully funded to meet that liability. Mr. White noted that because of the early retirement program, many of the anticipated retirements had already taken place, and the bulge in retirements in the near future would therefore not be as great as previously anticipated.

**(b) Asset mix.** A member asked if the asset allocation of 60% equities and 40% fixed-income securities was fixed or subject to change. Mr. White replied that the 60:40 asset allocation was part of the pension funds' basic investment policies. That mix had been established on the basis of the plans' liabilities. Nonetheless, the investment policies were reviewed annually and submitted to the Business Board for approval, and the basic asset mix could be changed if it became appropriate to do so. In addition, the investment policies gave the President's Investment Committee some flexibility to depart from the asset mix, and that Committee did each year establish a tactical asset mix to take advantage of perceived advantages for any asset class. The Chair noted that the Board had approved the establishment of a new investment-management corporation, which might in the future recommend a different asset mix.

**(c) Derivative investments.** In response to a member's question, Mr. Budden and Ms Lawson said that the derivative investments contained in the pension fund were not used to obtain leverage. On the contrary, the investment policies prohibited any portfolio manager from using leverage. The instruments used for the pension fund were futures contracts on foreign stock indices, specifically the Standard and Poor's 500 Index of large U.S. corporations and the Morgan Stanley Capital International Europe / Australasia / Far East (EAFE) Index. The full nominal value of the

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futures contracts was backed by high-quality money-market securities, primarily Government of Canada treasury bills but also other government-guaranteed instruments and some high-quality commercial paper. The value of the futures contracts was marked to market, settled and adjusted daily to ensure that full backing would always be in place. There were two objectives in using those instruments. First, they represented an inexpensive way of investing in the two indices. Second, the backing assets were all Canadian issues, and the futures contracts were just that - contracts - and had no substantial asset value. Therefore, the total investment counted as Canadian content for the pension funds. This allowed the pension funds to obtain extra returns based on the foreign indices without violating the Government of Canada limit of 20% foreign content in pension funds. Those instruments had been used to raise the foreign equity exposure of the pension funds to about 35%.

**(d) Liability for the Supplementary Retirement Arrangement.** A member noted that the accrued liability for the Supplementary Retirement Arrangement appeared all at once on the initiation of the arrangement. Mr. White replied that the arrangement was simply a commitment by the University to make supplementary retirement payments to pensioners beyond their benefits in the registered plan, with the total being equal to that provided by the normal pension benefit formula. The commitment had been made because government limits on pensionable income, and the continued delay in indexing those limits, prevented those individuals from receiving full pension benefits according to the normal formula based on average salary in the final three years of service and number of years' service. The S.R.A. was not, and - according to Canadian law - could not be like a registered pension plan - a contributory arrangement whereby employer and employee contributed funds to a separate trust account used to fund payments. Therefore, the liability was one incurred by the University to eventually pay the supplementary benefits that had already been earned and were projected to be earned by the employees covered by the arrangement. Mr. Weiss added that there was no obligation for the University to set aside and invest funds to match this commitment; the University could simply handle this commitment on a pay-as-you-go basis. Indeed, such supplementary retirement arrangements were common in the private sector, and they were often handled on a pay-as-you-go basis. However, the University had decided, as a matter of financial prudence, to set aside and invest funds. Mr. Shapira commented that the University and the Board should, from a financial-management perspective, consider as a whole the University's retirement obligations and the assets available to meet those obligations.

**(e) Future pension plan contributions.** A member noted that the faculty would be enjoying a pension-contribution holiday for 1999-2000 and 2000-01 and would make only a half contribution for 2001-02. The University would also likely make no contributions to the registered pension plans for those years, redirecting much of its pension benefits budget to setting aside funds to match its liability under Supplementary Retirement Arrangement. Would the actuaries recommend a continuance of the contribution holidays, or did the current situation constitute a unique opportunity? Mr. Shapira replied that with respect to employer contributions to the registered plans, section 147.2 of the Income Tax Act prohibited such contributions when there was an "excess surplus" in a plan, i.e. when the surplus exceeded 10% of the accrued liability or twice the total current service cost, whichever was the greater. Because the surplus in both registered plans was well above those limits, it was likely that the University would not be required, indeed allowed, to make employer contributions to those plans for some further period of time, depending on developments in the securities markets, which would affect the assets in the pension funds. The University was, of course, continuing to expend its pension benefits budget; but it was using most of that budget to set aside funds to match its liability under the Supplementary Retirement Arrangement. With respect to participant contributions, the matter would be determined similarly by developments in the securities markets and by the outcome of negotiations.

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On the recommendation of the Audit Committee,

YOUR BOARD APPROVED

- (a) The audited financial statements of the University of Toronto Pension Plan, June 30th, 1999, and
- (b) The audited financial statements of the Employees' Pension Plan of the Ontario Institute for Studies in Education, June 30th, 1999.

**5. Operations and Services: Review and Administrative Response**

Professor Finlayson recalled that he had about three years ago established an advisory committee to review the Human Resources Department. That Committee had included members from inside and outside the University. It had completed its review and produced a very helpful report. That report had concluded that the Human Resources Department had been insufficiently tied in with senior management and with the University's academic divisions. As a result of the report, Professor Finlayson had formed a Human Resources Management Board and had made a number of fundamental changes in the way Human Resources services were offered, which changes had proven to be highly successful. Inspired by the success of the review of the Human Resources Department, Professor Finlayson had formed another advisory committee to review the Operations and Services Department on the St. George Campus. That Department was substantially larger and more complex than the Human Resources Department. The review committee had again included members of the University and people from outside the University. Its membership had also included the now-Chair of the Business Board. The mandate of the Committee was to review how the Operations and Services Department was doing, how well it was structured, and how well it was equipped to deal with the challenges of the next decade. The review committee's report had been published in June and distributed to the Business Board early in September to provide members the opportunity to review the long document.

Professor Finlayson said that the review committee, like the committee that had reviewed the Human Resources Department, had found that the Operations and Services Department was less responsive than it might have been to the leaders of the academic divisions. The review committee had therefore recommended the establishment of an Operations and Services Management Board, comparable to the Human Resources Management Board. The membership of the new Board would include divisional leaders to ensure that the work of the Operations and Services Department was directed to meeting divisional needs and was responsive to divisional requests. The report contained twenty-two other recommendations. Property managers, the committee had observed, tended to respond more to their superiors in the Operations and Services Department than to the leaders of the academic divisions occupying their buildings, and the Committee therefore recommended a dual reporting structure. With respect to deferred maintenance, the review committee had recommended that the University develop a strategy to increase the funding made available by the Province to deal with the problem. With respect to new buildings, the committee recommended that the budget plan for each new building include monies for the maintenance of the building over its anticipated life. The committee also recommended that the budget plan for new buildings include money for improvements in the landscaping of surrounding areas, consistent with the Open Space Master Plan. The review committee had concluded that responsibility for classrooms was currently too diffuse, and it had concluded that responsibility for the "design, development, maintenance, management and booking" of classrooms be located within the Office of the Vice-President and Provost. The committee



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recommended that consideration be given to outsourcing virtually all facilities and services operations except utilities. Finally, the committee recommended several measures to promote the development of a service mentality with greater responsiveness to client requests.

Professor Finlayson said that the administration broadly accepted many of the review committee's recommendations. He would establish an Operations and Services Management Board to deal with the perception that the Department was too independent of the academic leadership. The experience with the Human Resources Management Board had been good and was worthy of emulation. In a few other cases, the recommendations were problematic. For example, the review committee had recommended dual reporting responsibility for property managers, both to their superiors in the Operations and Services Department and to the academic heads of the divisions whose their buildings they cared for. The problem was that there were only ten or eleven property managers and 110 buildings. Some of those buildings were occupied by more than one academic department. There would, therefore, be real problems with a dual reporting arrangement.

Professor Finlayson stressed that the performance of the Operations and Services group had to be seen in the context of huge budget reductions. In 1991, the administrative staff of the University had numbered about 8100. By 1999, that number had declined to 6500. At the same time, the 19% fewer staff were expected to provide service to significantly more students and to maintain substantially more space. The budget reductions forced by the "social contract" and the "common sense revolution" had fallen disproportionately on administrative staff, and most disproportionately on Operations and Services staff. In this period, there had been a reduction of 30% in the number of traditionally unionized employees and an increase of 12% in space. In the specific case of Operations and Services on the St. George campus, a staff of 689 people in 1991 had declined to 546 now. The St. George Campus in 1991 had included 8.9-million square feet in 104 buildings. There were now 9.9-million square feet in 112 buildings. While it was no doubt true that there were significant problems, the Department had experienced serious downsizing and increased responsibility. In those circumstances, it was inevitable that the levels of service would decline.

The Chair, speaking as a member of the review committee, thanked Miss Oliver and Professor McCammond for supplying a great deal of data, which had been essential to the work of the committee. The report had recognized the problems facing the Department as the result of severe reductions in staff combined with substantial increases in the work to be done. Indeed, one of the review committee's recommendations was that any future budget reduction be made only "in full recognition of the impact of such cuts on the achievement of the academic mission and the need for the functional physical infrastructure to carry out this mandate." The report had recognized "indications that the cracks are widening, and the resources are currently not available to address the escalating demands necessitated by modern research, the increase in student numbers and the aging infrastructure of the university buildings." Some of the review committee's recommendations had been less than fully embraced, perhaps because members of the committee had not recognized practical impediments to their implementation. The Chair was, however, very pleased that the Operations and Services Management Board would be established and would be able to build on the review committee's work.

A member asked about the process that would follow this administrative response. Would it be referred back to the review committee? Professor Finlayson replied that the work of the review committee was now complete. The new Management Board would be responsible for the implementation of changes. The Chair commented that the Business Board would also no doubt find the review committee's report helpful as it carried out its work, for example monitoring the annual reports on deferred maintenance and dealing with the deferred-maintenance problem in general.

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**5. Operations and Services: Review and Administrative Response (Cont'd)**

Among the matters that arose in discussion were the following.

**(a) Role of the project manager and the project sponsor.** A member referred to the recommendation concerning the involvement of project managers through all phases of capital projects, from the pre-design phase on forward. He thought that implementation of the recommendation would help to prevent problems with respect to capital projects. For example, the presence of a project manager in the pre-design phase for the new Varsity Stadium might have brought to light the problems associated with that project's fitting in with the originally planned commercial redevelopment of the Varsity Stadium site. The member was also pleased to see Professor Finlayson's response that there should also be a "project sponsor" for each project - a leader for the project to promote its successful completion and its adherence to the goals of the academic division. Professor Finlayson noted that there had always been project managers assigned to each capital project. The innovation proposed by the review committee was the involvement of the project manager in the very earliest phase of the project - the "pre-design phase." He thought the innovation would be a good one.

**(b) Deferred maintenance.** A member referred to the recommendation that the budget plan for each new building include monies for the maintenance of the building over its anticipated life. Given that several major projects were underway, was that recommendation being implemented at this time? Or, would the new construction exacerbate the deferred maintenance problem? Miss Oliver replied that the budget plan for the new parking garage, as part of the parking ancillary, did include provision for maintenance. With respect to the Centre for Information Technology, two components made such a provision. The grants for operation of the research components and the "Access to Opportunities Program" components did include money for maintenance. Professor Finlayson said that it would take time to determine whether the University would be able to find money to include a maintenance component in the budgets for new buildings in general.

**6. Capital Projects: Annual Report, 1998-99**

The Board received for information the annual report on capital projects for 1998-99. Miss Oliver responded to a question about one project which had been conveyed in advance by a member, and discussion developed about three other matters.

**(a) Graduate / Second-Entry Residence.** Miss Oliver reported that the contract for the graduate / second-entry residence had been awarded to the low bidder, a firm that had successfully completed a number of major projects including the new U.S. Embassy in Ottawa. While the building had been on schedule up to the spring of 1999, it had then become apparent that the contractor had not secured subcontracts for dry-walling and kitchen installations. Dry-walling services were in particularly short supply owing to the boom in the construction of condominium apartment buildings in the area. In addition, while a sub-contract had been secured for window installation, the subcontractor was not fulfilling the timelines needed for the project. The projected date for completion of the project had then been put back and temporary accommodation had been found for students in a downtown hotel. The University had hoped to have partial occupancy of the building in December and then in February. When the February date had ceased to be a real possibility, it had become clear that it would be too disruptive to ask students to move in the last quarter of the academic year, and Miss Oliver had recommended to the Student Affairs division that the temporary accommodation be retained for the remainder of the academic year. University staff would be meeting the next day with the performance-bond insurers to seek recovery of the costs of accommodating students in the hotel. The overtime costs incurred in the effort to have the project completed sooner could be met by the contingency line in the building's budget. The Chair requested a follow-up report on the progress of this project.

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**6. Capital Projects: Annual Report, 1998-99 (Cont'd)**

**(b) Munk Centre for International Studies.** Professor Finlayson and Miss Oliver reported that delays were also being experienced in the completion of the Munk Centre for International Studies. In this case, the problem had been exacerbated by an unusually high number of change orders from the architects. The Chair requested a follow-up report on the progress of this project.

**(c) Advice concerning the execution of capital projects.** Professor Finlayson reported that the University had sought advice on steps it should take to avoid the recurrence of these problems. Those problems had been a departure from the University's record over the past decade of having projects completed on time and on budget.

**(d) Future annual reports.** A member suggested that future annual reports include information on completed projects to show the cost and completion dates for projects compared to budget and compared to the originally targeted dates.

**7. Physical Planning and Design Advisory Committee, Annual Report, 1998-99**

The Board received for information the annual report of the Physical Planning and Design Advisory Committee for 1998-99.

A member noted that the membership of the Committee included no students. Students had to live with the outcome of campus design every day. Moreover, there was no doubt that many highly knowledgeable students, especially from the Faculty of Architecture, Landscape, and Design, could be found to serve. The member therefore suggested the inclusion of a student member(s).

Professor Finlayson recalled that the terms of reference of the Physical Planning and Design Advisory Committee, including its composition, had been approved by Business Board on April 7th, 1997. He thought that the inclusion of a student member would be a good idea.

**8. Report Number 54 of the Audit Committee (October 13th, 1999)**

The Board received the items for information contained in Report Number 54 of the Audit Committee (October 13th, 1999).

**9. Report on Gifts and Pledges over \$250,000, August 1 to October 31, 1999**

The Board received for information the Report on Gifts and Pledges over \$250,000, August 1st to October 31st, 1999.

**10. Date of Next Meeting**

The Chair reminded members that the next regular meeting was scheduled for Monday, January 24th, 2000 at 5:00 p.m.

The meeting adjourned at 6:55 p.m.

December 17th, 1999

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Secretary

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Chair