

University of Waterloo

BOARD OF GOVERNORS

Minutes of the Tuesday, October 26, 2004 Meeting

Present: Bob Harding (Chair), Lois Claxton (Secretary), Mary Bales, Nadir Budhwani, Arthur Church, Hilde English, Herb Epp, Catherine Fry, Simon Guthrie, Geoff Guy, Wendy Hallman, Linda Hasenfratz, Ed Jernigan, David Johnston, Katherine Johnston, Paul Koenderman, George Labahn, Robert Le Roy, Liam McHugh-Russell, Greg Mumford, Janet Passmore, Paul Schellenberg, Gerry Schneider, Ken Seiling, Gerry Sullivan, Ed Vrscay, Mark Walker, John Wetmore, Becky Wroe, Carl Zehr

Ranjana Bird, Gail Cuthbert Brandt, Amit Chakma, Alan George, Paul Guild, Chris Henderson, Dennis Huber, Bob Kerton, Linda Kieswetter, Ken Lavigne, Bruce Lumsden, Jane Manson, Avril McVicar, Bruce Mitchell, Dan Parent, Catharine Scott, Adel Sedra, Mike Sharratt, Laura Talbot-Allan, Bob Truman, Bud Walker

Regrets: Serge Godin, Cathie Irwin, Mike Lazaridis, Peggy Mulligan, Val O'Donovan, Ray Tanguay

OPEN SESSION

1. REMARKS FROM THE CHAIR

At Governors' Places. The Office of Research report on Sponsored Research Funds, Statistical Data for Grants, Contracts and Special Research, 2003-2004.

Consent Agenda

Motion: That items 2-6 be approved and/or received for information by consent.

Wetmore and Bales.

2. APPROVAL OF MINUTES

The June 9, 2004 minutes were approved as distributed.

3. REPORT OF THE PRESIDENT

Promotion of Faculty Members. The Board received this report for information.

Recognition and Commendation. The Board received this report for information.

Sabbatical/Special/Administrative Leaves and Administrative Appointments [addendum at Governors' places]. The Board approved the recommended sabbatical/special/administrative leaves as presented in the reports, and received the administrative appointments for information.

4. REPORT OF THE VICE-PRESIDENT, ADMINISTRATION & FINANCE

Tuition Fee. The Board approved the proposed new fee of \$2,750 per course for the Graduate Certificate in Electric Power Engineering.

5. REPORT OF THE EXECUTIVE COMMITTEE

The Board received this report for information.

6. OTHER BUSINESS

Reappointment to the Pension & Benefits Committee. The Board approved the reappointment of David McNee (Plant Operations – Buildings) as the CUPE Local 793 representative on the Pension & Benefits Committee, term from November 1, 2004 to April 30, 2007.

The motion carried.

Regular Agenda

7. ELMASRY REMARKS

The President reviewed the sequence of events and advised on the process, prescribed by the Memorandum of Agreement between the Faculty Association and the University, noting that George Dixon, Dean of Science, will assume decanal authority in this matter because of a potential/perceived conflict of interest declared by the Dean of Engineering.

8. PRESENTATION ON THE RAE COMMISSION [PowerPoint slides available at: <http://www.adm.uwaterloo.ca/infosec/rae.oct04.pdf>]

Following the synopses presented by the President and Vice-President, University Relations, Governors heard: that UW is institutionally addressing the matter of accessibility directly, as evidenced by the work of Dean Sedra's Task Force on Undergraduate Student Financial Support, currently under review in Senate and expected for presentation to the Board in February 2005; UW will be submitting a brief to Rae, focussing on those areas of strategic importance to UW; a suggestion that, since creation of a "buffer body" is very likely, consideration should be given to making the body an extension of boards of governors, thereby vesting it with responsibility already granted to universities under statute and charging it with oversight based largely on performance metrics.

In concluding, the President encouraged Governors to participate in this exercise by any of the several means available to them.

9. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

10. REPORT OF THE PRESIDENT

Environmental Scan

- **Rae Commission.** The President applauded Rae on his astute efforts to broaden his enquiry to build a community consensus for reinvestment in higher education.
- **Official Opening of the School of Architecture.** The official opening on Friday was a tremendous success, followed by an explosion of interest and support at the public open houses on Saturday and Sunday, when approximately 2000 and 3000, respectively, toured the facility.
- **Gift for Engineering.** Governor Arthur Church, a UW Engineering alumnus, recently announced a generous contribution to Campaign Waterloo that will be used to: create a scholarship fund to assist graduate students in Mechanical Engineering; develop a mechatronics lab that is producing graduates with necessary skills to design computer-controlled electromechanical systems.
- **RIM Named Company of the Year.** RIM has been named "company of the year" in the annual technological education awards of the Yves Landry Foundation.

- **Mary Bales.** Governor Bales was in Ottawa last week to receive a National Housing Award for Hartwood Place, one of 15 awards being presented at this biennial event for achievements in affordable housing.
- **The Globe and Mail Ratings** [handout at Governors' places]. Waterloo received some high scores, including an A for "overall educational experience," from the self-selected sample of undergraduates who answered *The Globe and Mail* University Report Card 2004. Results of the survey were based on ratings offered by 27,811 students across Canada who volunteered to answer questions about their own universities.
- **Ontario University Chancellors' Statement.** The President applauded this statement, affirming the fundamental importance of a liberal arts education.
- **Speech from the Throne.** The President expressed his disappointment with the throne speech, a consequence of the government's election platform with healthcare being the predominant theme.

11. REPORT OF THE VICE-PRESIDENT, ACADEMIC & PROVOST

2004-2005 Operating Budget Update [PowerPoint presentation available at: <http://www.adm.uwaterloo.ca/infosec/budget.oct04.pdf>]. Because no precise budget figures are available until November, when UW is advised of government funding based on final enrolment figures, the Provost requested, and Governors agreed, to change the reporting pattern starting in the next fiscal year: the operating budget update presented at October Board will be at a "high level" with a final and precise update presented to the February meeting of the Board.

Health Sciences Campus/School of Pharmacy. Necessary approvals have been obtained from Ministry of Training, Colleges and Universities for the Toronto pharmacy satellite program, and Kitchener City Council has committed \$30,000,000 for the development of the Health Sciences Campus in downtown Kitchener. The UW/City of Kitchener MOU is in final stages of drafting and will be executed following due diligence on site conditions in the land parcels that will be transferred to UW. Dr. Jake Thiessen, current Associate Dean of Pharmacy at Toronto, has been named the founding Director; expectations are that the first class (partial) will be enrolled for September 2006.

Family Medicine Teaching Centre. The Family Medicine Group, comprised of local physicians with affiliations with McMaster and Western Schools of Medicine, will give training to family medicine interns from those schools, raising the possibility that, upon graduation, some physicians will remain in the community. The Group will occupy ~8,000 square feet, subleased from UW in a building in downtown Kitchener, and is expected to take occupancy in 2005.

USG Grades. The Board heard a motion to approve that the upper point band for USG grade 18 be modified (1274 to 1264) and that USG grades 19, 20 and 21 be established with the point bands and salary ranges as indicated in the report.

Johnston and English.

In discussion, Governors heard that: the rationale for proposing additional grades was to recognize increasing levels of responsibility at senior levels and reduce compression in the mid ranges; relatively few positions (~five) will be in the upper grades; there will be oversight to ensure job inflation and classification creep does not occur; the Staff Compensation Committee's endorsement of this proposal was withheld, not because of disagreement over additional ranks but because of its view that these positions should be filled on a term basis, not as ongoing appointments; the administration is prepared to consider the possibility of a term appointment on a case-by-case basis but could not be constrained by an absolute requirement since some positions need continuity of the

incumbent; the hourly rates as presented in the documentation did not appear to be consistent with the ranges.

The motion carried, subject to clarification of the hourly rates/ranges [attached to minutes].

Sixth Decade Planning. By way of background, the Provost advised that the planning process is under way and will be somewhat delayed, the result of a decision to insert an external review of Faculty academic plans. Target dates for all units to complete plans is April 2005, following which information will be presented to the Senate Long Range Planning Committee, then to Senate and to the Board. To provide Governors with opportunity to participate in the process at an early stage, the Provost and President engaged Governor Sullivan to work with a small group of Governors and private sector representatives to sketch out a planning scenario based, in part, on the senior administration annual retreat [KB] exercise.

Following Sullivan's presentation "UW Vision 2004" [PowerPoint slides available at: <http://www.adm.uwaterloo.ca/infosec/UWvision.oct04.pdf>] with its five strategic implications (measure excellence, strive for greater income diversification, lower cost of delivery of services, re-inventing Co-op, flexible on size and shape issues), Governors heard: flexibility needs to be coupled with an articulated plan of where UW wants/expects to be within five to seven years; further, the impossibility of looking 25 years out without first focussing on what needs to be done in two to three years; planning should include a careful look at what UW doesn't do well and how to address these deficiencies; "measuring excellence" should, in turn, inform "size and shape"; like the founding Governors, current Governors should consider more land acquisition and the possibilities of transit linkages to new parcels *via* the proposed Light Rail Transit System (Cambridge, Pharmacy and UW are all nodes on the proposed system); international campuses and partnerships (e.g., Indian Institutes of Technology) should be considered.

Sullivan's work was greeted with gratitude and warm applause.

12. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RELATIONS

Campaign Waterloo [slides available at: <http://www.adm.uwaterloo.ca/infosec/campaignwaterloo.oct04.pdf>]. The Vice-President, University Relations reported on highlights of Campaign Waterloo. In discussion, Governors heard: of UW's efforts to create a culture of annual alumni giving; graduates from all six Faculties make a class pledge, now also adopted by graduate students; at convocation, graduands are encouraged to consider making an annual gift; there should be an annual Board drive (most serving on not-for-profit boards expect to make an annual donation); there are still "asks" to be made in the current campaign but such asks need to be more targeted; some fund-raising projects are being redefined/repackaged to be made more attractive to potential donors.

13. REPORTS FROM COMMITTEES

Audit. The Board heard a motion to approve the UW Financial Statements for the year ended April 30, 2004.

Wetmore and Sullivan. Carried.

The Board heard a motion to approve the reappointment of Ernst & Young as UW external auditors for the fiscal year ending April 30, 2005.

Wetmore and Zehr. Carried.

The two remaining items in the report were received for information.

In reporting on the Chair/Members of Ontario University Audit Committees meeting hosted by UW in October, the Chair reported that it was met with a good deal of success, high participation, and showed UW's leadership with respect to governance issues. The session provided opportunity to share best practices and established a useful communications network. Participants agreed to convene another session, at another university, in the spring.

With respect to the audited financial statements, kudos to UW for what Governors agreed is one of the best financial statement presentations they have seen, based on their service on various boards.

Building & Properties. The Board heard a motion to approve the appointment of Rounthwaite, Dick and Hadley Architects for the planned addition to the School of Optometry.

Bales and McHugh-Russell. Carried.

The Board heard a motion to approve entering into two construction contracts with Nith Valley Construction Limited for UW Place court conversions: one for \$4,174,650 for Waterloo Court; one for \$4,309,525 for Woolwich Court.

Bales and Wetmore. Carried.

The Board received the remaining item in the report for information.

Finance & Investment. The Board received this report for information.

Pension and Benefits. Having heard that: the Committee adopted a smoothing mechanism to bring the valuation closer to market; the process was adopted on the actuarial consultant's advice that this was appropriate and normal; it will result in increased employer contributions (an expected result) but without affecting employee contributions; with new managers, there is anticipation of better results, Governors heard a motion to approve the University of Waterloo Pension Plan Report on the Actuarial Valuation for Funding Purposes as at January 1, 2004, recognizing that the report will be filed with the Financial Services Commission of Ontario.

Sullivan and Guy. Carried.

The Board heard a motion to approve the proposed amendment (No. 6), as detailed in the report, to the Pension Plan Text.

Johnston and Sullivan. Carried.

The remaining items in the report were received for information.

14. OTHER BUSINESS

There was no other business.

John Wetmore excused himself from the meeting.

The Board convened in confidential session.