

*University of Waterloo*

**BOARD OF GOVERNORS**

*Minutes of the Tuesday, April 5, 2005 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, Cathie Irwin, Ed Jernigan, David Johnston, Katherine Johnston, Paul Koenderman, Robert Le Roy, Liam McHugh-Russell, Peggy Mulligan, Greg Mumford, Janet Passmore, Paul Schellenberg, Gerry Schneider, Ken Seiling, Gerry Sullivan, Ray Tanguay, Mark Walker, John Wetmore, Becky Wroe, Carl Zehr

Tom Carey, Amit Chakma, George Dixon, Alan George, Paul Guild, Dennis Huber, Linda Kieswetter, Ken Lavigne, Paul Lehmann, Michael Makahnouk, Jane Manson, Bruce Mitchell, Daniel Parent, Keith Peck, Adel Sedra, Mike Sharratt, Laura Talbot-Allan, Gerry Thompson, Bob Truman, Bud Walker

**Regrets:** Serge Godin, Linda Hasenfratz, George Labahn, Mike Lazaridis, Ed Vrscay

**OPEN SESSION**

**1. REMARKS FROM THE CHAIR**

The Chair welcomed Governors to the spring Board meeting.

**Membership.** The Chair thanked those Governors whose terms on the Board end April 30 for their service to the University: *CAL reps* – Hilde English (Building & Properties), Linda Hasenfratz, Peggy Mulligan (Audit, Executive); *LGIC reps* – Gerry Sullivan (Audit, Pension & Benefits), John Wetmore (Audit - Chair, Executive, Senior Officers' Evaluation & Compensation); *faculty reps* – Robert Le Roy, Ed Vrscay; *staff rep* – Mark Walker (Executive); *undergraduate student reps* – Katherine Johnston, Liam McHugh-Russell, Becky Wroe (Building & Properties, Executive); *graduate student rep* – Nadir Budhwani (Executive). A round of applause followed.

**Consent Agenda**

The Board heard a motion to approve and/or receive for information by consent items 2-4 [below].

Wetmore and Walker.

**2. APPROVAL OF MINUTES**

The February 1, 2005 minutes were approved as distributed.

**3. REPORT OF THE PRESIDENT**

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

**Sabbatical/Special/Administrative Leaves and Administrative Appointments.** The Board approved the recommended leaves and received the administrative appointments for information.

#### 4. REPORT OF THE VICE-PRESIDENT, ACADEMIC & PROVOST

**University Professorship Designations.** The Board received this report for information.

The motion carried.

#### Regular Agenda

#### 5. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

#### 6. REPORT OF THE PRESIDENT

**Environmental Scan** [<http://www.adm.uwaterloo.ca/infosec/scan.apr05.pdf>]

- **Graduate Student Conference:** this year, "Sharing Discovery" is being held April 4-7.
- **Presidents-elect:** effective May 1, John Andersen will replace Becky Wroe as President of the Federation of Students, and Michael Makahnouk will replace Nadir Budhwani as President of the Graduate Student Association.
- **Mandatory Retirement:** the provincial bill eliminating mandatory retirement is expected to be introduced in late spring with committee review in the fall; should legislation pass, COU is lobbying for a three-year phase-in for universities.
- **Rae Review:** refreshing the Board on the key points/recommendations of the report (in particular, the \$1.3 billion infusion over three years, projected to bring Ontario university funding to the midpoint among the provinces) and UW's specific advice to Rae (in particular, including co-op education funding in the new funding formula and increasing employer tax credit to \$2500), the President commented on COU's advocacy plan and the op-ed piece by the Presidents of UW, WLU and Guelph published recently in local newspapers. The President also urged Governors to participate in showing support for the Rae recommendations by writing to the Premier and their local MPPs (letter template at Governors' places).
- **COU's Eight Principles of Graduate Enrolment:** in particular, recommending doubling of graduate student numbers within the next decade to, at least in part, address the professorial retirements that will occur in that period.
- **AUCC Data on Government Funding:** showing comparisons of public colleges/universities including: US funding per student is 25 percent higher in real terms over 1980, while in Canada there has been a 20 percent decline; annual tuition fees which were at the same level in 1980 are now averaging \$7000 in the US and \$4000 in Canada; combined revenue from government funding and tuition fees is \$8000 higher in the US than in Canada; since 1987, faculty and student growth in the US have proceeded at the same rate, while in Canada student growth has increased by 50 percent and faculty by seven. It was suggested that data tracking comparisons of US and Canadian standards of living as well as business productivity should also be included in this presentation.

**7. REPORT OF THE VICE-PRESIDENT, ADMINISTRATION & FINANCE**

**2005-06 Ancillary Fee Increases.** The Board heard a motion to approve the 2005-06 ancillary fee increases as presented in the report.

Sullivan and Le Roy.

In discussion, Governors heard that the five percent increase brings the base Co-op Fee (used to pay for administrative aspects of the Co-op operation including costs of staff, coordinators and the matching process) to \$441 per term; the remaining \$25 capital fee, approved by the Board several years ago, is applied against the capital costs of constructing the Tatham Centre. The Orientation Fee, approved by referendum (February 2005), is refundable (though 80 percent of first-year students participate in orientation activities) and streamlines the previous payment process.

The motion carried.

**2005-06 Tuition Fee Increases.** The Board heard a motion to approve the 2005-06 tuition fee increases as presented in the report.

Bales and English.

With respect to fees for Nanotechnology, Governors heard that this program is expensive to deliver and, as the only program of its kind in Canada, lacks comparative data.

The motion carried.

**8. REPORT OF THE VICE-PRESIDENT, ACADEMIC & PROVOST**

**Co-operative Education & Career Services Review.** At the Provost's invitation, the Associate Provost, Academic & Student Affairs provided an update on the review, indicating the breadth and nature of the various participants (Faculties, Federation of Students, external team, Waterloo Advisory Council, Waterloo Alumni Council, employers' survey) and noting that the Committee continues to meet and work on its final report.

**Health Sciences Campus/School of Pharmacy.** The Provost commented on the following: curriculum (application for approval submitted to MTCU; UW's Senate controls the curriculum adopted from the University of Toronto through a collaborative arrangement); remuneration to UT will be based on services UT provides (including teaching and admissions process) and will be made as an initial lump sum and continuing fee-for-service; appointment of architect for Phase 1; acquisition of land/soil remediation for the campus; discussions with the two local hospitals *re* possibility of centralizing pharmacy services and medical labs in the complex; international pharmacists' accreditation (starting fall 2006); family medicine teaching facility (and the recent encouraging meeting with City officials, local practitioners and the Associate Deans of Family Medicine from McMaster and UWO).

**Major Capital Projects.** The Provost commented that the following capital projects are now on UW's agenda: Quantum Computing/Nanotechnology Centre (200,000-225,000 square feet, housing offices, labs and classrooms at a cost of between \$60 and \$70 million; donations are expected to

cover half the capital costs with UW borrowing the rest, using cash-flow to cover borrowing costs and continuing to fund-raise for the project); School of Accountancy (to accommodate anticipated enrolment growth in this area of high demand); School of Optometry (building plans are being “revisited” so as not to limit future expansion). In closing, he noted that the VP Administration & Finance will prepare a financial plan for Quantum Computing/ Nanotechnology for presentation to the Finance & Investment Committee in the fall.

**Kuwait.** The Dean of Engineering advised that UW’s due diligence (a feasibility study was carried out by Ernst & Young with participation from former Engineering Dean Bill Lennox and Governor Gerry Sullivan) revealed absence of a sufficiently large pool of qualified students (perhaps only 30 to 40 students, not enough of a critical mass) to proceed and, while this project is being shelved, UW remains interested should the right opportunity present.

**Associate Provost, Information Systems & Technology.** Dr. Alan George has accepted appointment to this position for a two-year renewable term, effective July 1, 2005.

**2005-06 Operating Budget** [<http://www.adm.uwaterloo.ca/infosec/budget.apr05.pdf>]. The Provost reviewed the proposed budget, noting that the revenue and expenditure figures were projections: in particular, that net revenue growth is up by \$19.8 million and expenditure increases by \$21.9 million – the overage to be addressed by an expenditure reduction of one percent (\$1.9 million) and acceptance of a structural deficit of \$1.3 million (covered in 2005-06 by one-time money). Causes of the budget shortfall include government grants absent inflation adjustments, ongoing unfunded BIUs and tuition fee freeze (foregone tuition revenue because of government freeze totals \$17 million). Strategic investments (\$6.2 million vs \$13 million last year) contained in the budget include funding for undergraduate enrolment expansion, undergraduate scholarships, international tuition sharing, doctoral student awards, academic support areas and Faculty Development/Alumni Officers; if the provincial budget is “favourable,” some additional investment (including funding for graduate scholarships, faculty recruitment and retention, and IST – computer rollover initiative) might be possible.

The Board heard a motion to approve the 2005-06 Operating Budget as presented.

Guy and Fry.

In discussion, Governors heard: not meeting the enrolment target is the biggest soft spot in the budget, though the cost of the Pension Plan, relative to the operating budget, also poses a risk; from the Chair of the Finance & Investment Committee, that the Provost and the VP, Administration & Finance have been asked to provide a longer-term perspective on the Pension Plan including how its design affects costs, the inherent risks given current demographics and whether what is currently affordable will be so in the next decade; from the Provost, that comparison of pension plans is difficult though UW’s appears to be “in the middle” and that UW tries to manage costs through the Pension & Benefits Committee; a suggestion to look at various plans including defined contribution, hybrids, etc.; the amendment (approved by the Board in June 2004) whereby if the Pension Plan returns to a surplus position, that surplus can be used to reduce the annual contribution of the University to repay the excess (loan) paid by the University.

The motion carried.

**9. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RELATIONS**

[<http://www.adm.uwaterloo.ca/infosec/campaign.apr05.pdf>]

The Vice-President commented on the success to date (\$239 million raised on the \$260 target with two years still to go in the campaign), expressed the hope that the \$260 million mark could be reached by the summer and advised that three new major initiatives had been targeted for fund-raising: Health Sciences Campus and Pharmacy; Quantum Computing and Nanotechnology; Aging.

**10. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RESEARCH**

There was no report from the Vice-President, University Research.

**11. REPORTS FROM THE COMMITTEES**

***Building & Properties***

- ***School of Pharmacy: Appointment of Architects.*** Having noted that all six short-listed firms have strong credentials in environmental design, including Leeds-certified professionals, the Board heard a motion to approve the appointment of the firms of Robbie/Young+Wright Architects and Hariri Pontarini Architects to design the School of Pharmacy at a Phase 1 project cost of \$34 million.

Bales and English. Carried.

- ***Research and Technology Park: Amenities Building.*** The Board heard a motion to approve the University's application to rezone the R&T Park to permit construction of an amenities centre.

Bales and Mumford.

The Board heard that: the proposed \$7 million amenities building (occupying ~five acres, including parking) is being sponsored/subvented by individuals affiliated with corporations in the Park; contingent liability for UW is remote since insurance and liability for the facility rests entirely with the builder/owner/operator; the letter of intent signed by UW and the proponent specifies that the latter has done a market analysis and can meet the commercial tenancy rates which UW charges; the building is being designed so it can be converted to high-tech tenant use; to merge day care centres on campus (~168 spaces) with the 200 space proposed facility would create a facility beyond acceptable operational limits.

The motion carried.

***Pension & Benefits***

- ***Extension of Health/Dental Benefits for Dependents of Active Employees Who Die in Service.*** The Board heard a motion to approve that health and dental coverage for dependents of active employees who die in service be extended from 31 days to two (2) years from the date of death, subject to the provisions and eligibility clauses of the carrier and effective October 8, 2004.

Sullivan and Irwin. Carried.

The remaining items in the report were received for information.

**12. OTHER BUSINESS**

**Committee on Governance Review/Board Orientation Program.** The Chair drew Governors' attention to the Committee on Governance Review, noting that Geoff Guy and Rob Caldwell would be members with another member still to be named. [*Note:* Jud Whiteside subsequently confirmed that he would join the Committee.] He also referred Governors to the orientation program to be started in June and asked Governors for their advice on what topics would prove useful in the program.

**Consultation.** Governor Liam McHugh-Russell offered his views on the importance of consultation and openness in the discourse of an academic community, noting students' concern (a concern he suggested that is shared by some faculty and staff) that they have not always participated in discussions before decisions have been taken; further, that good ideas need to be put forward from all constituencies for debate to ensure best decisions in the University's interest. He commented positively on the inclusiveness that characterized the Co-op review.

Having heard suggestions for fostering dialogue including: a round table of new Board members with student members (as part of orientation); focus groups (faculty, staff and students) addressing agreed-upon items; receptions for informal mixing, the Chair asked that Governors, in particular, faculty, staff and students, submit to either the President, incoming Chair [Paul Koenderman] or Secretary items they would like to discuss in a forum other than a Board meeting. The incoming Board Chair volunteered to propose a mechanism/venue which would help provide opportunity for discussion.

The President of the Federation of Students suggested a student be appointed to the Committee on Governance Review. [*Note:* graduate student Senator Douglas Stebila was subsequently appointed to this Committee.]

**Proposed Amendments to Policy 76 "Faculty Appointments."** The Board heard a motion to approve the proposed amendments to Policy 76.

Johnston and Schellenberg. Carried.

**13. OTHER BUSINESS**

There was no other business.

The Board convened in confidential session.