

University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday, June 3, 2008 Meeting

Present: Bob Harding (chair), Lois Claxton (secretary), Samuel Andrey, Catherine Booth, Rob Caldwell, Louise Fréchette, Keith Hipel, John Honek, Tim Jackson, David Johnston, Keith Kenning, Paul Koenderman, Stephen Markan, Ian McPhee, Christopher Neal, John North, Wayne Oldford, Janet Passmore, Ken Seiling, Selva Selvakumar, Douglas Stebila, Bill Tatham, Scott Wetmore, Jud Whiteside, Michael Worswick, Carl Zehr

Meg Beckel, Amit Chakma, George Dixon, Mark Haslett, Dennis Huber, Ken Lavigne, Geoff McBoyle, Terry McMahon, Bruce Mitchell, Daniel Parent, Del Savio Pereira, Catharine Scott, Adel Sedra, Bud Walker

Regrets: Mary Bales, Serge Godin, Bruce Gordon, Brenda Halloran, Mike Lazaridis, John Manley, Satish Rai, James Skidmore, Craig Sloss, Ray Tanguay, Justin Williams

OPEN SESSION

1. REMARKS FROM THE CHAIR

Welcome. The chair recognized new and continuing governors: CAL – Rob Caldwell, John Manley, Ian McPhee, Bill Tatham, Scott Wetmore; LGIC – Tim Jackson, Jud Whiteside; faculty – John Honek, Wayne Oldford, Michael Worswick; staff – Keith Kenning; undergraduate students – Samuel Andrey, Christopher Neal, Justin Williams (president of the Federation of Students); graduate students – Craig Sloss (president of the Graduate Student Association), Douglas Stebila.

Conflict of Interest Declarations. Consistent with Board By-law 1, the chair requested governors to complete and return to the secretary no later than June 30, 2008.

Thanks. The chair recognized Rick Haldenby, director of the School of Architecture, and thanked him for accommodating the meeting at the school and called on him to say a few words.

Consent Agenda

The Board heard an omnibus motion to approve and / or receive for information by consent items 2-5 [below].

2. APPROVAL OF MINUTES

The minutes of the April 1, 2008 meeting were approved as distributed.

3. REPORT OF THE PRESIDENT

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

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

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

Incidental Fee Changes. The Board approved the recommended incidental fee changes.

5. OTHER BUSINESS

MTCU Campus Renewal Grant. The Board approved this grant of \$13,407,700 from the Ministry of Training, Colleges and Universities.

Passmore and Booth. Carried.

Regular Agenda

6. BUSINESS ARISING FROM THE MINUTES

UW Campus in Abu Dhabi [www.secretariat.uwaterloo.ca/ad.june308.pdf]. In his remarks, the president commented on the reasons for the Abu Dhabi initiative, including: broadening UW's international exposure, student experience, and revenue generation, all congruent with UW's Sixth Decade Plan. Further, Abu Dhabi is at the crossroads of the Middle East, welcoming to Canadians and with potential for good co-op jobs.

Professor Leo Rothenburg, chair of civil & environmental engineering and acting dean of engineering, then spoke to his powerpoint presentation, which addressed: major players in global education, UAE as a strategic location, UW's international ambitions as set out in the Sixth Decade Plan, UW's partners in the UAE (CERT and the Higher Colleges of Technology), the academic programs UW plans to offer, and matters still to be addressed (i.e., licensing and accreditation).

In addressing risks / risk mitigation, the provost advised that the Abu Dhabi initiative is UW's riskiest to date and the degree to which risks are mitigated, including: that Abu Dhabi is the most open and business friendly jurisdiction in the UAE; UW's partners, the Higher Colleges of Technology and its commercial arm, CERT, are headed by the Minister of Higher Education; UW will not be building any physical infrastructure; should the anticipated revenue stream dry up, faculty members hired on this stream would be repatriated at UW; UW is working with the Canadian Embassy in the UAE, which is strongly supportive of the initiative, and with SNC Lavalin; Reed Smith, a Canadian affiliate of Miller Thomson in the UAE, will act as legal counsel for UW should circumstances require; UW has an exit strategy.

In response to questions re: risk, governors heard: with respect to advising UW personnel re: cultural, statutory and judicial practices / standards, UW is preparing a briefing handbook; participation on site in Abu Dhabi will be voluntary and it will be incumbent on individuals to assess their own level of comfort re: risk; with respect to human rights, the UAE operates on the principle that 'what's good for business is good for the UAE' and violations of human rights are dealt with swiftly; UW will follow DFAIT guidance re: travel / remaining in the UAE, and would see to evacuation of UW personnel as conditions dictate; UW personnel found in violation of local laws would be subject to Emirati processes.

Discussion on other matters included: rationale for the 2+2 arrangement; co-op employment opportunities for Abu Dhabi students, which look promising; Abu Dhabi students will do their first placements there and can, subsequently, do placements either in Canada or in the Emirates; current plan is to offer programs in Abu Dhabi beginning September 2009; government-run post-secondary institutions are segregated but foreign institutions are not; UW will replicate, to the extent possible, UW-specific student services (e.g., EngSoc) and HCT will provide generic (e.g., counselling services).

7. REPORT OF THE PRESIDENT

The president referred governors to his priorities for 2008-09; reported that, with first-year admission applications at 112 per cent of target, UW should meet its 2008 enrolment target [www.secretariat.uwaterloo.ca/uaes.june308.pdf]; and encouraged governors to attend convocation, as their schedules permit.

Environmental Scan [www.secretariat.uwaterloo.ca/es.june308.pdf]. The president presented the following overviews:

- **National.** Statistics Canada has released data from the 2006 Census that shows that educational attainment has a positive economic outcome for individuals. The median earnings for those with bachelor's degrees were \$56,048 while those with graduate degrees had earnings of \$66,535.

Those Canadians with a registered trade or apprenticeship earned \$2,600 more than those who possessed a high school diploma and whose median income was \$37,403. Figures from the Kitchener CMA show how the region is outpacing the national average on every measurement. This evidence underscores the value of lifelong learning and improving credentials, a key component of UW's graduate expansion plans.

- **Provincial.** Recipients of the Premier's Innovation Awards (2008) included Raymond LaFlamme, director of the Institute for Quantum Computing (Discovery Award winner) and UW spinoff RapidMind, Inc. (start-up company with the best innovation).
- **Local.** A \$4 million donation from Ron Schlegel to the UW-Schlegel Research Institute for Aging established five research chairs in aging at UW and a program chair at Conestoga College; www.uwaterloo.ca/mobile permits downloading of a UW information digest to BlackBerries; Neil Turok has been named new executive director of the Perimeter Institute.

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

Major Initiatives and the Sixth Decade Plan / EC Priorities for 2008-09

[\[www.secretariat.uwaterloo.ca/vpap.june308.pdf\]](http://www.secretariat.uwaterloo.ca/vpap.june308.pdf). From the Sixth Decade Plan: growing research and graduates studies, enhancing undergraduate studies, 'going global,' and diversifying income. For Executive Council: getting ready to raise \$100 million annually by 2017, continued efforts on graduate expansion, recruitment of international undergraduate students, expansion of enrolment in professional programs, government funding initiatives, career focused graduate expansion, administrative processes, and 'smart' projects. With respect to budget, since the 'old' business model no longer works, emphasis on key elements which will move towards a sustainable budget: fundraising, international expansion, and career focused master's / diploma / certificate expansion.

In discussion, governors heard: the great research opportunities for UW in technology-focused health applications and the efforts Art Carty, newly appointed executive director of the Waterloo Institute for Nanotechnology, is making to bring together the community of research interest (e.g., mechatronics, pharmacy, electrical & computing engineering) on the UW campus; also, that in the exploding field of energy, UW has a breadth of research capacity unchallenged in Ontario and is preparing to move forward with this focus.

2008-09 Operating Budget Update [\[www.secretariat.uwaterloo.ca/ob.june308.pdf\]](http://www.secretariat.uwaterloo.ca/ob.june308.pdf). The provost reviewed the \$4.48M opening fund balance, the \$2.94M structural deficit, and the \$1.53M ending fund balance; advised that enrolment is the revenue driver for the current year and that UW has requested 700 of the 2000 unallocated graduate spots available with funding from MTCU; and noted that in comparison with sister institutions re: budget, UW has done well.

9. REPORT OF THE VICE-PRESIDENT, EXTERNAL RELATIONS

[\[www.secretariat.uwaterloo.ca/vper.june308.pdf\]](http://www.secretariat.uwaterloo.ca/vper.june308.pdf)

The vice-president spoke to 2007-08 in review, noting a number of highlights, including the \$110 million received during the fiscal year.

10. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RESEARCH

[\[www.secretariat.uwaterloo.ca/vpur.june308.pdf\]](http://www.secretariat.uwaterloo.ca/vpur.june308.pdf).

The vice-president presented his report, for information, noting that the 48 per cent increase in CIHR funding over the previous year was the result of pharmacy's coming on stream.

11. REPORTS FROM COMMITTEES

Building & Properties

Governor Koenderman recused himself for the discussion of the Quantum-Nano Centre.

- **Quantum-Nano Centre.** Having heard that this is the most complicated building UW has constructed and that the reason the construction bids came in approximately 18 per cent over the

independent pre-tender cost estimate was likely due, in part, to the high competition for qualified bidders for major public [hospital] projects, the Board heard a motion to approve a project budget of \$160 million for the construction of the Mike & Ophelia Lazaridis Quantum-Nano Centre and the award of a lump-sum construction contract to Aecon Construction Group Inc. for \$130 million plus net GST.

Whiteside and Stebila.

In response to reassurance requested by one governor that there is no ‘double counting’ from funding sources, staff confirmed that each capital project records both the costs and the sources of funding in uniquely identified accounts within the financial system.

The motion carried.

- **Engineering V Building.** The Board heard a motion to approve a project budget of \$55 million for the construction of the Engineering V building and the award of a lump-sum construction contract to Bondfield Construction for \$44,263,000 plus net GST.

Whiteside and Hipel. Carried.

- **Phillip Street Residence.** The Board heard a motion to approve, in principle, the concepts for an agreement between the University of Waterloo and 1130419 Ontario Inc. operating as CBS Property Management.

Whiteside and Passmore. Carried.

- **Principles for Development of Off-Campus Sites.** The Board heard a motion to approve the revisions to these principles as set out in the report.

Whiteside and Koenderman.

Given current provincial policy to promote development of brownfield sites, the suggestion that when these principles are reviewed in future, to eliminate reference to greenfield and set out criteria for assessing brownfields.

The motion carried.

The remaining items in the report were received for information.

Pension & Benefits

- **Statement of Investment Policies & Procedures.** The Board heard a motion to approve the June 4, 2008 version of the University of Waterloo Pension Plan (2000) Statement of Investment Policies & Procedures.

Jackson and Caldwell. Carried.

- **Actuarial Valuation.** The Board heard a motion to approve the Actuarial Report: University of Waterloo Pension Plan as of January 1, 2008, recognizing that the report will be filed with the Financial Services Commission of Ontario.

Whiteside and Passmore. Carried.

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- **LTD Plan – Maximum Salary Protected by the LTD Benefit.** The Board heard a motion to approve, effective May 1, 2008, an increase to the annual base salary on which the LTD benefit is based to \$150,000 (from \$120,000), and to index and annually review the maximum salary on which LTD premiums and benefits are paid.

Caldwell and Fréchette. Carried.

- **Pension Plan Text Amendment: Indexation of Pension Benefits.** The Board heard a motion to approve this amendment as detailed in the report.

Zehr and Booth. Carried.

The remaining items in the report were received for information.

12. OTHER BUSINESS

There was no other business.

The Board convened in confidential session.

LC:tad
July 11, 2008

Lois Claxton
Secretary of the University