

**University of Waterloo**  
**BOARD OF GOVERNORS**  
**Minutes of the Tuesday, February 3, 2009 Meeting**

**blue pages confidential**

**Present:** Bob Harding (chair), Lois Claxton (secretary), Samuel Andrey, Mary Bales, Rob Caldwell, Louise Fréchette, Bruce Gordon, Brenda Halloran, Keith Hipel, John Honek, Tim Jackson, David Johnston, Keith Kenning, Paul Koenderman, John Manley, Ian McPhee, Christopher Neal, John North, Wayne Oldford, Janet Passmore, Ken Seiling, Selva Selvakumar, James Skidmore, Craig Sloss, Douglas Stebila, Scott Wetmore, Justin Williams

Meg Beckel, Amit Chakma, Tom Coleman, Alan George, Helen Hannusch, Mark Haslett, Dennis Huber, Peggy Jarvie, Linda Kieswetter, Ken Lavigne, Roger Mannell, Jane Manson, Geoff McBoyle, Terry McMahan, Bruce Mitchell, Daniel Parent, Chris Read, Leo Rothenburg, Catharine Scott, Bob Truman, Bud Walker

**Regrets:** Catherine Booth, Serge Godin, Mike Lazaridis, Stephen Markan, Satish Rai, Ray Tanguay, Bill Tatham, Jud Whiteside, Michael Worswick, Carol Zehr

**OPEN SESSION**

**1. REMARKS FROM THE CHAIR**

The chair welcomed governors to the winter meeting of the Board. Warmest congratulations were extended to the vice-president, academic & provost, Amit Chakma, on the recent announcement that he would succeed Paul Davenport as president of the University of Western Ontario, July 1, 2009.

**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 October 28, 2008 meeting were approved as distributed.

**3. REPORT OF THE PRESIDENT**

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

**Sabbatical / Administrative Leaves / Leave Change and Administrative Appointments.** The Board approved the recommended leaves / leave change and received the administrative appointments for information.

**4. REPORT OF THE EXECUTIVE COMMITTEE**

The Board received this report for information.

**5. OTHER BUSINESS**

**Accountability Status Reports: Graduate Program Appraisals, Research Policies / Practices, Undergraduate Program Reviews, Undergraduate Recruitment / Admissions.** The Board received these reports for information.

**Amendments to UW Guarantee of Undergraduate Student Financial Support.** The Board approved the recommended changes.

**Report of Co-operative Education & Career Services.** The Board received this report for information.

Passmore and Gordon. Carried.

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**Regular Agenda**

**6. REPORT OF THE BUILDING & PROPERTIES COMMITTEE**

**Campus Master Plan** [[www.secretariat.uwaterloo.ca/20090203cmp.pdf](http://www.secretariat.uwaterloo.ca/20090203cmp.pdf)]. At the invitation of the committee chair, Joe Berridge, who has been the principal in all of UW's campus master plan developments starting in the early 90s, briefly reviewed the plan development process and commented that this plan addresses improvement of the University Avenue entrance, including South Campus Hall, both identified as issues in the 1992 plan.

Speaking to his powerpoint presentation, Berridge provided the rationale for the CMP update (growth pressures, reinvestment in the campus landscape, environment to be internationally competitive, surrounding city undergoing change) and the proposal (guidelines for development in the core, create strategy for growth at the edges, re-image the campus to reflect international aspirations, prepare for transformational change). Five principles inform the plan: growth will increase outside the Ring Road; a high-quality and welcoming environment is to be created; the campus will be pedestrian oriented, accessible and connected to the city; development will be informed by environmental stewardship and sustainability; the university will become an integrated part of the city. Eight key moves will follow from these principles: a north-south spine through the south campus; a network of landscapes and open spaces; new academic growth to the periphery, improving connections to the city; new campus gateways; integration of rapid transit initiatives; redevelopment of East Campus Hall lands and Phillip Street renewal into a new university mixed-use community; pedestrian and bicycle trail network; comprehensive transportation demand management program.

The Board heard a motion to approve the Campus Master Plan.

Bales and Wetmore.

In discussion, Berridge advised that 'integration' of the campus with the community will occur as buildings are erected south of University Avenue; further, that the light rapid transit route, along with collateral traffic signals, will serve to calm traffic, and increasing pedestrian traffic and landscaping features will create the feel of an urban street and provide a sense of entrance to the campus. While no metrics were applied re: UW's progress in environmental stewardship / sustainability, Berridge commented on UW's management program re: Laurel Creek and in building design. With respect to the Grad House, from one governor, his satisfaction that it 'remains at the centre.' As to a stadium on the North Campus, Berridge advised that the planners were asked to determine whether one would 'fit' and one can. As to moving the plan forward, management is equipped to do so.

The motion carried.

In closing, governors understood that the Building & Properties Committee's mandate includes overseeing the plan and the committee would report to the Board on progress of its implementation every two years.

On behalf of the Board, the committee chair thanked Berridge and his team for their fine work.

**7. BUSINESS ARISING FROM THE MINUTES**

**Update on UAE Initiative.** The provost commented that UW is proceeding: Professor Magdy Salama has been appointed director for the campus and the goal is to offer two programs in engineering (civil and chemical) starting September 2009. The president was in Abu Dhabi recently, renewing ties and making the formal announcement of this initiative which has the backing of Sheikh Nahayan Mabarak Al Nahayan, chancellor of the HCTs.

## 8. REPORT OF THE PRESIDENT

**Chancellor-elect.** The president advised that Prem Watsa will be installed as UW's chancellor at the first of the convocation ceremonies in June (June 10, 10:00 a.m.), succeeding Mike Lazaridis who will be named chancellor emeritus at the last ceremony (June 13, 2:30 p.m.). He encouraged governors to attend convocation ceremonies as their schedules permit as well as the Friends of the Library lecture (April 20, noon, Theatre of the Arts) where Prem Watsa will give the lecture: *Prem Watsa on Fair, Friendly Acquisitions . . . The Fairfax Story*.

**Co-op Placements.** Commenting on the effects the economic slowdown is having on co-op placements (for the winter / spring terms, UW expects to be at 95% of target), the president encouraged governors to assist in whatever ways were possible.

**Environmental Scan** [[www.secretariat.uwaterloo.ca/20090203es.pdf](http://www.secretariat.uwaterloo.ca/20090203es.pdf)]

- **International:** in OECD Broadband Penetration Rankings, Canada ranks 10<sup>th</sup> of 30 member countries, leads the OECD in cable broadband vs. phone-based DSL, and ranks second last in cell phone penetration.
- **National:** from the Federal Budget which provides opportunity on capital but constrains operating: \$50 million to the Institute for Quantum Computing; \$2 billion for university infrastructure, starting in 2009-10 for two years and split 70:30 with the colleges; \$150 million in 2009 for CFI competitions and \$600 million in 2010; \$87.5 million in graduate scholarships over three years (500 doctoral and 1000 master's); research [Federal Granting Agencies, base budgets cut by 5% over three years; infusions to federal labs (\$250 million), Arctic research (\$85 million), Canada Space Agency (\$110 million)]. In *Maclean's* Annual University Rankings -- Reputational, UW is number 1 in 'best overall,' 'most innovative' and 'leaders of tomorrow,' and second in 'highest quality.' *How Canada Performs: A Report Card on Canada 2008* gives Canada a 'D' for Innovation and 'B' for Education and Skills; general measures to address these circumstances include: graduate school expansion, increased educational opportunities for lifelong learning, national innovation strategy; and for UW: career-focused master's programs, continued commitment to graduate student expansion, innovation support, increased research efforts, reinforcement and build out of the co-op PSE model.
- **Local:** Waterloo Region leads the country in R&D; progress continues to be made on the \$290 million Green Automotive Research Centre proposal, led by industry and with McMaster University as an academic partner; Gary Goodyear, minister of state for science and technology, is a UW alum; Stephen Hawking has been named a distinguished research chair at Perimeter Institute.

**Undergraduate Admissions** [[www.secretariat.uwaterloo.ca/20090203ug.pdf](http://www.secretariat.uwaterloo.ca/20090203ug.pdf)]. At the president's invitation, the registrar provided an account: year-one target is 5911; OSS first choice and all applications are at +.6% and -1.4% respectively over last year; non-OSS applications are up by 10.2% and non-OSS visa applications by 10.8%; admissions are at 755 (671 last year) and entrance scholarship candidates number 637 (550 in 2008).

In response to questions, governors heard that reasons students decline UW offers may include that UW does not effectively differentiate itself from competitors, a matter to be addressed by the 'branding' exercise. That said, there are areas in UW which are clearly differentiated, where 'brand registration' is not an issue, and where students may self-select in the highly competitive programs; further, UW attracts very good students with high demand in certain areas, reflected in the increase in Ontario scholars / first-choice applicants.

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

**2009-10 Residence Fees.** Having noted that all fees are discussed with students; that the townhouses, unlike the residences, fall under the Residential Tenancy Act; with respect to the market, UW is comfortable with the increase and that salaries and benefits and utilities increases normally run higher than the rate of inflation, the Board heard a motion to approve the recommended residence fees.

Caldwell and Johnston. Carried.

**2009-10 Tuition Fee Increases.** The vice-president, administration & finance spoke briefly to his report, indicating that the tuition framework prescribed by the provincial government is complicated, with samples provided to give general context. He referred to his report [p. A23] which summarizes the major elements of the recommended increases which, when blended, result in an overall 5% increase amounting to ~\$175 million. The proposed increase for the undergraduate co-op fee is 5%.

The Board heard a motion to approve the fees as presented.

Johnston and Jackson.

In discussion, in response to concerns raised about the increase for domestic undergraduate students, the effect of increases on accessibility, that undergraduate students are paying more but with deteriorating faculty:student ratios and subventing graduate programs (guaranteed graduate funding but no increases to president's scholarships), governors heard: half of UW's revenue comes from the government which has not made inflation adjustments for years, with the result that some of this shortfall has to be made up through tuition fee increases; UW has adopted a policy whereby no domestic student who meets UW's admission requirements will be denied access because of financial impediments / UW guarantees to meet unmet financial need; to better support its students, UW has allocated 11.7% of its operating budget to bursaries and scholarships; co-op programs provide students one of the best ways of financing their university education; UW has never been able to expend the tuition increase set-aside, prescribed by MTCU; finally, 60% of UW students graduate without OSAP debt, are among the lowest users of OSAP and student loans, and are the constituency with lowest default rates on student loans. It was also noted that participation at the post secondary level is often determined attitudinally: Quebec, where university tuition rates have been frozen for years, has the lowest participation rate in PSE.

In response to the observation that there is fee disparity where students in regulated and deregulated programs take courses in common, acknowledgement of this fact and that 2009-10 is the last year for the current MTCU policy re: regulated / deregulated fees.

The motion carried.

[Note: tuition fee rates are at: [www.adm.uwaterloo.ca/infofin/students/stdfees.htm#FEES](http://www.adm.uwaterloo.ca/infofin/students/stdfees.htm#FEES)]

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

**2008-09 Operating Budget Final Update** [[www.secretariat.uwaterloo.ca/20090203budget.pdf](http://www.secretariat.uwaterloo.ca/20090203budget.pdf)].

While the ending fund balance was eliminated, the result of UW's exceeding its enrolment targets, remaining uncertainties continue: awaiting decision on graduate expansion allocation beyond 2007-2008 and confirmation on graduate growth funding; undergraduate growth funding is an estimate.

**2009-10 Operating Budget Scenario** [[www.secretariat.uwaterloo.ca/20090203budget1.pdf](http://www.secretariat.uwaterloo.ca/20090203budget1.pdf)].

Preliminary estimates indicate a total operating budget shortfall of \$13 million which would result in a 5.1% reduction. Pressures include: potential loss of up to \$6 million in endowment income which

could be defrayed for the year using one-time funds available from the hiring freeze / deferral of major expenditures; entrance scholarships (\$3 million+) and graduate scholarships (\$1 million) funded with one-time money; and the pension plan fund (UW has a two-year window for the fund to recover) possibly requiring increased contributions from both UW and employees, with the Pension & Benefits as well as the Finance & Investment Committees monitoring. Cost containment measures / new revenues may include: 1% reduction in salary scale increase yielding \$2.5 million -- difficult to achieve given current commitments; 100 incremental international students (\$1 million); introduction of professional master's (\$1 million). Risk factors: reduction in MTCU grants and not meeting enrolment targets, especially international. Budgetary options: cost containment, expenditure reduction, carrying a structural deficit, generating incremental revenues.

**Master's / Diploma / Certificate Expansion** [[www.secretariat.uwaterloo.ca/20090203masters.pdf](http://www.secretariat.uwaterloo.ca/20090203masters.pdf)].

The provost spoke to this major initiative which would see an expansion in UW's career focused master's / diploma / certificate offerings and set out, by way of example, what Harvard and MIT have in place (one governor distinguished between Canadian and US master's, where the former may be a 'terminal' degree while the latter a professional master's or a 'failed' PhD) as well as the congruence this initiative has with recommendations in the US National Research Council's Report, 2008 and Tom Brzystowski's *The Way Ahead*.

Given that in many professions the undergraduate degree no longer suffices, the professional master's can be seen as an extension of the undergraduate program (20% of university graduates subsequently attend colleges to acquire specific skills) and provides huge opportunity for UW to deliver. Further, UW is investigating the possibility of a Master's of Public Service (kudos from one governor whose experience indicates that public servants need more than an undergraduate degree but generally don't require the specialized knowledge that comes with a PhD), open to graduates of all disciplines, and designed to educate the next generation of public servants. UW already has experience with several such differentiating professional programs (e.g., MBET, Management of Technology, MPH).

As to accessibility and financial support for students in this program, from the president that the business case for this kind of revenue-generating program is based on charging full fees with no possibility of financial support to those enrolled in it (students are normally employed with fees paid for by employer, however, work is being done with 'lenders' to make such programs eligible for loans to students).

## 11. REPORT OF THE VICE-PRESIDENT, EXTERNAL RELATIONS

The VPER remains cautiously optimistic that UW will achieve the \$50 million 2009 target. She advised that donors are Development's focus, with most donors being receptive to proposals (intensive work will be done to leverage federal economic stimulus funding), interested in endowments and how to assist in closing the 2% 'gap.'

## 12. REPORTS FROM COMMITTEES

**Audit.** The Board received this report for information.

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

### **Pension & Benefits**

- **Modification to the Sick Leave Program.** The Board heard a motion to approve that the current sick leave program for CUPE Local 793 and USG 1-4 staff be modified so that anyone who has fewer than 90 days of sick leave will be brought up to 90 days; any new hires will automatically start with 90 days after one day worked. Employees will remain at 90 days until they have completed six years of service and at year seven, will begin to accumulate one day per month

worked per the current schedule.

McPhee and Fréchette. Carried.

- **Normal and Optional Forms of Pension.** The Board heard a motion to approve Amendment 13, revised Article 8, as detailed in the report.

Caldwell and Passmore. Carried.

- **Extended Health Coverage for UW Pensioners Living in Quebec.** The Board heard a motion to approve the implementation of an annual premium for UW pensioners living in Quebec in the amount of \$1000 single / \$2000 family. UW pensioners residing in Quebec and participating in RAMQ or an alternative private plan that is first payer and acceptable to Great West Life as RAMQ equivalent will have the premium waived.

Gordon and Bales.

In response to the question of why UW doesn't require UW pensioners living in Quebec to participate in RAMQ, the Board heard that what UW is proposing (i.e., the annual premium of \$1000 single / \$2000 family) will have the same effect.

The motion carried.

The remaining items in the report were received for information.

### 13. OTHER BUSINESS

There was no other business.

The Board convened in confidential session.

LC:tad  
February 5, 2009

Lois Claxton  
Secretary of the University