

**University of Waterloo  
BOARD OF GOVERNORS  
Minutes of the Tuesday, April 7, 2009 Meeting**

**Present:** Bob Harding (chair), Lois Claxton (secretary), Samuel Andrey, Catherine Booth, Rob Caldwell, Bruce Gordon, Brenda Halloran, John Honek, Tim Jackson, David Johnston, Keith Kenning, Paul Koenderman, Stephen Markan, Ian McPhee, Christopher Neal, John North, Wayne Oldford, Janet Passmore, Satish Rai, Matthew Schumacher, Ken Seiling, James Skidmore, Craig Sloss, Bill Tatham, Scott Wetmore, Jud Whiteside, Justin Williams, Carl Zehr

Meg Beckel, Amit Chakma, Ken Coates, Tom Coleman, Michael Davenport, George Dixon, Alan George, Patti Hancock, Helen Hannusch, Mark Haslett, Dennis Huber, Peggy Jarvie, Linda Kieswetter, Ken Lavigne, Roger Mannell, Jane Manson, Geoff McBoyle, Terry McMahan, Bruce Mitchell, Daniel Parent, Leo Rothenburg, Deep Saini, Bob Truman, Bud Walker, Ann Williams-Gorrie, Bill Wilson

**Regrets:** Mary Bales, Louise Fr chet, Serge Godin, Keith Hipel, Mike Lazaridis, John Manley, Selva Selvakumar, Ray Tanguay, Michael Worswick

**OPEN SESSION**

**1. REMARKS FROM THE CHAIR**

The chair welcomed governors to the meeting and reminded them of the April 20 Friends of the Library lecture where Prem Watsa, UW's chancellor-elect, will present. He noted that a number of governors would be stepping down at the end of April and that they would be recognized at a reception following the meeting.

**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 February 3, 2009 meeting were approved as distributed.

**3. REPORT OF THE PRESIDENT**

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

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

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

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

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

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

Caldwell and Passmore. Carried.

**Regular Agenda**

**6. BUSINESS ARISING FROM THE MINUTES**

There was no business arising.

## 7. REPORT OF THE PRESIDENT

The president prefaced his remarks by commenting on UW's co-op employment statistics which, for the winter term, compare favourably with last year's (~98.1 percent) and, for the spring term, are at about 51 percent (early March) with about 600 more students to be employed than in 2008. He noted that St. Jerome's faculty recently voted to certify in a vote conducted under the aegis of the Ontario Labour Relations Board. He then provided the following environmental scan

[[www.secretariat.uwaterloo.ca/20090407es.pdf](http://www.secretariat.uwaterloo.ca/20090407es.pdf)]:

- **National:** from the Federal Budget Implementation Bill, passed March 12: first half of the \$2 billion will be paid out by the Ministry of Industry which has promised flexibility re: spending (science and technology focus will be interpreted broadly); UW's submission to the Knowledge Infrastructure Program totals \$162.8 million although UW's notional (federal) amount is ~\$40 million.
- **Provincial:** the provincial budget was brought down on March 26 in the midst of a perfect storm (enrolment growth nearly double the 'Reaching Higher' benchmarks, market meltdowns resulting in reduced endowment revenues and significant pension losses, costs increasing by five percent a year, revenues from Reaching Higher flatlining in 2009, and a cumulative budget gap for Ontario universities in 2009-10 amounting to \$511 million); the budget itself provides for: \$150 million one-time operating funding for 2008-09, enhancements to co-op tax credit including maximum tax credit increased from \$1000 to \$3000, \$780 million campus-renewal support to be phased in over two years (matches Ontario's share of the federal government's infrastructure funding), a \$250 million emerging technologies fund, \$100 million for biomedical research, \$300 million CFI support over six years and leveraging Ontario's portion of new federal CFI funding, \$10 million for expanded graduate fellowships, \$35 million for 100 new medical student spaces, and \$5 million for Ontario Genomics Institute; the Ontario Ministry of Education recently announced that the province's high school graduation rates have increased from 68 to 77 percent in five years, a laudable achievement for which the president has extended kudos to the premier.
- **Local:** the Waterloo Wellington Training and Adjustment Board has released its annual Trends, Opportunities, Priorities Report which reveals: high concentration of workers in manufacturing, gaps in educational attainment, soaring in-migration, and a decline in the number of medium and large employers; an impressive roster from the UW family were listed in *The Record's* Survey of '40 Under 40'; the official opening of the School of Pharmacy is set for April 17; the Perimeter Institute is set to double in size and triple in numbers by 2011.

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

**Memorandum of Agreement between the Graduate Student Association and the University of Waterloo** [at governors' places]. The Board heard a motion to approve this memorandum of agreement.

Johnston and Sloss. Carried.

### **New School of Environment, Enterprise & Development**

[[www.secretariat.uwaterloo.ca/20090407seed.pdf](http://www.secretariat.uwaterloo.ca/20090407seed.pdf)]. The dean of environment provided context and rationale for the creation of this administrative unit including that it: addresses internal needs; captures a novel and growing market niche; is unique – a first on the international scene; responds to current and growing enrolment; has a substantial ongoing positive cash flow that can provide funding for faculty and staff as well as infrastructure; has strong appeal to donors.

The Board then heard a motion to approve the establishment of a new unit in the Faculty of

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Environment: the School of Environment, Enterprise & Development.

Johnston and Tatham. Carried.

**2009-10 Operating Budget** [[www.secretariat.uwaterloo.ca/20090407budget.pdf](http://www.secretariat.uwaterloo.ca/20090407budget.pdf)]. In setting the context, the provost advised of the difficult task in these circumstances of both sustaining core activities and maintaining UW's relative advantage. Although UW doesn't do multi-year budgeting, it behoves UW this time to be mindful of potential difficulties in 2010-2011.

UW is using four tools in tackling its financial situation: cost control (hiring freeze – only 'mission critical' hires and postponing discretionary expenditures); budget cuts (three percent in 2009-10 and five percent in 2010-11; UW loses capacity to fill positions) with best efforts to avoid lay-offs (none in 2009-10, however, 2010-11 will be difficult) so that UW can emerge strong (difficult to rejuvenate a depleted talent pool); revenue generation where it is important to maintain the momentum (e.g., course-based full-cost recovery master's programs; recruitment of international students; fundraising from non-traditional sources under the president's leadership); efficient use of resources (task forces are addressing IT, marketing & communications and space and these topics will be a priority at the executive retreat in May).

While UW is going into 2009-10 absent a structural deficit, the budget does not take into account two major risks: the provincial budget, where the government is facing a major deficit; pressures on the pension plan, the result of the financial meltdown, which will require additional contributions, both UW and member, to address 'going concern' shortfalls (\$2.5 million pension contribution in 2009-10; in 2010-11 this amount will have to be found in the operating budget).

In speaking directly to the budget, the provost noted that the provincial grant remains flat and that UW's financial needs are met though increasing student fees. With respect to numbers, UW's estimated total income will increase by \$5.7 million; student support, previously paid for with one-time money, has now been rolled into base budget; the \$400K allocated to the library base budget is to cover inflationary costs of acquisitions; \$500K one-time money will be directed to the vice-president, external relations; the one-time \$1.916 million is year-end money for graduate funding where UW exceeded its last year's target.

The Board heard a motion to approve the 2009-10 Operating Budget as presented.

Johnston and Whiteside.

In discussion, governors heard: reasons why UW's fiscal situation is comparatively better than its sister institutions; that, where it makes sense, UW does partner with other institutions, locally and provincially, to achieve economies of scale in purchasing and providing services; UW is no longer able to fund undergraduate classes with fewer than 10 students; salary increases of ~5.5 percent are not sustainable and the provincial government's encouraging a 1.5 percent cap on increases to those earning more than \$150K annually (at UW not feasible where there are employment contract obligations; will be addressed in the coming year).

The motion carried.

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

The VPER spoke briefly to her report, noting: donations at year's end are expected to be just under \$30 million; focus is on donor stewardship; \$30 million in firm pledges have been secured and are expected to be realized in 2009-10.

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## 10. REPORTS FROM COMMITTEES

### Building & Properties

- **Research Advancement Centre (RAC) Phase 2.** The Board heard a motion to approve a project budget of \$11 million for the construction of RAC Phase 2, a 70,000 gross square foot building west of RAC Phase 1, and the award of a design / build construction contract to Cooper Construction Limited on an open book basis.

McPhee and Whiteside.

In discussing this initiative, governors heard that until the Quantum-Nano Centre comes on line in 2011, space needs for quantum / nano activities continue to grow (have outgrown space in RAC Phase 1) and, hence, quantum / nano personnel will likely occupy space in RAC Phase 2. UW's need for space in RAC Phases 1 and 2 will start to decline with the opening of QNC and, as space becomes available in RAC Phase 1, it will be used for transition purposes (e.g., temporary location for personnel as the labs in DWE are modernized). If RAC 2, included in UW's KPI submission, receives both federal and provincial funding, the building may be enlarged. In years six to 54 when RAC Phase 2 is owned (on lease-hold interest basis) and occupied by Project Co, Project Co has responsibility for maintaining the building and fulfilling requirements as set out under UW's standard R+T Park lease agreements.

The motion carried.

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

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

**Finance & Investment.** The chair noted that, given the state of various funds, the committee is meeting monthly by conference call. The Board received this report for information.

### Pension & Benefits

- **Statement of Investment Policies & Procedures for UW Pension Plan.** The Board heard a motion to approve the January 1, 2009 version of the University of Waterloo Pension Plan (2000) Statement of Investment Policies & Procedures.

Passmore and Johnston. Carried.

- **Pension Plan Funding.** The Board heard a motion to approve the proposed increases in member contributions to the Pension Plan effective May 1, 2009.

Passmore and Oldford. Carried.

The chair noted that the amendments to the SIPP are largely housekeeping and that the May 1 memo to the UW community re: increases in member contribution has been well received.

## 11. OTHER BUSINESS

There was no other business.

The Board convened in confidential session.