

University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday, October 27, 2009 Meeting

blue pages confidential

Present: Bob Harding (chair), Lois Claxton (secretary), Sheila Ager, Samuel Andrey, Jonathan Aycan, Allan Babor, Catherine Booth, Rob Caldwell, Diana Denton, Louise Fréchette, Bruce Gordon, Brenda Halloran, Geoffrey Hayes, John Honek, Tim Jackson, Beth Jewkes, David Johnston, Drew Knight, Paul Koenderman, Walter McCutchan, Ian McPhee, Wayne Oldford, Satish Rai, Ken Seiling, Jud Whiteside, Michael Worswick, Carl Zehr

Meg Beckel, Ken Coates, Tom Coleman, George Dixon, Alan George, Erin Sargeant Greenwood, Feridun Hamdullahpur, Helen Hannusch, Mark Haslett, Sue Horton, Dennis Huber, Mary Jane Jennings, Linda Kieswetter, Ken Lavigne, Elizabeth Maccabe, Jane Manson, Geoff McBoyle, Dan Parent, Janet Passmore, Chris Read, Deep Saini, Catharine Scott, Adel Sedra, Yanling Sun, Bob Truman, Bud Walker, Ann Williams-Gorrie

Regrets: Serge Godin, Ophelia Lazaridis, John Manley, Matthew Schumacher, Alan Shonfield, Ray Tanguay, Bill Tatham, Prem Watsa, Scott Wetmore

OPEN SESSION

1. REMARKS FROM THE CHAIR

Welcome. The chair welcomed governors to the fall meeting. He also welcomed Feridun Hamdullahpur (vice-president, academic & provost) and Sue Horton (associate provost, graduate studies), attending their first meeting of the board, and Janet Passmore, in her new role as associate provost, human resources. He recognized Catharine Scott (associate provost, student services), wishing her well on her upcoming retirement, after 36 years at UW. A round of applause followed.

Barnraiser Award. The chair congratulated Governor Jackson on receiving the first Barnraiser Award. A community award introduced last year by the Record, “focusing on a person or group that embodies the spirit of community-building.”

Consent Agenda

The board heard an omnibus motion to approve and / or receive for information by consent items 2-6 below.

2. APPROVAL OF MINUTES

The minutes of the June 2, 2009 meeting 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 / Administrative Leaves and Administrative Appointments. The board approved the recommended leaves / leave changes and received the administrative appointments for information.

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

Change to GSA Administered Fees. The board approved the recommended fee change.

5. REPORT OF THE EXECUTIVE COMMITTEE

The board received this report for information.

6. OTHER BUSINESS

Annual Performance Indicators 2009. The board received these performance indicators for information.

Whiteside and Gordon. Carried.

Regular Agenda

7. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

8. UW PENSION PLAN [www.secretariat.uwaterloo.ca/20091027pp.pdf]

In his presentation, Allan Shapira (consulting actuary, Hewitt Associates) addressed: the pension promise under the UW Pension Plan and how the plan is structured to deliver that; the sources of funding for the pension; where UW is today in the funding of the pension; how UW is managing both short-term and long-term risks; how the environment is changing.

In the discussion that followed, governors heard: with elimination of mandatory retirement, employees are working longer; vesting in UW's Pension Plan is immediate, with no minimum service requirement; among Ontario universities, three have pure defined contribution plans, three have pure defined benefit plans, and the rest a hybrid; in comparative terms, on a solvency basis, UW is in a much better position than other Ontario universities with defined benefit plans and, with respect to going concern, UW is better than most; a valuation will be done in January 2010 to assess whether action is necessary in preparation for the January 2011 mandated valuation; a protocol has been implemented to annually assess the impact of the final average salary cap (currently at \$173,000 which may have to be increased beyond 2013-14); the Ontario Minister of Finance has stated his intent to move on pension reform and is likely to enact measures to make the process more efficient, though addressing the solvency matter is likely to take more time; how UW runs its plan (Shapira complimented UW on achieving, with its Pension & Benefits Committee, a situation as close to joint governance as is possible and the committee's foresight and courage to act as circumstances present); the "Arthurs' Report" recommendations do not recognize the type of joint governance in place at UW.

9. REPORT OF THE PRESIDENT

Environmental Scan [www.secretariat.uwaterloo.ca/20091027es.pdf]

- **H1N1.** The UW community is as prepared as can be. There is an increase of reported flu symptoms (employees and students self-declaring as well as presenting at Health Services) and UW has been advised that flu shots will be available next week on campus.
- **Globe and Mail Canadian University Report 2010.** With 38,000 undergraduate students participating in this year's survey and 53 universities graded, UW scores at the top in its category (large, enrolment over 22,000) in "quality of education," "career preparation" and "academic reputation"; areas for improvement according to these results include: "student residences" and "campus technology." Notwithstanding the questionable robustness of this survey, it was acknowledged that it's more challenging for larger institutions to provide an environment that will foster student engagement similar to what smaller schools can offer; as to UW's ranking re: campus technology, it was suggested that students' expectations are very high, that there is unevenness in IT delivery across campus (in some areas it would rank A+) and increasing expenditure on IT would help address the matter.
- **International Overview.** The Times Higher Educational Supplement World University Rankings 2009 ranks UW 113th, up from 129th in 2008, and 27th in the "engineering and

information technology” ranking, up from 30th place in 2008. Following from the World Economic Forum’s recently-released Global Competitiveness Index, Canada’s national objective should be to rank in the top five and, with respect to education and research, Canada is still a “branch plant” economy. UW’s UAE campus is now operational with the official opening scheduled for the week of November 2 in Dubai / Abu Dhabi.

- **National Overview.** University participation rates of new Canadians (as reported by Statistics Canada) show that 37.7 percent of non-immigrant youth go to university vs. 57 percent of first generation immigrants and 54.3 percent of second-generation immigrants; international student enrolment is on the rise (95,400 foreign students studying in Canada in 2008 vs. 45,600 in 1999). Statistics Canada student (ages 15 to 24) unemployment figures for July and August are trending up (seven points and five points, respectively) over 2008; higher education research and development spending is at \$10.2 billion in 2007-08, a six percent increase from 2006-07, however, as a sector share, it has fallen from 52 percent to 45 percent in 15 years, a troubling trend.
- **Provincial Overview.** There is a record-breaking budget shortfall of \$24.7 billion with corporate tax revenues falling in 2008-09 by 48.1 percent (\$6 billion). The 2009 budget allocated \$32.5 billion for infrastructure investments over two years and while the government remains committed to health care and education, the Minister of Finance warns “difficult choices” will have to be made. 2009 revenue forecast is \$90.2 billion with expenses forecast at \$113.7 billion. “Local” OSAP requests are up: UW by 17 percent, WLU by 20 percent, Guelph by 20 percent with the Ontario average increase of 15 percent. University completion rates are increasing: UW from 77.7 percent in 2002 to 81.8 percent in 2006 vs. the Ontario system from 74 to 78 percent in five years. Perimeter Institute is celebrating its 10th anniversary, an amazing, remarkable decade, including in funding, research, prestige (Stephen Hawking plans to spend time annually at PI, health permitting, and is lending his name to the capital expansion [doubling the footprint; occupancy can grow from current 100 to ~275]; a \$400 million campaign is about to be launched). A Waterloo Global Science Initiative (UW / PI) is taking shape and will see a major science conference held biennially in Waterloo.
- **Local Overview.** Waterloo Region’s Vital Signs 2009: 2.5 patents per 10,000 population vs. Toronto at 1.09; 50 percent of population had completed PSE, up from 38.2 percent in 2000 and vs. the national rate of 50.4 percent; unemployment rate in Waterloo Region is 9.9 percent vs. provincial rate of 9.1 percent and the national rate of 8.6 percent.

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

[\[www.secretariat.uwaterloo.ca/20091027vpap.pdf\]](http://www.secretariat.uwaterloo.ca/20091027vpap.pdf)

Changes to Policy 76, Faculty Appointments. The board heard a motion to approve the recommended changes to Policy 76.

Gordon and Oldford. Carried.

Graduate Program Development. Referring to the report, the provost advised there were three reasons informing the development / growth of course-based / professional graduate programs: attractiveness to those currently employed to advance their careers; to meet UW’s “quota” of graduate space allocation, thereby accessing funding; to meet the targets for graduate student growth set out in the 6th Decade Plan.

Scholarships and Endowment. Speaking to the PowerPoint slides, the provost noted, in particular, that, in 2007-08, UW leads Ontario universities in its “all scholarship expenditures as a percentage of operating expenses”; the market return between May 1 and September 30 was ~12 percent (net of

fees); expendable rate for fiscal 2009-10 is 2.00 percent; the annual average percentage of endowment expenditures used for scholarships / bursaries / awards is ~50 percent.

2009-10 Operating Budget Update. The provost summed up the current position: \$2.5 million additional pension contribution added to the expenses; additional tuition revenue as a result of increased (250 students) first year domestic enrolment; additional unbudgeted grant revenue has been received from MTCU; it is expected the deficit will be eliminated.

In discussion, governors heard: the unfunded BIUs have worked their way through the system, however, undergraduate growth beyond MTCU targets will be unfunded; given the current economic situation, pressure will be put on operating grants and, with “Reaching Higher I” concluding this year (undergraduate tuition cap set at five percent), the new tuition caps are still to be decided; UW will continue to manage prudently, limiting hires to those that are mission critical and with the budget cut (five percent but hoping to reduce that) 2010-2011 determined when the situation becomes clearer; the ~4.5 percent increase in faculty salary expenditure last year is attributable, in part, to new hires; increasing the international student population, an objective in the 6th Decade Plan, has many positive benefits, including student experience (both domestic and international) and an opportunity for increased revenue. It was acknowledged, additional resources are required to support the international student community.

11. REPORT OF THE VICE-PRESIDENT, EXTERNAL RELATIONS

[\[www.secretariat.uwaterloo.ca/20091027vper.pdf\]](http://www.secretariat.uwaterloo.ca/20091027vper.pdf)

The vice-president spoke to the next focus of external relations: marketing, communications and government relations and, more specifically, to: branding, position identity, integrated marketing, identity framework (an update), web presence, social media, research communications, government relations, and a number of strategic initiatives. She also advised that November 15 is National Philanthropy Day and UW will be honouring Mary Bales, an alumna and former governor.

In discussion, concern was expressed by one governor about the board’s not being apprised of the branding exercise much earlier in the process for a number of reasons, including foreknowledge given the leak and the events that followed. Concern was also expressed that UW is perceived by students to be lagging in IT applications, including social networking applications, and that it would appear to be incumbent on UW to tap the best available resources / look into best, most successful practices elsewhere to remedy this; in response, that IT applications are unevenly distributed across campus with some areas, particularly academic, having excellent systems. A caution, from one governor, to “question the question,” especially what students are comparing UW’s IT applications against and the validity of those comparisons. From a student governor, that UW should look to greater expenditures in IT systems / student experience rather than funding salary inflation.

And from the president, that UW, like other institutions, is faced with a new set of tools that need to be understood and how best to be deployed and, in doing this, will listen to its students. Further, initiatives that UW has put in place that speak to the IT matter include: VeloCity, multi-media updating of classrooms, Centre for Teaching Excellence working with new faculty to better equip for multimedia presentations, more classes incorporating multi-media. Further, that “Reaching Higher II” posits more on-line learning as a better / more effective way of teaching. In conclusion, UW should be a leader in IT applications and will work towards achieving this goal.

12. REPORTS FROM COMMITTEES

Audit

- **UW Financial Statements, 2008-09.** The board heard a motion to approve the UW Financial

Statements for the year ended April 30, 2009.

Caldwell and Gordon. Carried.

- **Appointment of External Auditors: Ernst & Young.** The board heard a motion to approve the reappointment of Ernst & Young as UW external auditors for the fiscal year ending April 30, 2010.

Caldwell and Whiteside. Carried.

The remaining item in the report was received for information.

Building & Properties

- **Student Services Complex** [studentspace.uwaterloo.ca]. The board heard a motion to approve the siting of the Student Services Complex adjacent to the main entrance of University Avenue.

Babor and McPhee.

As background to this motion, governors heard that not only will this building serve to centralize student services, its siting at the campus gateway makes a powerful statement on the importance and value UW accords its students. The president of the Federation of Students advised that an undergraduate referendum will be held on November 11 to determine whether there is sufficient undergraduate support to proceed (among the concerns students have expressed is lack of government funding for this project); the graduate students are still considering whether to hold a referendum.

The motion carried.

- **Knowledge Infrastructure Projects.** With respect to the three KIP tenders, approved by the Building & Properties Committee on delegated authority from the board, the committee chair drew attention to the projects and noted that ground has now been broken for all three. Kudos to the vice-president, administration & finance and his team.
- **Health Sciences Campus Land Transfer.** The mayor of Kitchener indicated that the city is targeting a November close.

The remaining items in the report were received for information.

Pension & Benefits

- **Pension Plan Text Revised Amendment #9, Postponed Retirement.** The board heard a motion to approve the resolution rescinding Amendment #9 and adopting revised Amendment #9.

Whiteside and Jackson. Carried.

13. OTHER BUSINESS

There was no other business.

The board convened in confidential session.