University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday, February 7, 2012 Meeting

Present: Kevin Lynch (chair), Marie Armstrong (secretary), Sheila Ager, Catherine Booth, Jonathan Cluett, Tara Collington, Matthew Colphon, Murray Gamble, Bruce Gordon, Paul Guild, Feridun Hamdullahpur, Geoffrey Hayes, Keith Hipel, Karen Maidment, Michael Makahnouk, Walter McCutchan, David McKay, Michele Mosca, Hassan Nasir, Satish Rai, Ken Seiling, Michael Stork, Mark Walker, Carl Zehr

George Dixon, Christy Elliott, Susan Elliott, Ian Goulden, Helen Hannusch, Gail Hansen Cunningham, Mark Haslett, Sue Horton, Dennis Huber, Alexis Hunt, Tim Jackson, Peggy Jarvie, MJ Jennings, Linda Kieswetter, Ken Lavigne, Jane Manson, Geoff McBoyle, Terry McMahon, Bruce Mitchell, Daniel Parent, Janet Passmore, Douglas Peers, Chris Read, Ellen Réthore, Leo Rothenburg, André Roy, Adel Sedra, Josh Shabtai, Bud Walker


OPEN SESSION

1. REMARKS FROM THE CHAIR

   After extending regrets from Bob Harding and welcoming governors to the winter meeting of the board, the chair congratulated Governor Ron Schlegel on being awarded a Queen’s Diamond Jubilee Medal and the Waterloo Region Record Barnraiser Award.

Consent Agenda

   The board heard an omnibus motion to approve and/or receive for information by consent items 2-4 below.

2. MINUTES OF THE OCTOBER 25, 2011 MEETING

   The minutes of the 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 sabbatical/administrative leaves and received the administrative appointments for information.

4. OTHER BUSINESS

   Accountability Status Reports: Graduate Program Reviews, Research Policies and Practices, Undergraduate Program Reviews, and Undergraduate Recruitment and Admissions. The board received these reports for information.

Maidment and Gordon. Carried.

Regular Agenda

5. BUSINESS ARISING FROM THE MINUTES

   There was no business arising.

- Mid-Cycle Review Update. Noting his intention to reach out to entire community and that he was very pleased with the participation and constructive input offered thus far, the president advised that next steps will be focus group meetings and the development of action plans. In response to a question regarding emerging themes, members heard that there is interest in: a more formal structure to channel entrepreneurial projects, bringing information technology into the classroom and business experiences, and greater community building among students.

- Anti-female Posters/Email Update. The president noted that the perpetrator has been sentenced.

- New RIM CEO. The president advised that Thorsten Heins has expressed a desire to continue to partner with UW through research and co-op positions.

- Canada Excellence Research Chairs. Gary Goodyear, Minister of State (Science and Technology), announced the launch of a competition to fund 10 new Canada Excellence Research Chairs.

- Leadership Appointments. The president advised that those whose appointments had been approved (Kellar, Sullivan, Atkinson) have accepted.

- Maclean’s 2011 Rankings. While celebrating UW’s success in the national reputational ranking, the president noted the need to continue to strive for improvement and to fund scholarships to ensure accessibility.

- Ontario Tuition Grant. The grant is now in effect and applies to first-entry programs.

- Drummond Report. Indications are that recommendations will include a 5% tuition framework and a desire for equal emphasis on undergraduate teaching and research.

- Research Funds. The president advised that $42 million in university research grants were cut, reportedly to fund the Eastern Economic Development Fund and the Southwestern Ontario Development Fund.

- Other. In addition to commenting on the upcoming provincial budget, the Jenkins Report and anticipated cuts to federal research granting councils, the president noted various international activities.

Discussion included: research funding cuts impact recruitment of faculty members; there is a desire to raise the global perception of UW.

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

2012-13 Residence Fees. The board heard a motion to approve the recommended residence fees.

Hamdullahpur and Gordon.

In response to questions, governors heard: private initiatives offer alternatives to students and impact occupancy rates; in fall and winter residences are fully occupied, decline in summer occupancy is related to co-op streaming; with the first-year guarantee in place, senior student demands cannot be met.

The motion carried.

2012-13 Tuition Rates. The board heard a motion to approve the recommended tuition fees, having noted the new 2012-13 tuition rates for all programs will be presented for approval at a future meeting once the new tuition framework is received.

Hamdullahpur and Booth.
In response to a question about whether fees will be charged based on a per course basis rather than based on the program of study, the board heard that current program fees will be maintained.

The motion carried.

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

Associate Provost, Students. The provost advised that Chris Read accepted the position, effective May 1, 2012.

Operating Budget: 2011-12 Update/Planning for 2012-13
[www.secretariat.uwaterloo.ca/20120207budget.pdf]. The provost noted that: in 2011-12 undergraduate enrolment was slightly over target and graduate was below; income breakdown is 43% grant, 47% tuition; expenses (including salaries for new staff and faculty positions, student support and supplies) are increasing; various uncertainties, considerations, and assumptions are involved in preparation of the budget.

In response to questions, governors heard: graduate targets were overly aggressive and an incentive program to encourage faculty members to take students was too late; the percentage of total budget that is controllable is at most 20-23%; efficiencies and savings will be sought out; some indicators of performance include the percentage of total operating budget consumed by administration and how much revenue per FTE staff member is put through the system; UW administration is fairly lean; a new initiative is underway to look for efficiencies across the institution; income from commercial services appear in cost recoveries; integrated resource planning and multi-year budgeting are being considered.

Undergraduate Admissions Update [www.secretariat.uwaterloo.ca/20120207ua.pdf]. At the provost’s invitation, Ken Lavigne, registrar, spoke to his PowerPoint presentation covering summaries of applications, early admissions and early entrance scholarships.

In response to questions, governors heard: some departments have success in response to personal notes sent to applicants; phone calls can have a huge impact; staff in recruiting and admissions assist with visa applications; a recent survey of incoming students indicated that the majority chose UW because of co-op; 58% of first choice applicants accepted offers (23% of second, 14% of third).

9. REPORT OF THE VICE-PRESIDENT, EXTERNAL RELATIONS

The board received this report for information.

In response to questions, governors heard: redesign of the website home page is underway; development team has been running lean; the reputation rankings and scholarship assistance help with fundraising efforts.

10. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RESEARCH
[www.secretariat.uwaterloo.ca/20120207vpur.pdf]

Referring to his PowerPoint presentation, the vice-president reported on activities of the Waterloo Commercialization Office (WatCo), indicating that: intellectual property is inventor owned; members of UW can protect such property on their own or seek WatCo assistance, which could result in a license agreement and royalty payments to UW; assistance is available to faculty members and students seeking to start companies.

In response to questions, governors heard: UW is beginning to track the progress of start-up companies; government deficits are resulting in funding cuts; the Jenkins Report contains a recommendation to create an Industrial Research & Innovation Council; the 10 additional
Canada Excellence Research Chairs should result in some superstars coming to Canada; industrial liaison officers will be looking for private sector funding opportunities.

11. REPORTS FROM COMMITTEES

Building & Properties. The board received this report for information.

Audit. The board received this report for information.

Finance & Investment

- **Endowment Fund Investment Guidelines.** The board heard a motion to approve the January 1, 2012 version of the University of Waterloo Endowment Fund Investment Guidelines.

  Gordon and McKay. Carried.

The remaining items in the report were received for information.

Pension & Benefits

- **Statement of Investment Policies & Procedures for UW Pension Plan.** The board heard a motion to approve the January 1, 2012 version of the University of Waterloo Pension Plan (2011) Statement of Investment Policies & Procedures.

  Gordon and Maidment. Carried.

The remaining item in the report was received for information.

12. OTHER BUSINESS

Name Changes

- **Department of Co-operative Education & Career Services.** The board heard a motion to approve the following name change: “Co-operative Education & Career Services” to “Co-operative Education & Career Action,” subject to approval by Senate at its February 27, 2012 meeting.

  Hamdullahpur and Colphon.

In response to questions, governors heard: brochures and posters will be updated as new material is distributed.

The motion carried.

- **School of Optometry.** The board heard a motion to approve the following name change: “School of Optometry” to “School of Optometry and Vision Science.”

  Hamdullahpur and Gamble.

In response to a question, governors heard: the proposed name more accurately reflects the research activities and graduate programs.

The motion carried.

The board convened in confidential session.

March 26, 2012

Marie Armstrong, Associate University Secretary
CONFIDENTIAL SESSION

It was understood that governors are to keep confidential any discussion and decisions reached in this section of the meeting. The vice-presidents were invited to remain for this session and the associate provost, human resources for item 13 only.

Regular Agenda

13. REPORT FROM THE PENSION & BENEFITS COMMITTEE
   Janet Passmore, chair of the committee, and Bruce Gordon, chair of the Finance & Investment Committee, spoke of the need to have flexibility to move quickly and the desire to have a pool of approved investment managers.

   Governor Ken Seiling declared a conflict of interest.

   • Standing List of Pre-Approved Investment Managers. The board heard a motion to approve the creation of a pre-approved list of investment managers for the registered pension plan, subject to ongoing monitoring.

   Gordon and Hipel.

   Discussion included: a question as to whether a list was truly needed; there are costs involved in moving investments; the university investment consultant Aon Hewitt rates investment managers in a long list, the committee brings in a short list for interviews (with Aon Hewitt sitting in); any manager who is downgraded below “buy” or “hold” will be removed from the standing list.

   The motion carried, with one abstention.

   • Appointment of Sionna Investment Managers and Burgundy Asset Managers. The board heard a motion to approve the appointment of Sionna Investment Managers and Burgundy Asset Management as Canadian equity managers for the registered pension fund and addition to the pre-approved list.

   Gordon and Gamble. Carried, with one abstention.

Consent Agenda

The board heard an omnibus motion to approve by consent items 14-16 below.

   The minutes of these meetings were approved as distributed.

15. REPORT OF THE PRESIDENT
   New Appointment with Tenure. The board approved the recommended new appointment with tenure.

16. OTHER BUSINESS
   Appointment to the Pension & Benefits Committee. The board approved the appointment of Monika Bothwell (Dean of Science Office) as staff representative, replacing Steve Cook, term May 1, 2012 to April 30, 2015.

   Stork and Rai. Carried.
Regular Agenda

17. BUSINESS ARISING FROM THE MINUTES
   There was no business arising.

18. REPORT FROM THE AUDIT COMMITTEE
   Governor David McKay provided an oral report re: criminal matter (former University of Waterloo employee fraud and theft case which has been before the Audit Committee).

   In response to questions, governors heard: while an insurance claim has been submitted, UW will have to pay the deductible and the costs of the forensic audit; a number of smaller internal frauds committed by one individual are also being tracked; compliance audits are now standard; careful attention should be given to communications when the charges become public.

19. OTHER BUSINESS
   Executive Searches Update. The president noted that: three senior positions have been filled with July start dates and Chris Read moves May 1; it is hoped that the advancement and university relations searches will be concluded by end of April; the associate vice-president, international and CIO searches are progressing.

   Discussion included: there is not a board representative on the CIO Nominating Committee; that position was an associate provost position without a governing policy; there is an intention to develop a policy dealing with appointments to such positions; the search consultant will seek input from some governors. It was understood that an Audit Committee member, chosen by the committee chair, will be appointed to the CIO Nominating Committee.

   Board Retreat. Governors heard that there is an intention to hold a retreat after the senior administration team and new board members are in place.

20. NEXT MEETING/ADJOURNMENT
   The next meeting is scheduled for Tuesday, April 3, 2012 at 2:30 p.m. with a reception following.

   The meeting adjourned at 5:30 p.m.