

Secretariat: Logan Atkinson, Tracy Dietrich, Mike Grivicic, Emily Schroeder

Regrets: Tara Collington, Brenda Halloran, Satish Rai, Gerry Remers, Prem Watsa, Carl Zehr

Organization of Meeting: Kevin Lynch, chair of the board, took the chair, and Logan Atkinson, secretary of the board, acted as secretary. Atkinson advised that due notice of the meeting had been given, a quorum was present, and the meeting was properly constituted.

OPEN SESSION

1. REMARKS FROM THE CHAIR

The chair welcomed those present to the fall meeting. He extended a special welcome to new Governors Jordan Banks, Andrea Charette and Cindy Forbes, and to the following individuals, attending their first meeting of the board in their new roles: Logan Atkinson, secretary of the university; Ken McGillivray, vice-president, advancement; Pearl Sullivan, dean of engineering; Dave Wallace, chief information officer.

The opening of the Mike & Ophelia Lazaridis Quantum-Nano Centre on 21 September 2012 was an excellent, well-attended event, with approximately 700 attendees. The chair remarked on the tremendous potential for this facility to be transformative in the field.

The chair remarked as well on the successful, well-attended opening of the university’s Stratford Campus.

At its June meeting, the board approved the creation of the honorary title “Board Chair Emeritus” and the granting of the title to immediate past chair Bob Harding. Mr. Harding was awarded the title at a recent event in Ottawa hosted by the Governor General.

The chair reminded governors of the upcoming retreat of the board, emphasizing its goals and the potential for the identification of strengths and planning priorities.

Reference was made to the Board of Governors Handbook, distributed to governors at their places.
The chair indicated that plans are underway to host an innovation summit at the university in the winter term 2013, an opportunity to bring researchers and business leaders together to raise the profile of the university with the business community.

2. VIDEO PRESENTATIONS
The chair introduced three short videos, two related to the openings of the Quantum-Nano Centre and the Stratford Campus, and the third titled Ideas Start Here. The chair reminded the board on the challenge of branding the university so as to properly describe its extraordinary accomplishments and potential.

3. AGENDA/ADDITIONAL AGENDA ITEMS
The board heard a motion to approve the agenda with the addition of one new item: Undergraduate Enrolment Update (Item 12).

Lazaridis and McKay. Carried.

Consent Agenda
The board heard a motion to approve and/or receive for information by consent items 4-8 below.

4. MINUTES OF THE 5 JUNE 2012 MEETING
The minutes of the meeting were approved as distributed.

5. REPORT OF THE PRESIDENT
Promotion to Professor. The board received this report for information.

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

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

6. REPORT FROM THE EXECUTIVE COMMITTEE
The board received this report for information.

7. BOARD OF GOVERNORS RETREAT
The board received this program for information.

8. CONSTITUTION OF THE GRADUATE STUDIES ENDOWMENT FUND AT THE UNIVERSITY OF WATERLOO
The board approved the proposed amendments to the Constitution of the Graduate Studies Endowment Fund at the University of Waterloo.

Watson and McKay. Carried.

Regular Agenda

9. BUSINESS ARISING FROM THE MINUTES
There was no business arising.
10. REPORT OF THE DEAN OF APPLIED HEALTH SCIENCES [copies of the new Canadian Index of Wellbeing report at governors’ places]

The dean delivered a presentation on the Faculty of Applied Health Sciences, explaining the faculty’s mission and vision, and outlining the various departments and research groups and centres in the faculty. She summarized some key statistics related to the operation of the faculty, including faculty numbers and details on potential growth. The dean emphasized the faculty’s commitment to excellence in research, teaching, and service, and to working to inspire the next generation of outstanding students. Further, reference was made to faculty plans for the future, including expanding agreements with international universities and working toward a new building to house the School of Public Health.

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/ahs.pdf

11. Q & A PERIOD WITH THE DEAN OF APPLIED HEALTH SCIENCES

In response to questions, the dean advised that (i) international collaborations can and will be built around development of kinesiology field, (ii) the focus on health will be one of the principal drivers of innovation going forward, and (iii) major issues in strategic planning going forward will be enhancing the links between teaching, research and service.

12. REPORT OF THE PRESIDENT

The president presented a broad report covering a number of items, including the following:

Waterloo’s School of Architecture is one of the top design schools in North America and the only Canadian institution chosen by AZURE, an award-winning magazine with a focus on contemporary architecture and design. The ranking appears in the publication’s November/December issue. In alphabetical order the top five schools are: Columbia, Cornell, Harvard, Southern California Institute of Architecture and Waterloo.

The president referred to major recent events at the university, including the opening of the Mike & Ophelia Lazaridis Quantum-Nano Centre, the opening of the university’s Stratford Campus, and fall convocation. He summarized plans for expansion of facilities on campus, including the Health Services facility, the expansion of facilities for the Faculty of Science, the northwest campus servicing project, entrance signage for the south campus, the Needles Hall expansion, and the DWE C Wing renovation.

The president delivered a series of slides and made extensive comment on the university’s position in the international arena, the fiscal challenges and political uncertainty current in the domestic situation (including continuing uncertainty with respect to the strategic mandate agreement), and key annual performance indicators for the university [full document at http://analysis.uwaterloo.ca/pubs/uwpi.php].

A further series of slides was reviewed, including an enrolment by faculty, a summary of graduate student enrolment, a summary of new faculty hires and new programs, and the ratio of graduate to undergraduate students. We continue to work toward the goals of the Sixth Decade Plan in the case of graduate enrolments. The president offered additional comment on the numbers of international students as a percentage of the total, on entering averages at the university compared to other comparable institutions, and on continuing challenges with the student to faculty ratio.

Discussion of the university’s performance on international rankings was deferred.
The president explained that the strategic planning process had been slightly delayed due to the unanticipated need to prepare the strategic mandate agreement. Key elements of the agreement were summarized for the board.

In response to questions, the president discussed (i) challenges to building our graduate student cohort, (ii) focusing on developing our alumni network, and (iii) the university’s potential for attracting the very best research faculty.

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/presidentsreport_0.pdf

**Undergraduate Enrolment Update.** The registrar presented a report on undergraduate enrolment.

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/enrolment_0.pdf

13. UNIVERSITY RANKINGS
Jana Carson of Institutional Analysis & Planning provided a presentation on international university rankings and the various metrics that generate these rankings. The rankings are important to the university because they are considered by international graduate students and they have an impact on international recruiting. There was some discussion on particulars of the metrics, including the “citation count” metric and the possibility that universities with medical schools do better in this respect. There was further discussion on the possibility that Canadian universities, including this university, may suffer for a lack of aggressive branding. As a way forward, the university will work toward a thorough understanding of the measurement criteria and how those criteria might be affected meaningfully.

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/rankings.pdf

14. RESEARCH PRESENTATION
Heather Keller, professor of kinesiology and Schlegel Research Chair in Nutrition and Aging, described her work in an engaging presentation.

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/nutritionaging.pdf

15. Q & A PERIOD WITH PROFESSOR KELLER
Professor Keller answered a number of questions related to her work, during which she described certain conclusions of her research in more depth, and providing additional detail on the network of professionals working in similar areas.

16. REPORTS FROM COMMITTEES
**Audit**
- **Appointment of External Auditors: Ernst & Young.** The board heard a motion to approve the reappointment of Ernst & Young as the university’s external auditors for the fiscal year ending 30 April 2013.

  McKay and Maidment. Carried.

The chair of the committee reported on the need to build a more thorough risk management function at the university. The management team will consider approaches to risk management and will bring
ideas back to the Audit Committee with a view to reorienting the committee’s focus.

The remaining items in the report were received for information.

Building & Properties

- **Proposed Day Care Facility.** The board heard a motion to approve a revised day care building project budget of $5.2 million.

  Booth and McKay.

  Discussion ensued on the strength of the business case for this project, on the method of financing both construction and maintenance, and on the implications of the project for questions of work/life balance and the effect on recruitment and retention.

  The motion carried with one abstention.

- **Addition to Needles Hall.** The board heard a motion to approve a revised project budget of $17.81 million for the planned addition to the north façade of Needles Hall.

  Booth and Schlegel.

  Discussion ensued on the wisdom of committing additional funds to administrative facilities rather than on academic projects. It was pointed out that the plan includes expansion of space for the Office for Persons with Disabilities and Counselling Services, and that the administrative functioning of the university could not continue to be conducted from current premises.

  The motion carried.

The remaining items in the report were received for information.

Finance & Investment. The board received this report for information. It was advised that funds are performing at satisfactory levels, although some concern was expressed about the sustainability of these returns based on global economic uncertainties.

Pension & Benefits

- **Amendments to the Pension Plan.** The board heard a motion to approve the resolutions requiring amendments to the university’s registered pension plan and payroll pension plan in response to legislative changes and in order to address the going concern deficit and long-term health of the plans.

  Hamdullahpur and Wilkinson.

  Discussion ensued on certain aspects of the motion. There are questions about the sustainability of plan, raised by market changes in 2008-09, leaving serious challenges in the continuing management of the plan. Further, more conservative assumptions have been used in management of the plan. The changes, if passed, will reduce the plan deficit by $24 million, and reduce the amortization period to 12-14 years.

  The board heard representation from the University of Waterloo Staff Association. Concern was expressed for the lowest paid employees, with particular concern for changes to indexation. The Staff Association asked for delay in implementing changes until further reviews have taken place.
In response, it was pointed out that wide consultation had taken place in advance of passing the changes at committee, including open meetings, open consultation sessions, and separate meetings with employee groups. Representatives of the Staff Association sit on the committee, and some changes had been made in response to their input. It was repeated that the worst outcome is an unsustainable pension plan.

The motion carried.

Governors DeVidi, Hayes, Walker and Weckman declared a conflict of interest with the following motion.

- **Amendments to the Benefits Plans.** The committee heard a motion to approve Internal Coordination of Benefits under the University of Waterloo extended health and dental plans for University Couples effective as of 1 November 2012.

  Wilkinson and McKay. Carried.

The remaining items in the report were received for information.

17. OTHER BUSINESS

**Federation Hall Update.** The president of the Federation of Students asked to be added to the agenda to provide an update on the university’s commitment “to a continued partnership on student space with the Federation of Students and further dialogue and negotiation on the plans for Federation Hall” [14 June 2011 board minutes]. This commitment came following the university’s decision not to renew the Federation of Students’ lease on Federation Hall. He pointed out that, while historically there has been good collaboration between the Federation of Students and the university, the process by which the university has taken over Federation Hall has been prolonged and has generated student frustration and unrest.

**Office for Persons with Disabilities Name Change.** The board heard a motion to approve the following name change: “Office for Persons with Disabilities” to “AccessAbility Services.”

Makahnouk and Forbes. Carried.

The board convened in confidential session.

Logan Atkinson  
28 November 2012  
Secretary of the University
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.

**Consent Agenda**
The board heard a motion to approve or receive for information by consent items 18-20 below.

**18. MINUTES OF THE 5 JUNE AND 18 JULY 2012 MEETINGS**
The minutes of the meetings were approved as distributed.

**19. REPORT OF THE PRESIDENT**

- **New Appointments with Tenure.** The board approved the recommended new appointments with tenure.

- **Tenure Recommendations.** The board approved the tenure recommendations as presented in the report.

**20. REPORT FROM THE EXECUTIVE COMMITTEE**
The board received this report for information.

Lazaridis and McKay. Carried.

**Regular Agenda**

**21 BUSINESS ARISING FROM THE MINUTES**

- **TechTown Update.** Vice-President, University Relations Tim Jackson provided an update on the donation of shares in TechTown Realty Corp., approved by the board at its special meeting of 18 July 2012. Jackson advised that the health club operated at the premises would be closed as of 21 December 2012 and the corporation would be wound up. A process has been put in place to re-allocate the space. With respect to valuation of the donated shares, the gift acceptance guidelines will be reviewed and a report brought back to the board. It was suggested that management ought to consider filling the space in a spirit consistent with the development of the R & T Park, and the board reminded management that timely updates on projects are desirable.

**22. REPORTS FROM COMMITTEES**

- **Audit.** The board received this report for information.

The chair of the committee provided a summary of observations related to payroll processes contained in a “flash report” submitted to the committee by internal auditors. He highlighted the exposure to both financial and reputational risk. The board was advised that it could take many months for the concerns expressed in the report to be addressed, but that personnel in Human Resources had already started the process.

- **Finance & Investment**
  - **Appointment of Tweedy, Browne Company.** The board heard a motion to approve the appointment of Tweedy, Browne Company as a global equity manager for the endowment fund.

Maidment and Wilkinson. Carried.
Governance

- **Appointment to the Pension & Benefits Committee.** The board heard a motion to approve the appointment of Bill Watson as member and chair of the committee, term to 30 April 2014.

  Lynch and Wilkinson. Carried.

23. OTHER BUSINESS

**President’s Remarks.** The president provided an update on accidents involving students, both the one on Ring Road involving a bus, and others occurring off campus. He advised that the university would consider ways to improve safety on Ring Road, and would undertake an awareness campaign for general safety.

The board was updated on a case of apparent plagiarism involving a member of faculty in the Faculty of Engineering, and a PhD student. The president advised that the university had initiated the appropriate review pursuant to its procedures in this respect, and that the investigation ought to be concluded soon.

The president advised the board that management was recommending that the university’s campus in Dubai be closed. Expectations of a positive revenue stream and enhancement of the university reputation simply did not come to pass, and there was little prospect of a change to the situation. He indicated that the university’s partner in the UAE had not performed its responsibilities properly, and that expected research opportunities had not materialized. Cumulative losses in the operation are about $8 million.

Management’s recommendation to the board is that the operation be closed at the end of August 2013. No new students are to be admitted; existing students, no matter the stage of their studies, will be given the opportunity to complete their programs at the main campus of the university.

The board heard a motion to approve that the university’s Dubai-based programs be phased out by end of summer 2013, and that attempts be made to recover funding and to protect the university’s reputation.

Seiling and Schlegel. Carried.

It was agreed that any plan to reconfigure and relocate the UAE operation would be brought back to the board for approval.

24. NEXT MEETING

The next meeting is scheduled for Tuesday 5 February 2013 at 1:30 p.m.

25. ADJOURNMENT/PRESIDENT’S RECEPTION

The meeting adjourned at 6:35 p.m. Governors attended the President’s Reception immediately following the meeting.

Logan Atkinson
Secretary of the University

28 November 2012