University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday 4 June 2013 Meeting


Secretariat: Logan Atkinson, Tracy Dietrich

Regrets: Jordan Banks, Brenda Halloran, Ron Schlegel, Prem Watsa

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 everyone to the meeting, especially those new and returning. He referred specifically to the conflict of interest declaration for completion by governors, and reviewed some of the highlights of the agenda.

2. AGENDA/ADDITIONAL AGENDA ITEMS
   The board heard a motion to approve the agenda as distributed.

   Stork and Weckman. Carried.

Consent Agenda
The board heard a motion to approve and/or receive for information by consent items 3 and 4 below.

3. MINUTES OF THE 2 APRIL 2013 MEETING
   The minutes of the meeting were approved as distributed.

4. REPORT OF THE PRESIDENT
   Recognition and Commendation. The board received the report for information.
   
   Sabbatical/ Administrative Leaves and Administrative Appointments/ Reappointments. The board approved the recommended leaves and received the administrative appointments/ reappointments for information.

   Wilkinson and Watson. Carried.
Regular Agenda

5. BUSINESS ARISING FROM THE MINUTES
Co-operative Education. The president presented information with respect to the graduation rates, employment rates, and employment income (among other things) of co-op students relative to students in non-co-op programs. He presented several “co-op indicators” to underscore the impressive results in the University of Waterloo Co-operative Education program.

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

6. REPORT OF THE PRESIDENT
The president expressed gratitude to Bruce Mitchell, associate provost, resources and interim associate provost, human resources, retiring from administrative service and returning to faculty after a long and distinguished career.

Activity Review. The president referred to the successful President’s Golf Tournament, and reminded everyone of Convocation in mid-June. He reviewed the success of the Leadership Innovation Conference, and advised that it will become an annual event. This university is in a position to lead the “innovation agenda,” given the university’s history and commitment for the future. The president summarized his participation in the Milken Global Conference in April, and his attendance at alumni events in Palo Alto and Calgary.

Strategic Plan 2013-17 and Next Steps [Foreword to the Strategic Plan at governors’ places]. The president referred to highlights from the new strategic plan, presenting it as a refreshed strategic plan relative to the Sixth Decade Plan and its mid-cycle review. He commented on the enthusiastic participation of the entire university community in the exercise undertaken to prepare the plan, with focus on a distinguished past and a distinctive future. The commitment is that this university will be a leading global university, rooted in experiential learning and renowned for our entrepreneurial culture.

The eight key elements of the plan were presented by the Vice-President, Academic & Provost Geoff McBoyle: ground breaking research, unrivalled entrepreneurship opportunities, innovation in experiential learning, outstanding academic programming, global prominence in internationalization, a vibrant student experience, a robust staff-employer relationship, and a sound University of Waterloo value system.

McBoyle indicated that a steering committee will be established to identify leads for each goal, to operationalize each goal and to establish measurement criteria to gauge success. He suggested that the board will receive reports in these respects beginning in February 2014, and regular reports thereafter.

The president reiterated how thankful we all ought to be for the enthusiasm and commitment offered by all those who took part in the consultation process leading to presentation of the plan to the Board of Governors.

In response to a question, the president indicated that research of an exceptionally high quality will be a key driver of success, for the university generally but also for individual students and faculty. Excellence across the spectrum of educational priorities (for students and faculty) will be fundamental to our success, including a commitment to entrepreneurialism and strong research. He referred to a fundamental belief in academic freedom as basic to moving the academic agenda forward at this university.
Internationalization will be developed both to enhance the university’s international ranking and to maintain and advance its position domestically.

The president referred to the university’s intellectual property policy as the foundation of the goal to encourage and facilitate faculty entrepreneurship and the commercialization of research output. On the use of Massively Open Online Courses (MOOCs), the president advised caution, although the opportunity will not be lost if the technology can be demonstrated to serve the interests of our students, perhaps through a hybrid teaching and learning system. The president agreed to review the reference to MOOCs in the strategic plan to ensure it is consistent with this view.

He was asked about the forces working against the university, based mostly in government policy and action, and also in the work of the university’s competitors. The answer to these challenges lies in a robust risk identification and management framework, and in using that framework to protect the institution’s autonomy in the best way possible.

The president was advised to consider streamlining the plan so as to sharpen focus and ensure greater linkages to project development going forward. How do we know we have the capacity inside the university to reallocate resources to those areas where we must work to distinguish ourselves?

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/president_4.pdf

7. REPORT OF THE VICE-PRESIDENT, ADMINISTRATION & FINANCE
Tuition Fee Increases. The board heard a motion to approve the recommended tuition fee increases for 2013-14.

Remers and Stork.

Huber advised about the relationship between the university’s positive cash flow and tuition fees in excess of inflation. Some carry forward is allowed, although it is often released back to the academic units. Cumulative surpluses are not the intent.

The provost advised that he expects us to continue raising tuition in accordance with provincial guidelines, so as to maintain the quality of education generally. Huber indicated that the proposal before the board is consistent with what is being done at other universities. He agreed to provide benchmarking data as further reports are presented.

Some discussion followed on the net cost of an education to the average student, factoring in scholarships and student aid against tuition and other expenses, and whether the proposed increase in tuition is reflective of the value inherent in the overall student experience.

The motion carried.

Incidental Fee Changes. The board heard a motion to approve the recommended incidental fee changes.

Makahnouk and Hunt. Carried.

8. REPORT OF THE VICE-PRESIDENT, ACADEMIC & PROVOST
2013-14 Operating Budget. The provost presented an outline of the proposed budget for 2013-14, indicating a balanced budget but a cut in expenditures of 2.5%.
The board heard a motion to approve the operating budget for 2013-14 as presented in the report.

Maidment and Wilkinson.

There were questions on the availability of tuition set-aside funds, and on the rate of increase for salaries and benefits. There was discussion of the possibility of reviewing particular programs as to their susceptibility to specific cuts in the future.

The motion carried.

**Sabbatical, Tenure and Promotion Processes.** The provost addressed the processes involved in the granting of tenure and sabbatical, and in awarding promotions. With respect to sabbaticals, the board approves the recommendations of management, but that recommendation is based on a thorough review of the proponents’ research programs and the plans for moving those forward during sabbaticals. With respect to tenure and promotion, the provost reviewed three levels of consideration (departmental, faculty, president [acting with the advice of a university-level committee]).

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/provost_0.pdf

**Undergraduate Admissions Update.** Associate University Registrar, Admissions Nancy Weiner updated governors on the status of confirmed admissions, indicating that the university is well ahead of the pace it set for its anticipated November targets. The chair suggested that better metrics are needed to monitor the university’s ability to deliver a very high quality student experience as numbers of admissions go up. This may be related to retention rates, and there are many other factors. Full funding for growth is not guaranteed, and this may be the final year for this kind of expansion.

Slides used in the presentation may be seen at https://uwaterloo.ca/secretariat/sites/ca.secretariat/files/uploads/files/ua_2.pdf

9. **2013 KILLAM PRIZE WINNER**
   Paul Thagard, professor of philosophy, was introduced by the president, and Thagard gave the board a short summary of his research program. The chair congratulated Thagard on his outstanding success.

10. **REPORT OF THE DEAN OF ENGINEERING**
    The dean delivered a presentation on the Faculty of Engineering, explaining some of the faculty’s successes, and outlining plans to move the faculty forward.

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

11. **REPORTS FROM COMMITTEES**
    **Audit**
    - **UW Financial Statements, 2012-13.** The board heard a motion to delegate its authority to approve the university’s audited financial statements for the fiscal year ended 30 April 2013 to the Board Executive Committee.

        McKay and Wilkinson. Carried.

    The remaining items in the report were received for information.
Building & Properties [revised report at governors’ places]

- **Applied Health Sciences Expansion.** The board heard a motion to approve a $12 million project budget for the construction of an expansion building for applied health sciences – kinesiology on a portion of parking lot M.

  Gamble and Lazaridis.

  It was observed that the reduction of parking represented by this motion is a very difficult issue for many on campus, unless there is a plan for alternative parking. In response, it was noted that the proposal is consistent with the board-approved Campus Master Plan, and that there may be alternatives including adequate pay and display parking, and additional parking on the north campus. The academic needs represented in this proposal are significant and must be met. There was additional comment on the extent to which the parking lots are used on a daily basis.

  It was moved that the motion be referred to a special committee of the board.

  Freeman and Hulan.

  The motion to refer was defeated.

  The main motion was then called.

  The motion carried. On a request to record the vote, it was noted that Freeman voted against, and Lounds abstained. All others voted in favour.

- **Federation Hall Addition/Renovation.** The board heard a motion to approve a $5.2 million project budget for the renovation and expansion of Federation Hall.

  Gamble and Watson.

  It was observed that this facility would initially be for university use, both for catering and for student community space.

  The motion carried.

- **Needles Hall Addition.** The board heard a motion to approve the awarding of a design-build contract (CCDC-14) to Melloul-Blamey Construction for $11,740,960 plus HST.

  Gamble and Stork.

  It was asked that budget information be provided as future motions for the award of contracts are brought forward, and that a map showing the project be presented each time as well.

  The motion carried.

- **Cell Tower.** The board heard a motion to approve that the university proceed with finalizing the necessary arrangements (which may include an easement) to permit the installation of a monopole cell tower along the north side of the Health Services Road.

  Gamble and Lazaridis.
The main carriers would be Bell, Rogers and Telus; the net revenue to the university on this project will be very modest. The tower will be designed for university needs, without necessary penetration into the surrounding neighbourhoods. There will be public consultation before this project proceeds, and it was pointed out that researchers will want to be heard because of the possibility of interference.

The motion carried.

The remaining items in the report were received for information.

**Finance & Investment**

- **Endowment Fund Investment Guidelines.** The board heard a motion to approve the revised Endowment Fund Investment Guidelines as presented in the report.

  Wilkinson and Watson. Carried.

The remaining items in the report were received for information.

**Pension & Benefits**

- **Actuarial Valuation of the UW Pension Plan as at 1 January 2013.** The board heard a motion to accept the “Actuarial Report: University of Waterloo Pension Plan” as of 1 January 2013, recognizing that the report will not be filed with the Financial Services Commission of Ontario.

  Watson and Wilkinson.

  It was observed that there are errors in the report to be corrected before the report forms part of the formal record.

  The motion carried.

- **Statement of Investment Policies and Procedures for UW Pension Plan.** The board heard a motion to approve the 1 January 2013 version of the University of Waterloo Pension Plan (2011) Statement of Investment Policies and Procedures as presented in the report.

  Watson and Wilkinson. Carried.

The remaining item in the report was received for information.

**12. OTHER BUSINESS**

- **Institute for Quantum Computing Annual Report to the Minister of Industry – Executive Summary.** The board heard a motion to approve the report for submission to Industry Canada.

  Gamble and Lazaridis.

  Some typographical errors will be corrected before final submission. The chair suggested that more proactive promotion of the report ought to be considered as the report is filed.

  The motion carried.

The board convened in confidential session.

Logan Atkinson
Secretary of the University

5 June 2013
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 by consent items 13 and 14 below.

13. MINUTES OF THE 2 APRIL 2013 MEETING
The minutes of the meeting were approved as distributed.

14. REPORT OF THE PRESIDENT
New Appointments with Tenure. The board approved the recommended new appointments with tenure.

Lazaridis and Remers. Carried.

Regular Agenda

15. BUSINESS ARISING FROM THE MINUTES
Report of the Vice-President, Advancement. The vice-president referred to reports submitted to the board, including a summary of donations over the previous year, and a specific listing of gifts over $250,000 during the year. Total numbers have remained steady, while the number of individual donors is down. He summarized further developments as the university moves toward campaign readiness over the next 12 to 24 months. Specific mention was made of the gift announced today from RBC related to the Water Institute.

16. REPORTS FROM COMMITTEES
Finance & Investment
• Appointment of Walter Scott & Partners and Oldfield Partners LLP. The board heard a motion to approve the appointment of Walter Scott & Partners and Oldfield Partners LLP as global equity managers for the endowment fund.

Wilkinson and Watson. Carried.

Governance
• Appointment of Governor. The board heard a motion to recommend to the Lieutenant Governor-in-Council the appointment of Thorsten Heins to the Board of Governors for a three-year term beginning 1 May 2013.

Lynch and Gamble. Carried.

The remaining items in the report were received for information.

17. OTHER BUSINESS
President’s Remarks. The president summarized discussions underway with InterGlobe Enterprises of New Delhi for their development of a new university. The extent of this university’s involvement in the project has not yet been settled, although it is expected that the role will be limited to a consultancy in the first instance.

The board convened an in camera session. The vice-presidents left the meeting.

5 June 2013

Logan Atkinson, Secretary of the University
IN CAMERA SESSION

It was understood that governors are to keep confidential any discussion and decisions reached in this section of the meeting.

18. REPORT FROM THE GOVERNANCE COMMITTEE [at governors’ places]

The board received the president’s annual report for information, and heard remarks from the chair related to that report.

The in camera session was adjourned at 6:50 p.m.

Logan Atkinson
Secretary of the University

5 June 2013
OPEN SESSION

19. STRATEGIC PLAN
The board reconvened the open session at the University Club at 7:00 p.m.

The chair reintroduced the discussion on the proposed strategic plan, and the president spoke briefly to summarize the discussion from the earlier open session.

The board heard a motion that the strategic plan submitted to the Board of Governors be approved as presented, subject to the preparation of a preface to (1) focus the plan on fewer areas of top strategic priority to be developed from the eight areas identified in the plan, and (2) outline the process to identify the metrics to be used to measure success in achieving the objectives of the plan, and that the board delegate authority to the Executive Committee of the board to approve the preface when presented.

Hamdullahpur and Gamble.

Following extensive discussion, it was agreed that the motion would be withdrawn.

The board heard a motion to refer the strategic plan back to the president to focus the plan on fewer areas of strategic priority, to review the revisions with the Executive Committee of the board, and following that step, to bring the revised plan to a special meeting of the board.

Lynch and Power. Carried.

The chair expressed gratitude to the president, the provost and others involved in preparation of the strategic plan, and congratulated them on their work.

20. NEXT MEETING
The next meeting is scheduled for Tuesday 29 October 2013 at 1:30 p.m.

There being no further business, the meeting adjourned at 9:00 p.m.

Logan Atkinson
Secretary of the University

5 June 2013