

University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday 28 October 2014 Meeting

Present: Jordan Banks, Catherine Booth, Danielle Burt, Andrea Charette, Cindy Forbes, Allyson Francis, Murray Gamble, Paul Guild, Feridun Hamdullahpur, Thorsten Heins, Robert Henderson, Shelley Hulan, Ophelia Lazaridis, Christos Lolas, Kevin Lynch, Michele Mosca, David Porreca, Bill Power, Satish Rai, Gerry Remers, Ronald Schlegel, Ken Seiling, Michael Stork, Hamid Tizhoosh, William Watson, Karen Wilkinson, Marta Witer, Carl Zehr, Frank Zorzitto

Guests: Jean Andrey, Nello Angerilli, Alison Boyd, Aldo Caputo, Jana Carson, Mario Coniglio, Jason Coolman, Bob Crow, Mike den Haan, George Dixon, Mahejabeen Ebrahim, Jim Frank, Ian Goulden, Daniel Guhr*, Mark Haslett, Dennis Huber, André Jardin, Peggy Jarvie, Beth Jewkes, Andrea Kelman, Jane Manson, Ken McGillivray, Carlos Mendes, Ian Orchard, Daniel Parent, Doug Peers, Alex Piticco, Chris Read, Ellen Réthoré, James Rush, Daniela Seskar-Hencic, Allan Starr, Pearl Sullivan, Sean Thomas, Marilyn Thompson, Bud Walker, Glen Wepler

Secretariat & Office of General Counsel: Logan Atkinson, Tracy Dietrich

Regrets: Michelle DiEmanuele, Brenda Halloran, John Lounds, David McKay, Maryam Shahtaheri, Prem Watsa

*by phone

BRIEFING SESSION – PART 3

1. STRATEGIC PLAN THEMES

Orchard introduced this third briefing session as the final one in the summaries to be made by theme leaders.

A Sound Value System. Associate Provost, Resources Beth Jewkes introduced her co-lead on the Sound Value System, Mahejabeen Ebrahim, director of equity, and spoke to the key elements of this theme. The University's goals around values, ethics and the harmonization of work and life are clearly articulated in the strategic plan. The theme working group is carefully reviewing internal documents, including Faculty strategic plans, the study of work/life balance from 2012 called "Striking the Right Balance," the University's compassionate care and bereavement leave report, and many other related materials. The working group has conducted focus groups and consulted widely across the campus to determine community understandings and expectations. As a result, the working group has developed a solid understanding of current issues, strengths and challenges. The overarching objective is to develop a sound institutional value system to foster a robust innovation culture, all in a rapidly evolving environment.

This theme has developed three priorities. First, we will create the necessary institutional infrastructure to promote and reflect our value system (integrity, equity, diversity, and the harmonization of work and life). Our values will be elaborated through consultation, and will be embedded in policies, procedures and practices, working from the assumption that substantive equality is essential to excellence in performance. Second, we will find ways to support integrity initiatives. Early successes in this respect have been the hiring of our first director of equity, working with faculties on equitable hiring in faculty complements, workshops and instruction on equity for students, and additional training on academic integrity. Third, we will design projects to enhance the

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harmonization of work and life. In this respect, we have opened the Bright Starts childcare facility as part of our commitment to the needs of families of young children, and we are taking steps to ensure that leave procedures are carried out efficiently and effectively in accordance with best practices.

Robust Employer-Employee Relationship. Associate Provost, Human Resources Marilyn Thompson addressed this theme. The term “employee” is intended to be an inclusive term, capturing faculty, non-union staff and unionized staff, that is, everyone working at the University. The objective is to position the University as an employer of choice, locally, nationally and internationally. We take the idea of the employer-employee relationship very seriously, and so we will carefully consider both our internal frameworks and benchmarking to external standards. We will test a framework for a full recruitment strategy, looking at getting the best available candidate while allowing the back office work to be done in Human Resources. We will conduct a review of the complete compensation package to ensure it is robust and competitive. We will establish and maintain fair policies and practices in the work place. We will assemble evidence to determine what makes us strong and competitive in the workplace. We will pursue certification in the health, wellness and excellence standard from Excellence Canada, complementary to our strategic plan and to the strategic plans of individual units. We will support employees throughout their careers through career enhancement initiatives, with clear paths to promotion, regular and fair evaluation, and meaningful opportunity for skills development. We will become an international employer of choice within the next five years.

In the Robust Employer-Employee Relationship theme, some of the drivers in the Excellence Canada program will drive us along in the progressive excellence path there, and we will rely on some of the tangible measures embedded in that program. In the Sound Values theme, a set of metrics has been developed and benchmarked so as to measure against a baseline going forward.

In response to a question, Thompson advised that the term “robust” in the title of this theme means both full and growing. How are we better as a university by having gone through and achieved our objectives? With respect to levels of employee engagement, we are doing very well in some areas, and not so well in others. Data collection and management is something that poses a challenge; although total compensation is very strong here, additional reflection is required in respect of certain employee groups especially. Communication is very important, with encouragement to make results accessible and transparent, even on those indicators where we might be weak relative to our competitors.

Jewkes advised that the concerns of undergraduates will be allowed for as the Sound Values working group more fully focuses on the harmonization of work and life. The working group realizes that undergraduates are concerned and they will be canvassed more thoroughly to determine where focus might be put to assist.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/strategic_plan_briefing_28102014.pdf

MEETING

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.

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Open Session

2. REMARKS FROM THE CHAIR

Welcome. The chair welcomed everyone to the fall meeting. He offered a special welcome to returning community-at-large governor, Catherine Booth, and to the following individuals, attending their first meeting of the board in their new roles: Ian Orchard, vice-president, academic & provost; Bob Crow, interim vice-president, university relations; Jean Andrey, interim dean of environment; Jim Frank, interim associate provost, graduate studies; Jim Rush, interim dean of applied health sciences.

Congratulations. Lynch congratulated both Carl Zehr and Brenda Halloran for their years of service to the cities of Kitchener and Waterloo, respectively, and to the University, and congratulated Ken Seiling on being re-elected as regional chair for the Region of Waterloo.

Ontario Economic Summit. Lynch reported on the Ontario Economic Summit, noting in particular the attendance of the premier of Ontario and her entire cabinet, and the attendance of the premier of Québec. The latter delivered an excellent speech, very well received by those in attendance. The University of Waterloo is well recognized for its efforts in innovation and entrepreneurship activities. We must aim for the critical mass and the scale so as to sustain success in this arena. Concept of deep, advanced knowledge-based innovation is what we need to move this agenda forward. In most measures of global competitiveness, innovation is being weighted more and more heavily as Canada's performance in this area is slipping.

Board of Governors Retreat [retreat programme at governors' places]. Confirmed speakers at the retreat, to be held Thursday 27 November 2014, include: Ed Byrne, principal, King's College London; Bonnie Patterson, president & CEO, Council of Ontario Universities; John Stackhouse, senior fellow, CD Howe Institute and Munk School of Global Affairs, and former editor-in-chief, The Globe and Mail.

Moment of Silence. Those present observed a moment of silence to remember the University of Waterloo first year nanotechnology engineering student who was struck and killed by lightning while walking on campus Friday 5 September. And to remember Cpl. Nathan Cirillo, killed in Ottawa at the National War Memorial, and Warrant Officer Patrice Vincent, killed in Québec.

3. AGENDA/ADDITIONAL AGENDA ITEMS

The board heard a motion to approve the agenda as distributed.

Wilkinson and Heins. 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 3 JUNE 2014 MEETING

The board approved the minutes of the meeting as distributed.

5. REPORT OF THE PRESIDENT

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

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Sabbatical Leaves and Administrative Appointments/Appointment Date Changes. The board approved the recommended sabbatical leaves and received the administrative appointments/appointment date changes for information.

In response to a question, Orchard advised the meeting that, while the number of those taking sabbaticals appears to be large, this is an outcome of the cycles of service of faculty. Sabbaticals are only approved if there is a plan in place to manage teaching responsibilities during the sabbatical. The academic approval process for sabbaticals is very thorough and considered.

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

Amendments to Policy 68 – Vice-President, University Research. The board approved the amendments to Policy 68 – Vice-President, University Research as presented in the report.

Repeal of Policy 58 – Search and Nominating Committee for Director Guelph-Waterloo Centre for Graduate Work in Chemistry. The board approved the repeal of Policy 58 – Search and Nominating Committee for Director Guelph-Waterloo Centre for Graduate Work in Chemistry effective immediately.

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

Engineering Society Fee. The board approved the fee increase as presented in the report.

8. REPORT FROM THE EXECUTIVE COMMITTEE

The board received the report for information.

Rai and Porreca. Carried.

Regular Agenda

9. BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes.

10. REPORT OF THE PRESIDENT

President's Update. Hamdullahpur welcomed everyone back to the first meeting of the academic year, and referred governors to his written report circulated with meeting materials. He informed the board of the appointment by Senate of Tom Jenkins as the University's next chancellor, to take office on 1 May 2015. Chancellor Prem Watsa presided over his last convocation on Saturday 25 October, and the board will be invited to further celebrate Chancellor Watsa's service to the University at a special event.

With respect to new students arriving at the University, the president indicated that a report from the Registrar's Office would be provided later in the meeting, but made special note of the fact that 51% of our entering class had an average of 90% or better, the first time the university has reached this standard. In engineering, and because of limits on capacity, the University turned away more than 1200 students with 92% entrance averages.

Our reputation on the international stage continues strong and growing, with high quality institutional partners inviting us to be part of a large international research collaboration. We are one of only four Canadian universities selected. Hamdullahpur also provided a quick update on other international collaborations with The Technion, SIAST of Korea and Nanjing University.

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The president provided quick comments on: the University's capital project proposal submitted to the provincial government, addressing both Engineering 7 and the second phase of our Faculty of Science development; the Canada First Research Excellence Fund, possibly \$1.5 billion in federal money over ten years, with the call for proposals not yet issued while we wait for the development of final qualification criteria; the State of the University report will be finalized over the next few weeks with the hope to distribute it at the board retreat on 27 November; with respect to the BlackBerry buildings acquisition at the corner of Phillip and Columbia Streets, payments are being met and occupancy plans are in execution; further explanation on the utility of the retreat for moving the University's agenda forward; there is a possibility of the province funding international graduate students, and the University is very interested in counting them toward our funding formula and removing the tax on international students; with respect to international undergraduate students, our cohort is very strong, our reputation is growing globally, we have a very strong international recruiting strategy, and we are becoming more and more attractive to international students, all of which is very important for the diversity of our classroom and the richness of the undergraduate experience.

Ranking Results – Overview and Strategies for Improvement. Hamdullahpur indicated to the meeting that the University understands the importance of the international rankings and respects the process that goes into their development, but it is important for the board to fully understand our results in the context of our ambitions and strategic planning ambitions. Lynch expressed concern about where Canadian universities stand as a group, especially in the Times Higher Education rankings, and where the University of Waterloo ranks overall and relative to other Canadian universities. He pointed out that this may also have an impact on our reputation domestically, and asked that the matter be raised once again at the coming board retreat.

Hamdullahpur advised that we must understand the deeper meaning of these rankings, especially when we are compared to other Canadian institutions. He indicated ways in which dramatic changes in the rankings can result from the participation of many co-authors from the same institution on a highly cited paper. Our goals and objectives are over the long term, and we view this as an aberration.

Seskar-Hencic referred governors to the briefing note on the matter circulated with meeting materials, and also introduced Daniel Guhr, our consultant on this issue, joining the meeting by telephone.

Guhr provided a brief report to the meeting, including: an explanation of the University's standing in several international rankings, with the caution that there are many rankings available and the University does more or less well depending on the methodology of each; generally, the University ranks between 220 and 260 in the world, with real strengths in engineering, technology, computer science and mathematics, with some strength in the natural sciences; the University seems undervalued in the social sciences, explained by reference to a "negative halo effect" where our dominant strengths may prevent us from representing our true standing in other areas; we are starting to focus on peer rankings, and this is showing results in some rankings and not others; it is important to understand that small fluctuations of 10 or 20 positions are merely statistical noise, saying little if anything about true university performance; ranking professionals have been engaged by many universities, and the concern is that they are artificially influencing outcomes; suggestion made to take a long term perspective so as to measure sustained growth over time; more recognition of international engagement will show up in our rankings in time.

Teaching scores seem low at this University, and this is based almost exclusively in measurements of reputation. The methodology to establish reputation scores is not well understood.

Governors raised a number of questions as a result of this discussion, including: how are people chosen to comment on reputation, and how is conflict of interest controlled; is the ration of PhDs

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awarded per faculty member, and per undergraduate student, of relevance; can we increase our doctoral output; is there any effort to come up with a standardized platform for these things and a transparent methodology, perhaps agreed upon by a group of major universities; isn't it true that we should simply focus on our strategic plan; is there a way to measure the negative impact that these rankings have on recruiting of faculty and students; does our domestic ranking have any impact on our international ranking; should we focus more fully on our own communication and branding locally to rise internationally; is it possible that some of our strengths (co-op, experiential education, entrepreneurship) actually hurt us in the rankings; to what extent do we suffer for lack of a medical school; what can we learn from the rankings, and can we correlate those things to our strategic plan?

It was confirmed that the board would continue the discussion of rankings at a later date. Guhr was thanked for his participation and input.

Strategic Plan 2013-2018, Progress and Impact – Fall 2014 Update. Orchard presented the first annual report on implementation of the strategic plan. He commented that the real strength of the strategic plan is that it is a plan by and for the entire University, bringing together various portfolios and Faculty- and unit-specific plans as well. It is expected that the themes in the plan will advance the needle on many important measures for the University, and we expect to create something very different from other universities as a result. We are distinct, and the plan will help us develop and exploit that distinctiveness. It is rare that accountability frameworks are built in to the implementation plan, and we ought to celebrate that. The extensive consultation and engagement with the community, both in development of the plan and in development of the implementation strategy, are important and unusual.

Governors were directed to the materials circulated in advance of the meeting, and also to the accountability website for additional and greater detail. In each theme, 20 to 25 indicators have been established, and we will use these to identify areas of improvement and to indicate areas where we must do better. Governors were also directed to Faculty-specific progress reports and their relationship to the institutional plan.

Orchard provided some comment on the relationship among strategic plan implementation, the proposed new resource allocation budget model, and strategic enrolment management.

He expressed thanks for the important work being led by Seskar-Hencic with the participation of theme leads and group participants.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/strategic_plan_28102014_0.pdf

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

Temporary Foreign Worker Program. Orchard reported on significant changes to the temporary foreign worker program, including more frequent auditing of employers, onerous advertising requirements, fee changes, and the need for a transition plan to demonstrate reduced reliance on temporary foreign workers. This has great implications for any country with which we have no free trade agreement – any faculty member must apply for and get a temporary foreign worker visa. While there seems to be a misunderstanding by government that we would hire foreign faculty temporarily and then send them home, there does not seem to be an immediate prospect that exceptions will be established for universities. The changes have had a significant impact on our costs, our internal bureaucracy and our ability to hire internationally. The U15 is actively engaged in lobbying for change.

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Change to the Memorandum of Agreement between FAUW and the University of Waterloo.

The board heard a motion to approve the amendment to Article 13.3.3.e of the Memorandum of Agreement between FAUW and the University of Waterloo as presented in the report.

Forbes and Hamdullahpur. Carried.

Undergraduate Admissions Update. Associate Registrar, Admissions André Jardin presented a comprehensive report on undergraduate admissions for the current year.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/admissions_28102014.pdf

12. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RELATIONS

Crow provided a report to the meeting, advising that significant effort is underway to improve the profile of the University, addressing serious competition and global positioning. There has recently been a significant re-build in University Relations, with new hires doing important work, and a very fine team emerging, in marketing and strategic communications, community relations and government relations. Reputation management is first and foremost in the day-to-day activities of the unit. Crow referred to a draft report to be called the “State of the University,” a report in the nature of a prospectus with about 12,000 hard copies and a very high quality digital version available.

With respect to the Waterloo Innovation Summit, Crow advised that there has been good content but disappointing coverage and attendance. The summit will be re-positioned with David Fransen of the Institute for Quantum Computing as new leader. We will build a multi-stream format across a wide range of endeavours to generate the most energy possible and facilitate innovation in the best possible forum. We must build the audience as well as build the program. The summit is scheduled for October 2015.

13. REPORT OF THE VICE-PRESIDENT, ADVANCEMENT

McGillivray provided an update on priorities and direction in Advancement at the University, focusing on the strengths of the Advancement team, some opportunities, and the prospect of conducting a series of mini-campaigns beginning in fall 2015.

McGillivray advised the meeting that the University currently spends about 18 to 20 cents for each fundraising dollar raised. The board asked that this ratio be included as a standard feature of future reports.

The board requested that a report be presented at an early date to explore the possibility of engaging our entering students very early in their experience to prepare them as alumni, and McGillivray agreed to bring forward such a report.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/advancement_28102014.pdf

14. REPORTS FROM COMMITTEES

Audit & Risk

- **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 2015.

Forbes and Gamble. Carried.

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The remaining item in the report was received for information.

Building & Properties

- **Engineering 7** [Engineering 7 brochure at governors' places]. The board heard a motion to approve an Engineering 7 project budget of \$88 million where the building will be connected to and integrated with the east façade of the existing Engineering 5 building and designed by Perkins + Will Canada.

Gamble and Forbes.

Governors asked a number of questions about this project, including: details on the funding proposal put forward to the provincial government; the relationship between the strategic plan and the approval of specific building projects; the extent to which funding has been arranged, and its impact on our institutional debt ratio; operating costs for our buildings are built into our annual budgets for each building, some based on building endowments, but always planned out in advance; the extent of the financial burden the Faculty of Engineering will be expected to assume, and how well will increased student enrolment offset that financial burden.

The question was called, and the motion carried.

- **New Residence Building.** The board heard a motion to approve the award of a design/build contract (CCEC14) to Melloul-Blamey Construction Inc. for \$32,532,000 plus HST for a 490-bed residence (192,000 square feet) on the west parking lot of the existing University of Waterloo Place complex.

Gamble and Schlegel. Carried.

The remaining item in the report was received for information.

Finance & Investment. The board received the report for information.

Pension & Benefits

- **Statement of Investment Policies & Procedures for UW Pension Plan.** The board heard a motion to approve the 1 January 2014 version of the University of Waterloo Pension Plan (2011) Statement of Investment Policies and Procedures as presented in the report.

Watson and Wilkinson.

Governors raised two questions, including the differing ways in which inflation is calculated over time, and whether there is any appetite for a sector wide jointly sponsored pension plan? On the first question, Rai advised that we must live with what the government produces by way of a rate, given that this is how cost of living adjustments are made and how pension liabilities are calculated. Our working assumption is that inflation is going to be lower than many are predicting. On the second question, Watson advised that the discussion has not gone far at the Pension & Benefits Committee, although our actuary is keeping the committee informed. It is likely that, because our plan is in so much better shape than others in the sector, it would not be advantageous for us to move in this direction.

The question was called, and the motion carried.

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- **Life-Time Maxima on Out-of-Province Healthcare Coverage for Pensioners.** The board heard a motion to approve the removal of the life-time maxima on out-of-province healthcare coverage for pensioners living in Canada.

Watson and Gamble.

Watson agreed to check to determine the impact this change will have on pensioners who have already reached the maximum.

The question was called, and the motion carried.

The remaining items in the report were received for information.

15. OTHER BUSINESS

Board Appeal [pledge package at governors' places]. Watson spoke to the opportunity of board members to have a real impact on the institution, through their time and talents as governors, but also through philanthropy. Giving allows governors to show their excitement in another way, and to show leadership to others that can be inspiring. Broad based participation is important, with a target of 100% participation.

The board convened in confidential session.

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Logan Atkinson
University Secretary & General Counsel
Secretary to the Board of Governors