

University of Waterloo
BOARD OF GOVERNORS
Minutes of the Tuesday 7 April 2015 Meeting

Present: Jordan Banks, Catherine Booth, Danielle Burt, Andrea Charette, Michelle DiEmanuele*, Cindy Forbes, Allyson Francis, Murray Gamble, Feridun Hamdullahpur, Thorsten Heins, Robert Henderson, Shelley Hulan, Ophelia Lazaridis, Christos Lolas, John Lounds, Kevin Lynch, Michele Mosca, David Porreca, Bill Power, Ronald Schlegel, Ken Seiling, Maryam Shahtaheri*, Michael Stork, Hamid Tizhoosh, Berry Vrbanovic, William Watson, Karen Wilkinson, Kate Windsor, Marta Witer, Frank Zorzitto

Guests: Sandra Banks, Barb Blundon, Alison Boyd, Mario Coniglio, Ray Darling, George Dixon, Rocco Fondacaro, Jim Frank, Kim Gingerich, Ian Goulden, Helen Hannusch, Mark Haslett, Peter Heuss, Dennis Huber, Beth Jewkes, Andrea Kelman, Mike Kirkup, Nick Manning, Jane Manson, Ken McGillivray, Terry McMahan, Kelly McManus, Cathy Newell Kelly, Ian Orchard, Rachel Paulter, Chris Read, Ellen Réthoré, James Rush, Allan Starr, Pearl Sullivan, Marilyn Thompson, Bud Walker, David Wallace

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

Regrets: Paul Guild, Dave Jaworsky, David McKay, Satish Rai, Gerry Remers, Prem Watsa

*by phone

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 spring meeting. He extended a special welcome to Vice-President, University Relations Sandra Banks, attending her first meeting of the board.

He thanked those governors whose terms on the board end 30 April 2015 for their service to the University: community-at-large representative – David McKay; lieutenant governor in council representative – Ophelia Lazaridis; faculty representatives – Paul Guild, Shelley Hulan, Michele Mosca, Bill Power and Frank Zorzitto; staff representative – Andrea Charette; undergraduate student representative – Danielle Burt; graduate student representatives – Robert Henderson and Maryam Shahtaheri.

He offered special thanks to retiring Chancellor Prem Watsa.

2. AGENDA/ADDITIONAL AGENDA ITEMS

The board heard a motion to approve the agenda as distributed, subject to removing items 5 and 6 on the consent agenda to the regular agenda.

Porreca and Forbes. Carried.

Consent Agenda

The board heard a motion to approve and/or receive for information by consent items 3, 4 and 7 below.

3. MINUTES OF THE 3 FEBRUARY 2015 MEETING

The board approved the minutes of the meeting as distributed.

4. REPORT OF THE PRESIDENT

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

Sabbatical and Administrative Leaves and Administrative Appointments. The board approved the recommended leaves and received the administrative appointments for information.

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

University Professor Designations – moved to the regular agenda.

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

Incidental Fee Changes – moved to the regular agenda.

7. REPORT FROM THE EXECUTIVE COMMITTEE

The board received the report for information.

Porreca and Wilkinson. Carried.

Regular Agenda

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

University Professor Designations. Porreca questioned why there are so few women named as university professor, and whether there ought to be special effort made to identify qualified women for this question. Hamdullahpur answered by saying that the University is committed to advancing gender and women's equity at the University and many initiatives are underway.

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

Incidental Fee Changes. Porreca asked about the size of proposed incidental fees. Huber explained the process by which the fees are established, including the support of the students during the consultation process. He summarized the components of the proposed fee increases. Henderson advised that at one point in the past fees actually decreased, and that students are comfortable with the fees as proposed.

The board heard a motion to approve the fee increases provided in the report of the vice-president, administration & finance as distributed.

Porreca and Henderson. Carried.

10. OPEN LETTER TO THE BOARD OF GOVERNORS

An open letter to the Board of Governors was read by members of the UW Chinese Literature Connection to appeal to the Board of Governors to reduce the amount of international tuition. The increase passed at the February board meeting constitutes a 9.2% increase. Students argued that the difference between international tuition and domestic tuition is not fair, given that the quality of education is the same for both groups. The board was asked to reconsider the tuition increase in response to this presentation from the UW Chinese Literature Connection.

Members asked about the relationship between the funding model in place, and the assessment of tuition. Orchard advised that there is a significant process in place, including rigorous assessment of the tuition levied at peer universities. There was some discussion of the challenges faced by existing international students when tuition is raised during their tenure as students, and the aid available to students who find it difficult to pay expenses. Orchard advised that a better job of communication could be done, and consideration of this question is underway. An argument was made that international students ought to have some realistic expectation of what tuition increases might be expected over the course of their studies.

11. BUSINESS ARISING FROM THE MINUTES

Alumni Relations Update. McGillivray made a presentation on proposals to enhance alumni relations at the University. Governors asked about the opportunity to instill pride through athletics; the levels and opportunity for engagement of alumni; the importance of the University brand and local partnerships in different areas around the world; the metrics in use to measure alumni engagement beyond rankings and money raised. The request was made to have a further report to assess progress relative to those metrics. McGillivray mentioned growth in attendance at alumni events, and the growth in donations from among alumni, as indicators of growing success.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/20150407_alumni_relations_0.pdf

12. REMARKS FROM THE CHAIR

Lynch advised that it is a time for this University to be ambitious. Difficult economic times present opportunity for innovation, especially for universities like ours who want to stand out. Further, a great deal of thought must be given to facilitating a deep, lasting alumni network, and our students ought to be inculcated into that network from the very first day they arrive on campus. And, how can we speed up the strategic plan? How can we do things powerfully and quickly to make the strategic plan more vibrant? Can we “front end load” our financing and project development to jump start the strategic plan? Can we integrate the very best information technology to allow the student experience to flourish no matter where they are in the world?

What can we do to enhance our presence in Toronto to capitalize on our potential to be the best innovation university in the world? We should be the first institution of choice when governments and industry need help with innovative thinking.

How do we continue to push entrepreneurship? We do this uniquely among universities, and we should be focused very heavily on pushing this agenda forward. Innovation and resiliency ought to be part of everything we do and everything we conceive.

13. REPORT OF THE PRESIDENT

President’s Update. Hamdullahpur spoke to a number of topics, including: the University of Waterloo as a place of great differentiation; the power of the story of this University; the history of the University relative to the history of industry and ideas in this region; the performance of the University in attracting the top undergraduate and graduate students; the unique opportunities at this University for its students; the University’s outstanding application to the Canada First Research Excellence Fund.

Hamdullahpur called on Associate Provost, Graduate Studies Jim Frank to report on recent successes in doctoral fellowship competitions, ranking the University third in the country in raw numbers and easily first on a per capita basis.

Hamdullahpur further commented on: research partnerships with other leading institutions around the world; congratulations to the highly collegial process that led to salary settlements with the Faculty Association of the University of Waterloo and the proposed settlement with the University of Waterloo Staff Association.

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

Staff Salary Recommendations. The board heard a motion to approve the recommendations as presented in the report.

Schlegel and Hamdullahpur.

Governors asked about the uses of the Staff Excellence Fund, and Associate Provost, Human Resources Marilyn Thompson advised that there are four portfolios – keynote speakers at the staff conference; the recognition event for years of service; leadership development; healthy workplace initiatives.

How regularly do staff salary increases work in concert with the faculty increases? Governors were advised that this is the normal outcome.

The proposal represents an adjustment to the ranges for university salary grades as opposed to a flat increase for every employee. There are no changes to other benefits; the adjustment to the ranges is the only adjustment.

The motion carried.

2015-16 Operating Budget. The board heard a motion to approve the 2015-2016 Operating Budget as presented.

Wilkinson and Forbes.

What does the University do with respect to a projected budget deficit? Do programs get reassessed, or is the proposed deficit simply a place holder given that many of the numbers in the budget are merely estimates? Orchard advised that because of the estimates in the budget, management feels that the projection is perfectly tolerable, especially because the 2015-2016 budget includes the budget deficit carried over from 2014-2015. It was noted that research funds, trust funds, endowments and ancillary operations are not included in the operating budget, and that there is potential for donations to be made to assist in operating needs. Orchard advised that the head tax levied by the provincial government on international students is levied only in Ontario.

It was suggested that the extent of frozen executive salaries ought to be included in the budget report.

The motion carried.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/20150407_operating_budget_0.pdf

Undergraduate Applications and Admissions Update. Darling presented the report on undergraduate applications and admissions for the coming cycle. Governors asked about the split between OSS applicants and non-OSS applicants, especially the breakdown of the latter; the recruitment philosophy at work at this University, including the relationship between research on demographics, for example, the way in which targeted messages are developed, and the use of both a customer relationship management tool and an emerging strategic enrolment management project; the profile of those students choosing to come here, especially the potential for attracting students from the northern United States.

It was observed that we should focus on increasing our non-Ontario domestic recruitment efforts and increasing the percentage of non-OSS recruits as a result.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/20150407_admissions_0.pdf

15. REPORT OF THE VICE-PRESIDENT, UNIVERSITY RESEARCH

Dixon presented a summary of the University's application to the Canada First Research Excellence Fund. Governors asked whether this project will affect other tri-council funding, and governors were

advised that while no new funds have been allocated per se, and although budgets have not been cut to the tri-councils to fund this opportunity, it was a separate line item in the federal budget. The priorities will be exactly the same in the second round of applications, and the University has already started looking at opportunities in water research and advanced manufacturing.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/20150407_cfref_0.pdf

16. STUDENT ENTREPRENEURSHIP PRESENTATION

The manager of Velocity Foundry, Peter Heuss, introduced Rachel Paulter, 4B Nanotechnology Engineering student. She made a presentation on a startup company called Suncayr, intended to produce a product designed to tell the user when sunscreen is no longer protecting. The idea was the international runner up in the Dyson Award Competition, one of the top four projects in the world, and the first Canadian team ever to make it this far. Paulter was asked about the safety of sunscreens, and advised that Suncayr is working with sunscreens that have been demonstrated to be safe; the derivation of the name; the status on intellectual property applications; the process for getting into the Dyson competition; means to fund the development of the product and the company, including some funding support from the University; market potential; more funding could be helpful from sources internal to the University.

Slides used in the presentation may be seen at: https://uwaterloo.ca/secretariat-general-counsel/sites/ca.secretariat-general-counsel/files/uploads/files/20150407_suncayr_0.pdf

17. REMARKS FROM THE INCOMING CHAIR

Watson addressed the board, speaking to the unique qualities of this institution and the extraordinary opportunities that lie ahead. He spoke to the pride we have in our heritage, and our optimism for the future. He expressed great thanks for the leadership of the current chair and best wishes for the future. He spoke of the privilege of working with Catherine Booth as the new vice-chair. He thanked retiring governors for their service, and for those continuing on the board passed on the assurance that board leadership will be collaborative, collegial and supportive, with the idea to draw on the strengths of all members of the board.

18. REPORTS FROM COMMITTEES

Building & Properties

- **Hagey Hall Courtyard Infill.** The board heard a motion to approve the award of a stipulated price contract (CCDC2) to Harbridge + Cross Limited for \$5,183,000 plus HST for the Hagey Hall courtyard infill project.

Gamble and Booth.

Governors asked what happens to the funding that was allocated in the budget at \$8.35 million when the contract price is now down to \$5.183 million. The funds are transferred into a “restricted contingency.” Money left in the restricted contingency is notional only, meaning it is only a budget number and not actual cash.

The motion carried.

The board received the remaining item in the report for information.

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

Governance [report at governors' places]

- **Staff Election Guidelines.** The board heard a motion to approve the guidelines for the election of staff members to the Board of Governors as presented in the report, amended to add one email message as notification to staff.

Hamdullahpur and Wilkinson. Carried.

The board asked that the guidelines be brought back to the board for further review at the October 2015 meeting.

The board received the remaining items in the report for information.

Pension & Benefits. The board received the report for information.

19. INSTITUTE FOR QUANTUM COMPUTING CORPORATE PLAN 2015-16

Governor Mosca declared a conflict of interest and left the meeting during debate.

The board heard a motion to approve the plan for submission to Industry Canada.

Power and Gamble.

Porreca asked that the University of Waterloo be made more prominent in the executive summary, and Hamdullahpur agreed to ensure that the University is appropriately represented in the report. The observation was made that outputs and achievements ought to be more prominent in the report, rather than inputs. It was advised that there will be a second report to address this question.

The motion carried.

There was some discussion of the use of University of Waterloo branding in the identification of scholarship emerging from IQC.

20. OTHER BUSINESS

There was no other business.

21. NEXT MEETING

The next meeting of the board is scheduled for Tuesday 2 June 2015.

The board convened in confidential session.

8 April 2015

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