

**University of Waterloo**  
**Board of Governors**  
**BUILDING & PROPERTIES COMMITTEE**  
**Notes of the 18 January 2023 Meeting**  
**[in agenda order]**

**Attendees:** Carol Cressman, Michael Eubanks, Murray Gamble (chair), Alice Raynard (secretary)

**Administration:** Christiana Alkiviades, Stepanka Elias, Vivek Goel, Rob Hunsperger, Andrea Kelman, Jacinda Reitsma

**Guests:** Mike Ditty, Robert Lemieux, Chris Read, Stanley Woo

**Regrets:** Peter Barr, Naima Samuel, Stephanie Ye-Mowe

**Organization of Meeting:** Murray Gamble took the chair and Alice Raynard acted as secretary. The chair welcomed members to the meeting. The agenda was approved by consensus as circulated. The secretary advised that quorum was lacking.

## **OPEN SESSION**

### **1. DECLARATION OF CONFLICTS OF INTEREST**

Cressman declared a conflict of interest for item 6 – Optometry. The Chair advised that the mere fact a member was assisting with fundraising for this project likely did not cause a conflict of interest as they are not benefiting from the approval of this project.

### **2. MINUTES OF THE 5 OCTOBER 2022 MEETING**

There were no concerns or questions from the members. Eubanks and Cressman. Carried on principle (subject to an electronic vote after the meeting.)

### **3. BUSINESS ARISING FROM THE MINUTES**

There was no business arising.

### **4. CAPITAL FINANCING COMMITMENTS AND CONSTRUCTION STATUS**

**a. Capital Financing Commitments Report – January 2023.** The report was received for information.

**b. Construction Status Report – January 2023.** Hunsperger provided information over the various construction projects, noting: Earth Science Chemistry (ESC): analysis to be brought to March meeting for approval of construction, and contingencies in place for price escalation; Health Innovation Arena: environmental management, challenges with lowered water levels, Tier-2 risk assessment, potential delayed occupancy; Math 4: continuing to advance designs, recommendation under item 7 of this agenda; Optometry: building on business case, scope has continued to evolve along with budget needs.

Members discussed: cost management relative to supply chain issues claimed by suppliers; ability to bid early on some pieces, working with contractors to pay for increased costs outside of contingency budget to offset some possible extreme increases; assessments of cancellation of project vs. extreme prices, and possibility of canceling certain pieces of projects; dynamic market, month per month evolutions; proceeding with strategic projects while minimizing costs.

**c. Capital Financing Commitments Schedule – April 30, 2022.** The report was received for information.

Members would appreciate having a better understanding, when asked to review projects, of how extra costs are taken into account, and evaluating and supporting some of these recommendations. Members were informed an example is item 8 of this agenda (New Residence); projects don't normally get canceled, rather scoped and descope, e.g., to account for price volatility and for pricing of upfront designs, increasing contingency where feasible and judicious (not resorting to contingency by default). [**Action:** The Committee would appreciate receiving a guideline to help the committee determine when projects may proceed or not (no specific timeline)].

## **5. UNIVERSITY OF WATERLOO REAL ESTATE HOLDINGS**

Reitsma provided an overview of the report, which is a standard item for information, noting that no new real estate had been added, no large transactions were expected, and several leases are long-term arrangements. Members appreciated details around square footage.

## **6. OPTOMETRY – BUDGET INCREASE**

Rush provided context to this project, summarizing the history of the various steps, e.g., appointment of architects and initial approval of budget in 2021, noting success in assembling fundraising commitments and a secured plan to raise rest of funding and slight alterations to the project.

Members discussed Class C and class D estimates, and a summary was requested of Administration [**Action:** documents already sent to committee]; level of confidence, given market uncertainties, on bringing this health, innovation and society project over the finish line; high level of confidence, given the very effective advancement efforts and the different streams of revenue different from other Faculties (large cash basis, specialty care providing large margins, relatively low risk as revenues are to grow); currently exploring joint venture to ensure visibility and support from government.

Eubanks and Gamble. Carried on principle (subject to an electronic vote after the meeting.)

## **7. MATH 4 BUILDING – UPDATED RECOMMENDATION**

Hunsperger spoke to the report, which is administrative in nature. This project was last presented in September 2022 and the updated recommendation aims at providing a more specific form of construction contract. Given the specs of the Davis Center (DC) building, with its large food court and longer side wing, phasing of project will be challenging, which a regular stipulated price contract (bid and lump sum) would not serve well. In starting earlier work on logistics, new construction manager would come on board sooner rather than later.

Members discussed: DC is currently occupied; difficulty in managing risks with regular type of contract, which might cause price inflation; allowing more transparency on phasing and logistics.

Cressman and Eubanks. Carried on principle (subject to an electronic vote after the meeting.)

## **8. NEW RESIDENCE – CONSULTATION FEES**

Hunsperger spoke to the proposed appointment of the architects, noting the 2009 campus master plan held some parking lots in reserve for future construction and mixed uses; parking lot A had been identified as a preferred site for a new residence of 500 beds, as part of a 20-year housing master plan. The objective is to maintain first year residence availability to attract new students, as it makes a difference in academic performance. Pricing is premature given cost estimates and market volatility.

Members discussed: need for parking due to ION and high-rises around; transportation advisor has been hired (to report to Executive Director, Plant Operations); minimal loss of parking space; use of shuttles; new master plan for the campus to be brought to Board of Governors in the future; lots of parking on prime real estate location.

Eubank and Cressman. Carried on principle (both motions subject to an electronic vote after the meeting.)

## **9. WORK PLAN FOR NEXT FISCAL YEAR; ORIENTATION/BRIEFING REQUIREMENTS**

Gamble indicated the work plan had been recently reviewed and queried members and attendees as to whether other items should be added for this year's plan.

Members discussed: in order to improve orientation of new board members on how decisions are being made, it might be helpful to understand the role of other committees to see the process flow of projects, e.g., when the Finance & Investment Committee of the Board has a role [**Action:** Administration to provide update on improvements to board members' onboarding to committee; no specific timeline]; continue campus tour for new/returning members; guidelines in print would clarify things before going into meetings, e.g., items that need Board's approval, 50% of funds required ahead of time so members know if they should approve, examples of steps a project needs to go through [**Action:** Administration to continue developing such guidelines].

## **10. EXECUTION AGAINST THE WORK PLAN**

The document was received for information. Items are generally on track. Sustainability and maintenance (e.g., Comprehensive Sustainability Program, District Energy Study, Maintenance Program and Energy Conservation Efforts, Deferred Maintenance Review) to come at later meetings in March/May.

**11. OTHER BUSINESS**

There was no other business.

**12. PROCEED INTO CONFIDENTIAL SESSION**

The Committee convened in confidential session.

The Committee is scheduled to meet on Wednesday 8 March 2023, 1:00-3:00 p.m. via Teams.

25 January 2023

Alice Raynard  
Associate University Secretary