

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Notice of Meeting

Date: Wednesday 30 September

Time: 1:00-3:00 p.m.

Place: via MS Teams

*material attached

OPEN SESSION	Action
1. Declaration of Conflicts of Interest	Declaration
2. Minutes of the 15 January 2020 Meeting* [George]	Decision
3. Business Arising from the Minutes	Information
4. Capital Financing Commitments and Construction Status [Huber] (a) Building & Properties Finance Summary – September 2020* (b) Construction Status Report – September 2020* (c) Capital Financing Commitments – April 30, 2020*	Information
5. Committee Terms of Reference* [George]	Information
6. Execution Against the Work Plan* [George]	Information
7. Other Business	Information
8. Proceed into Confidential Session	Information
Next Meeting: Wednesday 13 January 2021, 1:00-3:00 p.m., via MS Teams	
23 September 2020	Alice Raynard Associate University Secretary

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Minutes of the 15 January 2020 Meeting
[in agenda order]

Attendees: Michael Beauchemin, Murray Gamble, Martha George (chair), Peter Barr, James Schlegel, Mark Seasons*, Alice Raynard (secretary)

* by telephone

Administration: Feridun Hamdullahpur, Reuben Grin, Dennis Huber, Rob Hunsperger, James W. E. Rush

Regrets: John Saabas, Max Salman, Susan Tighe (administration)

Organization of Meeting: Martha George 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 present.

OPEN SESSION

In memory of the victims of Ukraine Airlines Flight 752, a minute of silence was observed at the start of the meeting.

1. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

2. MINUTES OF THE 2 OCTOBER 2019 MEETING [OPEN]

A motion was heard to approve the minutes of the meeting as distributed. Beauchemin and Gamble. Carried.

3. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

4. CAPITAL FINANCING COMMITMENTS AND CONSTRUCTION STATUS

a. Building & Properties Finance Summary – January 2020

b. Construction Status Report – January 2020

c. Capital Financing Commitments – 30 April 2019

Huber took items a-c together. Central funds have been integrated into the 2020-21 budget. The South part of SLC is to be opened to students in February 2020, while the North part should be for Fall 2020; project is estimated to be completed within budget. On the capital report, all external debt has been diminished. All capital financing commitments are on track.

5. REAL ESTATE HOLDINGS LIST – DECEMBER 1, 2019

Huber provided an overview of the list, informing the committee there were historical reasons for leasing certain property. Some could be shed because of the payment of property taxes for unoccupied spaces. Members discussed occupational purposes of some tenants (types of activities, shared spaces, empty locations); activities are being monitored by administration and finance services.

6. CAMPUS MASTER PLAN

Huber indicated that GSP had been retained to design a preliminary north commons project, including a possible fair-weather connection of the SLC to the AHS building, which would be a multi-million-dollar project. Members commented on the importance of giving a sense of cohesion of space on campus. The Campus Master Plan concerns buildings but also encompasses open and outdoor spaces, as well as student experience, quality of life and image of the University. Student input and accessibility criteria are important and it will be necessary to wait at least a year to assess how people use spaces before starting on construction on the north commons, noting that Phase 1 of the Way Finding project is underway.

7. VILLAGE 1 – SITE INFRASTRUCTURE PROJECT BUDGET

Grin spoke to the assessment of sanitary sewers and tunnels in Village 1, which are all old and have multiple purposes. Contingency was put aside for winter construction and roof service of the tunnel might need replacing. Precautionary measures are being taken to minimize deterioration. Members discussed: funding; green spaces will not be impacted; consultants looking at holistic design; underground tunnels do not provide a sense of security; sustainability assessment, energy-saving opportunities; project to focus on Village 1 area first.

The committee heard a motion that the Building & Properties Committee approve a \$4.9 million project for site work adjacent to Village 1 West and North Quads to: (1) Replace the existing sanitary sewer, storm sewer, and water-main serving these quads; (2) Repair and waterproof the service tunnel serving V1; (3) Improve the landscaping and surface pathways impacted by this work. Gamble and Beauchemin. Carried.

The intention will be to electronically approve the award of the construction contract in February 2020.

8. STATUTORY COMPLIANCE

Raynard spoke to the document, indicating no exceptions had been reported. Members discussed the University's compliance with the Municipal Act, the Planning Act and the Ontario Heritage Act and Environmental Assessment Act. Huber mentioned an OHA assessment had been done recently and Glen Sheels had been hired as consultants; the University mainly has to be in compliance with municipal by-laws. Huber and Raynard will connect on how to report more clearly on compliance with municipal by-laws.

9. TERMS OF REFERENCE

Huber informed the committee that the proposed revisions to its terms of reference has been reviewed by the President and the Vice-President, Academic and Provost; the changes would be reflective of the financial cost of routine projects; there are processes to prevent bids from non-arm's length entities; an efficient approval path will prevent delays and costs. Huber and Raynard will verify whether indexing has occurred since 2006. The committee approved a motion to recommend to the Board of Governors the proposed changes to the committee's terms of reference. Murray and Schlegel. Carried.

10. EXECUTION AGAINST THE WORKPLAN

The committee received the document updated with dates for information. The committee discussed the need for a more frequent discussion of the five-year plan, considering sustainability requirements and upcoming large projects, such as the Science building. The committee requested that the five-year plan be brought back at the next meeting and on annual basis for information, and the execution plan be modified accordingly.

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 Wednesday 4 March 2020, 1:00-3:00 p.m. in NH 3043. [Note: The March and May meetings were canceled.]

5 July 2020

Alice Raynard
Associate University Secretary

Report to the Building & Properties Committee
Capital Financing Commitments
September 2020

The Building & Properties Committee (B&P) reviews the summary of Capital Financing Commitments at each meeting.

Highlights during fiscal 2019/20:

- The University repaid \$6.3 million of internal debt related to the Engineering buildings (\$4.8 million from the Faculty of Engineering and \$1.5 million in donations)
- The AVRIL project was fully repaid with a contribution of \$1.0 million from Canadian Foundation for Innovation (CFI) funding
- Internal financing for completed capital projects as at April 30, 2020 is approximately \$124 million

Highlights during 2020/21:

- \$10m in donations were received and applied against the Science Teaching Complex
- Scheduled principal and interest payments were made by Housing and collected in fees from students for the Health Services addition
- Additional lump sum repayments are planned for other projects for the second half of the fiscal year

Summary:

- The University remains well within its approved policy limits and below the 4.0% of annual gross revenue maximum for principal and interest payments
- The financing position for each project as of April 30, 2020 is attached

Dennis Huber

Construction Status Report
Sep-20
 \$000s

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
<u>In-Progress</u>								
SLC/PAC Addition	34,000	41,000	lump sum	Bondfield	85%	2018/19	2020/21 (Dec/Jan)	- September occupancy achieved for the food court area - 3rd floor mostly complete (finishing painting, flooring, internal glazing) - work continues to complete 2nd floor and then the 1st floor - scheduling landscaping to avoid the need to return to site in the Spring No liens against the project.
	<u>34,000</u>	<u>41,000</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
<u>In-Progress</u>								
Aquatic Animal Lab Upgrade (B1)	3,836	4,900	stipulated sum (CCDC2-2008)	RossClair	~97%	2020	Oct 2020	Application for substantial completion estimated for September 20, 2020 Delay Claim risk is low, (consultants do not feel one is justified) however COVID-19 may be grounds for delay claim due to cross border restrictions with commissioning specialty aquatic equipment Change Orders to date (incl. 3.41% HST): \$390k. Currently \$27k over budget. Change Directive pending to remediate base building leak that occurred during construction due to aged infrastructure. Total Project Costs to date incl. 3.41% HST: \$4,927 (\$4.93M) Total Project Cost projected to be less than new B&P threshold of \$5M
	<u>3,836</u>	<u>4,900</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
<u>In-Progress</u>								
Hagey Hall Emergency Generator	3,500	2,540	stipulated sum (CCDC2-2008)	Sutherland Schultz	100%	2020	August 2020	Construction has been completed and all deficiencies resolved Substantial Completion achieved, entering lien period Total project cost: \$2,300 (\$2.3M)
	<u>3,500</u>	<u>2,540</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
<u>In-Progress</u>								
Student Village 1 Site Infrastructure	4,900	4,945	construction management (CCDC5)	CSL	~90%	2020	Oct 2020	Work 90% complete with the western portion of the work returned back to Housing for their use. Paving will be the last item to complete - scheduled for mid-to-late-September. Underground work 100%, complete and operational. Remains on budget, tracking to be slightly under budget at completion Substantial Completion scheduled for September 28th.
	<u>4,900</u>	<u>4,945</u>						

University of Waterloo
Capital Financing Commitments
April 2020
(\$000s)

Capital Project		Externally Financed	Lease-Back Financing	Currently Internally Financed	Estimated Amortization Period	Total to be Paid (External, Lease- Back and Internal Financing)	Comments
Completed							
Residence - UWP and MKV				12,687	7 years		Recovery through student residence fees
Residence - Columbia Lake Village Townhouses			22,000		33 years		Minimum \$7.4 million lease commitments; recovery through student residence fees
Engineering 7				28,207			Pledges of approximately \$33 million against these Engineering buildings,
Other Engineering (including 5, 6, and DWE)				10,734			committed operating funding of \$2.29m, faculty operating funds
Health Services Addition/Renovations				3,069	5 years		Compulsory undergrad and grad student fees; donations
Blackberry Buildings (5)				6,899	3 years		Operating funds
Science Expansion Building				10,005			\$10 million in pledges (\$10m received in F2021)
Applied Health Sciences Addition				9,200			Faculty operating funds; donations
Student Residence - New UWP Building				26,243	< 15 years		Residence fees
North Campus Field House				16,803	10 years		16.5M from operating funds
Completed Total		-	22,000	123,847		145,847	
Funding Status							
		Planned Completion Date	Total Budget	Fundng On- hand	Committed Future Funding	Currently Unfunded	Total to be Paid (Future Funding + Currently Unfunded)
In-Progress							
Student Life Centre and PAC Addition		2020	41,000	2,070	38,930	-	\$24 million compulsory undergrad and grad student fees; \$17 million operating funds
						-	
In-Progress Total			41,000	2,070	38,930	-	38,930
						Total to be paid	184,777
							Debt policy: Annual P&I < 4% of annual gross revenue (currently approximately \$46m)
							Required annual P&I payments to service this debt < 4% of annual gross revenue

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE

1. MEMBERSHIP

This committee shall consist of a maximum of nine members. Of those, at least five members shall be members of the board appointed to the board by the Lieutenant Governor in Council or elected by the board from the community-at-large, and one shall be a faculty member of the board.

One undergraduate student member of the board and one graduate student member of the board shall be members of the committee. If the presidents of the Waterloo Undergraduate Student Association and the Graduate Student Association – UW are members of the board, then they shall serve respectively as the undergraduate and graduate student members of the committee. Should the president of the Waterloo Undergraduate Student Association or the Graduate Student Association – UW be unwilling to serve on the committee or not be a member of the board, then the respective seat on the committee shall be filled by appointment from among student governors made by the president of the respective student association.

It is expected that at least two members of the committee will have experience with capital construction and/or property development.

2. MEETINGS

The committee will meet at the call of the chair of the committee, but not less than four times annually.

The quorum for the transaction of business at any meeting of the committee shall be a majority of the members of the committee, present either in person, by teleconference or by videoconference, provided that not less than a majority of those constituting the quorum shall be members appointed to the board by the Lieutenant Governor in Council or elected by the board from the community-at-large.

3. TERMS OF REFERENCE

The committee is established for the following purposes:

To oversee campus planning and development activity in the context of the Campus Master Plan and prudent environmental sustainability practices, and not less than annually to perform a review of the Campus Master Plan in the context of the university strategic plan.

To make recommendations to the Board of Governors on campus planning and development initiatives, with due consideration to the impact on multi-campus sites, including (without limitation) the acquisition or disposal of land or buildings, the use of land, buildings and facilities, the siting of buildings and roads, and the review of all agreements to which the university is a party (including donor agreements and academic agreements) having impact on the acquisition, use and/or development of real property.

To approve on behalf of the board, construction projects between \$5,000,000 and \$10,000,000 and to make recommendations to the Board of Governors regarding construction projects exceeding \$10,000,000, including (without limitation) the appointment of architects and design consultants, the business plan and budget, the design, and the award of construction contracts.

To ensure that the university has in place appropriate procedures for cost estimating, competitive tendering of bids, awarding of contracts, contract administration, cost control and payment to contractors for all site work, new construction, alternations and major repair.

To ensure that the university complies with all building codes, fire codes, safety regulations and statutory and regulatory provisions, as appropriate, in its building and properties program, and to review compliance annually.

To ensure that the university has appropriate maintenance programs in place for buildings and properties.

To review annually the status of capital construction projects, including status of accumulated debt and compliance with approved debt policy.

To report on its activities to the Board of Governors at least annually.

To assess annually the adequacy of the committee's terms of reference and to propose any needed amendments to the Governance Committee.

Approved by the Board of Governors, 6 June 2006

Amended by the Board of Governors, 1 April 2008

Amended by the Board of Governors, 27 October 2009

Amended by the Board of Governors, 2 April 2013

Amended by the Board of Governors, 1 April 2014

Amended by the Board of Governors, 4 February 2020

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Work Plan Execution

Task	Frequency	19/01/2018	09/03/2018	18/05/2018	12/10/2018	18/01/2019	08/03/2019	15/05/2019	02/10/2019	15/01/2020	<i>canceled</i> 03/04/2020	<i>canceled</i> 13/05/2020	30/09/2020
Campus Master Plan (as needed)	annual			•						•			
Capital financing commitments and construction status	each meeting	•	•	•	•	•	•	•	•	•			•
Committee self-assessment survey results	annual		•		•		•		•				•
Environmental sustainability practices	annual			•					•				
Maintenance program and energy conservation efforts	annual								•				
Orientation/tour of campus	as required			•				•					
Development projects five-year plan			•										
Committee terms of reference	annual	•				•			•				•
Statutory compliance	annual	•				•				•			
University of Waterloo real estate holdings	annual	•				•				•			
Committee work plan/special topics; orientation/briefing requirements	annual	•				•				•			

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
2020-2021 Work Plan

Based on the committee terms of reference (approved by the Board on 4 February 2020),
and four regularly scheduled meetings per year

May Meeting*

- Campus Master Plan (as needed)
- Capital financing commitments and construction status
- Committee self-assessment survey results
- Environmental sustainability practices in the context of campus planning and development activity
- Maintenance program and energy conservation efforts
- Orientation/tour of campus – as required/for new members

October Meeting*

- Capital financing commitments and construction status
- Five-year plan for development projects anticipated to be considered during that five-year Period
- Assessment of adequacy of committee's term of reference with recommendations for amendments, as appropriate, to the Governance Committee
- Review results of Self-Assessment

January Meeting*

- Capital financing commitments and construction status
- Statutory compliance
- University of Waterloo real estate holdings
- Work plan for next fiscal year/special topics; orientation/briefing requirements

March Meeting*

- Capital financing commitments and construction status
- Committee Self-Assessment Survey Committee Self-Assessment (ahead of Board of Governors meeting)

*each meeting will also include, as required, award of tenders (approval of recommendation to the board) and appointment of architects/consultants

September 2020