

**UNIVERSITY OF TORONTO**

**THE GOVERNING COUNCIL**

**SEPTEMBER 13, 2010**

MINUTES OF THE MEETING OF THE GOVERNING COUNCIL held on September 13, 2010 at 8:45 a.m. in the Council Chamber, Simcoe Hall, University of Toronto.

**Present:**

Mr. John F. (Jack) Petch ( In the Chair)  
Mr. Richard Nunn (Vice-Chair)  
Professor C. David Naylor, President  
Professor Varouj Aivazian  
Ms Diana A.R. Alli  
Professor Robert L. Baker  
Mr. P. C. Choo  
Dr. Gerald Halbert  
Professor Ellen Hodnett  
Ms Shirley Hoy  
Mr. Kent Kuran  
Mr. Nykolaj Kuryluk  
Professor Louise Lemieux-Charles  
Mr. Joseph Mapa  
Ms Natalie Melton  
Professor Cheryl Misak  
Mr. James Yong Kyun Park  
Mr. Jeff Peters  
Mr. Tim Reid  
Professor Andrea Sass-Kortsak  
Ms Priatharsini Sivananthajothy  
Professor Elizabeth M. Smyth  
Miss Maureen J. Somerville  
Mr. Olivier Sorin  
Mr. John David Stewart  
Mr. W. John Switzer  
Professor Franco J. Vaccarino  
Ms B. Elizabeth Vosburgh  
Mr. Greg West  
Mr. W. David Wilson

**Secretariat:**

Mr. Louis R. Charpentier  
Mr. Neil H. Dobbs  
Mr. Anwar Kazimi  
Mr. Henry Mulhall  
Ms Mae-Yu Tan

**Absent:**

The Honourable David R. Peterson, Chancellor  
Professor Philip H. Byer  
Mr. William Crothers  
Ms Judith Goldring  
Professor William Gough  
Ms Joeita Gupta  
Professor Christina E. Kramer  
Professor Michael Marrus  
Ms Florence Minz  
Mr. Gary P. Mooney  
Mr. George E. Myhal  
Professor Arthur S. Ripstein  
Ms Melinda Rogers  
Professor Janice Gross Stein  
Ms Rita Tsang  
Dr. Sarita Verma

**In Attendance:**

Professor Angela Hildyard, Vice-President, Human Resources and Equity  
Professor Hargurdeep (Deep) Saini, Vice-President and Principal, University of Toronto  
Mississauga (UTM)  
Dr. Tim McTiernan, Assistant Vice-President, Government, Institutional and Community  
Relations  
Ms Gillian Morrison, Assistant Vice-President, Divisional Relations and Campaigns  
Ms Christina Sass-Kortsak, Assistant Vice-President, Human Resources and Equity  
Mr. Paul Donoghue, Chief Administrative Officer, University of Toronto Mississauga (UTM)  
Ms Sheree Drummond, Assistant Provost  
Dr. Anthony Gray, Special Advisor to the President  
Professor Scott Mabury, Vice-Provost, Academic Operations  
Professor Jill Matus, Vice-Provost, Students  
Ms Bryn Macpherson, Executive Director, Office of the President  
Mr. Steve Moate, Senior Legal Counsel, Office of the President  
Professor Cheryl Regehr, Vice-Provost, Academic Programs

**1. Chair's Remarks**

**(a) Welcome and Introductions**

The Chair welcomed new and returning members to the first meeting of the Governing Council for the governance year. He offered a special word of welcome to Professor Hargurdeep (Deep) Saini, Vice-President and Principal, University of Toronto Mississauga. Professor Saini's term began on July 1, 2010.

The Chair announced that the Lieutenant-Governor had issued the order that the following members be reappointed to the Governing Council for a three year term effective July 1, 2010:

- Ms Judith Goldring
- Mr. Joseph Mapa
- Mr. Gary P. Mooney
- Mr. Richard Nunn
- Mr. W. David Wilson

Members acknowledged the announcement of the reappointments with applause.

**(b) Governance Portal**

The Chair said that in November 2009, the Secretary of the Governing Council had consulted with the Executive Committee on a proposal to establish a "governance portal" to support the work of the Governing Council and its Boards and Committees. The intent in introducing the portal was threefold:

- (1) to improve governors' on-line access to both public and confidential governance documentation in support of their responsibilities;
- (2) to create efficiencies in the Secretariat, using administrative staff time more effectively; and
- (3) to reduce paper consumption and mailing/courier expenses related to agenda package distribution, while enhancing timeliness of distribution.

With the positive feedback of the Executive Committee members, the Office of the Governing had proceeded to investigate the available options, including both in-house and from external vendors. The Secretariat was ready to implement the portal. The Chair told members that they would shortly be receiving an e-mail from the Secretary describing the portal in more detail and the plans for introducing it in the following weeks.

**2. Minutes of the Previous Meeting of June 24, 2010**

The minutes of the June 24, 2010 were approved.

**3. Business Arising from the Minutes of the Previous Meeting**

There was no business arising from the previous meeting.

#### **4. Report of the President**

The President welcomed members and thanked them for their work with the University. He informed members that the Chancellor, the Honourable David R. Peterson, was on University business in Asia and was accompanied by Ms Judith Wolfson, Vice-President, University Relations and Mr. David Palmer, Vice-President and Chief Advancement Officer. Their itinerary included visits to Hong Kong, Macau, Beijing, Shanghai and Taipei.<sup>1</sup>

##### **(a) Administrative Priorities**

###### *(i) Government Funding*

The University faced a simple, but not a new, challenge. The funding from the government to the University was at slightly over half the level, on a per-student basis, of that received by the University of Calgary or the University of Alberta. The funding was about 30 per cent below that available to the University of British Columbia; and 20 per cent below the funding available to McGill University, and the University of Montreal. Notwithstanding the welcome recent efforts made by the provincial government to address the large deficit in per-student funding, post-secondary institutions in Ontario continued to lag behind their counterparts in other parts of the country.

This meant that when there was a downturn in the economy, as had occurred, the government faced not only growth in enrolment and participation, but also the capital pressures that accompanied such growth. The economic downturn translated to a lack of tax revenues and forced debt. The situation represented an acute exacerbation of chronic underfunding and was likely to continue for a period of two to three years. The University had to navigate in the context of such turbulence.

The University received revenue from several sources. The first of these, as already noted, was government grants. The difference between the amount received by University of Toronto and some of its research-intensive peers in Canada (as noted earlier) was the equivalent of tens of millions of dollars of endowment. In the absence of a colossal shift in financial support for the University from the province and other sources, large growth in annual giving, and major changes in tuition schedules, the University would continue to struggle to balance its budget. Nevertheless, in a highly competitive environment it continued to be successful because of remarkably talented and committed faculty, staff, and students.

The solutions for the University to overcome its financial challenges were not straightforward. The University planned to accelerate its fund raising activities aggressively in the months that followed. As outlined in the document provided by Vice-President Palmer, the University faced the difficult reality of raising funds rapidly to fill in the fiscal void. Fund raising was a long-term activity, however. Overall, the University would be required to reduce its expenses. This would not be an easy task. Collective bargaining was in progress and the University was in arbitration with the University of Toronto Faculty Association (UTFA). UTFA was the largest single employee group in terms of salaries and benefits. The arbitration process was expected to draw to a conclusion in the weeks that followed. Other groups within the University would be in a bargaining position during the year that followed. The provincial government had set an expectation in legislation in spring 2010 that institutions work on a zero per cent increase basis

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<sup>1</sup> Members received summaries of the priorities, attached hereto as [Appendix A](#), for 2010-11 from the Vice-Presidents.

**4. Report of the President (cont'd)**

**(a) Administrative Priorities (cont'd)**

for two years and pressed institutions over the summer to achieve this target. However, this had not been legislated in the context of collective bargaining. As stated in Vice-President Hildyard's report, these would be the parameters within which the University had to maneuver.

*(ii) Pension Plans*

The University had received some moderately positive news arising from new legislation as outlined in the reports by Vice-Presidents Riggall and Hildyard. There had been a change in the provincial government's stance as long term pension solvency tests had been removed on a conditional basis. These same pension solvency tests had been removed in five other Canadian provinces. The change had been made conditional because the government had wanted to ensure that post-secondary institutions placed their pension plans on a more sustainable footing. While understandable, this decision put additional fiscal pressures on several institutions as they would be required to put aside tens of millions of dollars each year over several years to cover their going-concern pension liabilities. As context, the provincial government viewed the Ontario Teachers Pension Plan (OTPP) as a model, with respect to its return and management. In the OTPP, the contributions were at 11 per cent each from both the employers and employees. The analogous figures at the University were 11 per cent employer contribution and 5.5 per cent employee contribution. This was unsustainable. The President noted the difficult consequences of changes to the contribution rates even as the provincial government had asked institutions to seek zero per cent salary increases across the board. For employees, this was simply not a palatable prospect.

*(iii) Investment Management*

The President reminded members that the University of Toronto Asset Management Corporation (UTAM) had been restructured. As he had reported to members in spring 2010, the board now focused on compliance and oversight of recommended strategy, and an Investment Advisory Committee (IAC) had been established to recommend investment strategy to UTAM. An announcement on the membership of the IAC was forthcoming. The President expressed his enthusiasm with the new membership and with the positive response from investment leaders towards the IAC. The group had met once and intended to meet on a frequent basis in light of the uncertain market conditions. There had been some modest increases in the endowment and pension funds. There was a steady shift being made in the portfolios under UTAM's management. He was confident that the institution would have excellent advice as it moved forward.

*(iv) Research*

Professor Paul Young's report on research indicated that additional work lay ahead for the University to build its market share of available research funding. However, it was also important to ensure that the full costs of research were covered. The University needed to remain a dominant entity in research in Canada in order to enhance the quality of research undertaken at the university, protect the quality of working life of faculty and graduate students, and foster opportunities research activities provided to undergraduate students. The University would have to be strategic in submitting applications for Networks of Centres of Excellence programs, large-scale granting council RFPs, and similar large research grants. Compared to its peers, the University was at the low end of partnership research and had potential for growth. The institution's excellence and mission had been driven by traditional investigator-initiated research, which must remain a priority. However, over the years, the University had placed safeguards around partnerships-based research

**4. Report of the President (cont'd)**

**(a) Administrative Priorities (cont'd)**

whether with the government, non-profit or investor-driven sectors. These safeguards reconfirmed the university's uncompromising commitment to the principles of academic freedom. They would help protect faculty and students who wished to take on more partnership research projects.

Professor Young's report also indicated that the University was building its capacity for knowledge translation in the social sciences and humanities. In addition, major progress had been made in commercialization in the science and technology areas.

*(v) Academic Initiatives*

The Provost's report highlighted core academic activities as a major focus for the University. The Dean of the Faculty of Arts and Science and his team faced difficult decisions in that regard as they worked to balance their budget. Wide spread consultation would take place in fall 2010 on the Faculty's academic plan and the President said that he looked forward to a positive outcome of those consultations. The Provost had become closely engaged in the process, working in the background to address some of the concerns that has arisen in Arts and Science. The report from the Provost also highlighted the constant ongoing work on student experience. Tangible progress had been made in the area of student experience over the previous few years. There had been marked improvement in core services and facilities , even as fiscal pressures mounted.

**(b) Government Relations**

*(i) Provincial*

The President noted that Premier McGuinty remained strongly committed to post-secondary education. However, the Premier's challenge was a lack of funds brought about by a major debt and deficit situation. The University continued its advocacy efforts with the provincial government. The Higher Education Quality Council of Ontario (HEQCO) was being led by Dr. Harvey Weingarten, former President of the University of Calgary. He had brought HEQCO forward as an influential body in system planning, even as he played a brokering role with the government. The University was engaged in discussions with the government as it sought capital renewal funds. The government had solicited capital proposals and the University had obviously provided detailed proposals in response.

*(ii) Federal*

On the federal landscape, an unusual political scenario had evolved, as was obvious to all Governors. Advocacy efforts continued and were going well. Uncertainty remained about the level of support to the granting councils. There would be pressure for small boutique or marquee programs like the Canada Excellence Chairs. The core federal government support for graduate students and financial aid in the form of the Canada Student Loans and bursaries remained critical. The Association of Universities and Colleges of Canada (AUCC) and research-intensive universities in particular needed to continue their advocacy efforts in this regard. The research-intensive universities also continued in their work to persuade the government to increase the funds allocated for the institutional costs of research from 20 per cent to 50 per cent or more, bringing the reimbursement rate more closely in line with the rates in our peer jurisdictions.

**4. Report of the President (cont'd)**

**(c) Government Relations (cont'd)**

In closing, the President said that the weak economy, the reasonable expectations of employees, and the prospect of provincial and federal elections, would lead to an interesting year for the University. He expressed his confidence in the experienced administrative team in place at the University as it confronted a challenging scenario.

Next, the President invited Professor Vaccarino and Professor Saini to give brief presentations on the priorities for the University of Toronto at Scarborough (UTSC) and the University of Toronto Mississauga respectively (UTM).

**(c) University of Toronto at Scarborough – Presentation by Professor Franco Vaccarino**

Professor Vaccarino began his presentation by informing members that the UTSC community was in mourning at the tragic demise of one of its students, Ms Doris (Chung See) Leung, in the Philippines. A memorial service for Ms Leung was scheduled in Hong Kong later that week where the University would be represented.

Professor Vaccarino outlined the following in his presentation to members:

- Academic Planning
  - to achieve a strong tri-campus system at the University;
  - to build on platforms of excellence and “cooperative differentiation” with new graduate programs and the first doctoral program that was approved in spring 2010; where feasible, to expand experiential (Co-Op) programs;
  - to strengthen the analytical and budget capacity needs to match the growth of the campus;
  - to enhance student recruitment activities, highlighting the choices for prospective students to the University;
  - to complete growth scenario plans in order to be prepared for opportunities presented by the province.
- Infrastructure and Capital Planning
  - work on the Instructional Complex was on schedule and its completion was expected in spring 2011, resulting in an much-needed increase of 25 per cent in academic space;
  - the development of the joint City/University Athletics Complex for the Pan Am Games had been received with enthusiasm by Scarborough and its surrounding communities;
  - to counter the growth in vehicular traffic, a new East Arrival Court had been planned;
  - a major state-of-the art Data Centre had been completed.
- External Outreach
  - the Campus Master Plan was scheduled to be completed in fall 2010;
  - UTSC was moving forward on transit plan with the Toronto Transit Commission (TTC);
  - recognition of the need to develop a campus scorecard and metrics to monitor all aspects of growth.

**(d) University of Toronto Mississauga – Presentation by Professor Hargurdeep (Deep) Saini**

Professor Saini expressed his pleasure and honour to have been called upon to serve the University. He drew the members' attention to the document outlining the priorities for UTM for 2010-11:

- Undergraduate Enrolment
  - International undergraduate students comprised 15 per cent of UTM's student body and there was the potential to build on this growth.
- Mississauga Medical Academy (MMA)
  - The academy was schedule to open as planned in September 2011 with 54 students.
- Capital Projects
  - The *Parking Deck* had been completed on schedule and was operational;
  - The work on the *Instructional Centre* and the *Health Sciences Complex* was also on schedule and within the budgeted parameters – this would provide welcome relief on the space pressure faced by the campus;

Looking ahead, Professor Saini said that, in his view, the future of the University lay in the growth at UTM and UTSC. His vision included a transformation of UTM from a primarily undergraduate body to a research intensive entity befitting the University. In Professor Saini's opinion, UTM needed to differentiate and not duplicate the programs on offer at the St. George campus. The opportunities in differentiation would lie in interdisciplinary programs. Growth was required at UTM and internationalization would help to alleviate the reliance on basic income units (BIUs). The growth in international students would be balanced with the needs of domestic students. UTM aimed to expand its professional graduate programs. Fundraising was critical in order for UTM to realize its planned goals. Fundraising efforts at UTM had generated approximately \$3 million per year on average in previous years. Professor Saini said that the target for fundraising would be set higher in line with its expansion goals and he hoped that the recent gift of \$10 million from Mr. Carlo Fidani to the Health Sciences Complex project would trigger other opportunities.

On behalf of the members, the Chair thanked Professor Vaccarino and Professor Saini for their presentations.

**5. Reports for Information**

Members received the following reports for information:

- a. Report 182 of the Business Board (June 17, 2010)
- b. Report 432 of the Executive Committee (June 24, 2010)

**6. Date of the Next Meeting**

The Chair reminded the members that the next meeting of the Governing Council was scheduled for Thursday, October 28, 2010 at 4:00 p.m.

**7. Question Period**

There were no questions for members of the senior administration.

**8. Other Business**

There were no items of Other Business.

The Chair encouraged members to visit the kiosk located in the first floor lobby of Simcoe Hall. The kiosk had been developed by Facilities and Services to highlight the University's longstanding commitment to sustainability. The kiosk displayed information that showed the University's numerous achievements in environmental sustainability over many years.

The meeting adjourned at 9:40 a.m.

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Secretary

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Chair

September 29, 2010