



BOARD OF GOVERNORS MINUTES

Thursday, November 30, 2017, 2:00 – 6:00 p.m.

45 Lodge Street, LAB103, Upper Meeting Room, Waterloo Campus

Present: Jillian Swartz (Chair), Peter Ansley, Scott Bebenek, Tom Berczi, John Bowey, Michael Dell, Karljürgen Feuerherm, Angèle Hamel, Mark Harris, Dave Jaworsky, Karl Kiefer, Adam Kovacs, Paul Kwasnik, Scott Lyons, Deb MacLatchy, Jamie Martin, Shaun Miller, Kristiina Montero, Kelly Murumets, Connie Palenik, Patricia Polischuk, Stephanie Ratza, Jessica Siegel, Paul Singh, Joseph Small, Melanie Will

Regrets: Lynda Kitamura, Eileen Mercier, Bill Muirhead, Rob Noxon, Michael Pryse, Joe Rooney

Secretariat: John Fraser, Ana Juhik, Anne Lukin

A. Open Session

1. Call to Order

The Chair acknowledged that the meeting was held on the Haldimand tract, the traditional territory of the Neutral, Anishinaabe and Haudenosaunee peoples.

a. Declaration of Conflicts of Interest: Shaun Miller highlighted his connection to Aon Hewitt, the actuary firm consulted on Item A.11.e.; the Chair noted that Mr. Miller worked for Aon Canada, the parent company for Aon Hewitt, and that the University's General Counsel and external counsel had reviewed this relationship and found no conflict of interest as structured; Mr. Miller continues to take measures to ensure that an appropriate distance is maintained between himself and any dealings with Aon Hewitt and Laurier.

b. Movement of Consent Items to the Main Agenda: The Chair noted that an issue involving freedom of expression has been much discussed at the University and in the media. She asked Board members to consider adding it to the agenda as Item A.3.a.

Motion (Patricia Polischuk/Jamie Martin): That the Board of Governors agree that the agenda for today's meeting be amended to include discussion regarding a statement of freedom of expression, and pending discussion, consideration of a motion on this issue. Carried.

Other consent items were approved/accepted as is.

2. **Chair's Report**, Jillian Swartz: The Chair commented as follows:

- noting that Dr. David Johnson has stepped down from the Board, she thanked him for his active participation; Senate will elect a replacement Board member in January;
- former Board member Dr. Mercedes Rowinsky-Geurts, award-winning associate professor of Spanish, has been named one of this year's 10 most influential Hispanic Canadians by the Canadian Hispanic Business Alliance;
- CI Financial is donating \$500,000 to the Lazaridis School of Business and Economics to establish the CI Financial Finance Lab;
- \$2.2 million in funding for 18 projects at Laurier through the Social Sciences and Humanities Research Council (SSHRC) 2017 Insight Development and Insight Grant programs;
- Laurier recently named the most sustainable campus in Ontario and the third most sustainable in Canada by Corporate Knights;
- Board members Scott Lyons, Jessica Siegel, Karljürgen Feuerherm and Jillian Swartz attended the 2017 Council of Chairs (CCOU) Conference of Ontario University Board Members in Toronto, discussing fiduciary responsibility of Board members; the role of the Board in the face of increased government regulation; and the tensions between freedom of speech and the commitment to safe and inclusive campuses.

3. **President's Report**, Deb MacLatchy

Dr. MacLatchy commented on the following: Laurier is ranked number one in student satisfaction this year in the Macleans rankings, and number one in eight out of ten other key categories; Laurier was recently recognized for achieving a 23% increase in sponsored research; engagement with Communitech and the Waterloo Innovation Corridor; recognition of author Sonja Larsen as the 2017 Edna Staebler Award for Creative Non-Fiction for her memoir; and successful open houses in Waterloo and Brantford.

a. Freedom of Expression

The President commented on an incident concerning a teaching assistant that involves the larger issue of freedom of expression; and on how Laurier has responded and next steps for the University. The university has engaged a lawyer with experience in workplace reviews as an independent party to assess the facts of the matter including a review of related processes going forward.

The incident has received a great deal of media and social media attention; and has been polarizing and divisive for stakeholders at Laurier. The President issued a public apology for the way the original incident was handled and has reaffirmed Laurier's commitment to freedom of expression. The Chair noted that Board members were sent a copy of this statement along with a draft motion in advance of the meeting. The motion was introduced as noted below; moved and seconded.

The Chair then called for an *in camera* session; noted that the Board may move into a confidential session in order to discuss matters impacting the University's reputation; and noted that there would be additional discussion on the motion following this *in camera* session, including the opportunity for input from spectators.

Motion (John Bowey/Stephanie Ratza): to move the meeting in camera. Carried.

Following the *in camera* session, the Chair noted that the matter had been reviewed through a lengthy and engaged discussion. Board members indicated they were ready to vote on the motion. There were no comments from spectators.

Motion (Tom Berczi/John Bowey): that the Board of Governors endorse (1) the President's statement on freedom of expression and (2) the formation of a task force to develop a full statement on freedom of expression that aligns with the principles of academic freedom, freedom of speech, and the mission, vision, and values of the university. Carried.

4. **Q and A on Reports of the Senior Executives**

The Board received written reports from the senior executives with updates on recent activity. It was noted at the meeting that in addition to new web sites geared specifically to external audiences, current students and faculty and staff, there is also a web site geared to alumni.

5. **Strategic Mandate Agreement (SMA) Update**, Deb MacLatchy

To date, there has been no public release by the province of approved SMAs.

6. **Milton Update**, Deborah Dubenofsky

The submission to the province for Laurier to provide academic services in Milton is working its way through Cabinet; the Board will be kept updated on the progress of this initiative.

7. **Governance Update**, John Fraser

Secretariat staff are developing proposed next steps in response to the Governance Review and the September Board Retreat; a written summary will be shared with Board members.

8. **Audit and Compliance**, Stephanie Ratza

a. Chair's Update on Committee Activity

At their meeting on October 19th, the Committee:

Received a summary of areas of oversight for the A&C Committee based on the current Terms of Reference; heard from the Manager, Internal Audit on the documentation of controls, and oversight of the bookstore inventory; noted a focus from Acting University Secretary John Fraser on further development of an Enterprise Risk Management framework; reviewed the Special Constable Service Annual Report, provided in the Board package; and heard about legislative changes to noise abatement requirements which will help defray immediate costs of replacement equipment.

b. WLU Press Financial Statements

The WLU Press requires annual review of its unaudited Financial Statements as part of its obligation to funders. Board members received the Statements and a memo from the University Librarian providing context for the performance reflected in the statements. It was noted that current grant revenues reflect poor sales performance from previous years, but sales are improving which will be reflected positively in future grant amounts. It was recommended at Audit & Compliance that staff keep an eye on eroding margins.

Motion (Stephanie Ratza/Shawn Miller): That, on the recommendation of the Audit & Compliance Committee, the Board of Governors approve the unaudited Financial Statements for the Wilfrid Laurier University Press for the year ended April 30, 2017. Carried.

c. Records Management Policy

Recent legislative changes have required the creation of a records management policy, which sets out the scope and authority for a records management program at the University. It was noted that the policy for approval sets out a framework; related procedures and schedules are being developed but will not require Board approval. The policy and procedures are being developed with extensive consultation across the university.

Motion (Stephanie Ratza/John Bowey): That, on the recommendation of the Audit & Compliance Committee, the Board of Governors approve the records management policy as presented. Carried.

9. **HR and Compensation**, Shaun Miller

a. Chair's Update on Committee Activity

The Committee received: an update on progress toward the goals articulated in the HR Strategic Plan; a presentation on recent events and initiatives to support Employee Recognition & Development; and an update on the Postsecondary Education employment context and legislation impacting the sector.

- b. Review of Policy 7.18, Prevention of Workplace Violence
This policy requires annual review. The revised policy includes an amended definition of a worker under the OSHA was added to this policy as well as language intended to reinforce employer, supervisor and worker responsibilities with respect to workplace violence, as required by legislation.

**Motion (Shaun Miller/Tom Berczi): That, on the recommendation of the Human Resources & Compensation Committee, the Board of Governors approve University Policy 7.18, Workplace Violence Prevention Policy, as revised.
Carried.**

10. Finance and Investments (F&I), Tom Berczi

- a. Chair's Update on Committee Activity
The committee received a budget update reflecting the three-month period ending July 31, 2017, reporting: overall, total expenses in line with prior year (at 21%); tuition fees and government grants are at levels expected at this time of year; actual to budget trends for total revenue are 54%, slightly lower than last year at 56%; salary and benefit costs are trending slightly higher at 20% versus 19% for the prior year; central expenses are lower at 29% versus 32%.

The Committee received a brief budget process update noting that the Budget will be presented in April this year rather than in June as in past years, to better align with the fiscal year. They also received notice of a review of student-managed investment funds; the review results will be brought to F&I when complete. And the Committee held a preliminary discussion on its terms of reference.

11. Joint Finance and Investments and Pension, Tom Berczi

- a. Chair's Update on Committee Activity
The joint Committees heard an IOC update, noting that investments are continuing to do well and that IOC received a presentation from investment manager Brandywine.
- b. Pension Valuation, Tom Berczi
The Committees heard an overview by Aon Hewitt of the funded status report as of June 30, 2017, which reported no significant changes. They received a recap of the new funding framework for defined benefits pension plans and a summary of the potential impact of the new rules; some details of the framework are still unknown. Actuary AON Hewitt is currently preparing an actuarial valuation of the pension plan at April 30, 2017. The F&I and Pension Committees are meeting in December to consider whether to file an early valuation at April 30, 2017, or to wait and file a valuation at December 31, 2017 as required by law. Due to the tight deadline for this decision, their recommendation will then go to the

Executive and Governance Committee for consideration on behalf of the Board. The December 31, 2017 valuation would be subject to the new funding rules, which could result in additional funding requirements and increased cost for the University.

c. Responsible Investment Working Group (RIWG) Report & Recommendations, Deborah Dubenofsky

A working group was formed by the Board in September 2016 to look at the issue of divestment from fossil fuels, in response to a letter from members of faculty. Meeting over many months, RIWG looked at best practices in ethical investing; current Laurier investments; legal and regulatory requirements, including the fiduciary responsibilities of the Board; and practices from other Canadian universities; among other data. The working group held extensive public consultations and received input from stakeholders. Resulting from this work, RIWG produced a written report outlining its methodology and key findings. It concluded that it cannot recommend divesting from fossil fuels, but provided recommendations for meaningful actions, including:

- enhancing ESG Risk management strategies;
- developing a responsible investing annual report;
- developing a fossil-free/impact investing endowment fund;
- seeking out and creating collaborative relationships with other institutions to advance RI/ESG strategies;
- continuing to support research into the effects of climate change, the sustainability of ecosystems and ESG related issues; and
- continuing to implement strategies to reduce carbon emissions on campus and promote the principles of sustainability.

The Board received these recommendations and the report, along with a formal response from the Executive Leadership Team outlining accountability and a timeline for each recommendation. It was noted that as part of the implementation plan, faculty members who originally raised the issue will be asked to lend assistance with metrics. A communications plan will help share information publicly on the outcomes of the report and recommendations.

With consensus from the Board members to allow comments from observers, Dr. Simon Dalby provided input, also speaking on behalf of Dr. Shohini Ghose. He expressed appreciation of the work done by administration in response to the faculty members' letter; he urged all involved to implement recommendations as quickly as possible given the pressing challenges presented by climate change; and further, to consider that Universities be very proactive in requesting responsible design of pooled fund options for their invested funds.

Motion (Stephanie Ratza/Jamie Martin): That, on the joint recommendation of the Finance and Investments and Pension Committees, the Board of Governors approve the

recommendations of the Responsible Investment Working Group as set forth in the Briefing Note. Carried.

- d. Review of Investment Oversight Sub-Committee Terms of Reference and Rebalancing Policy
In order to streamline processes, the Sub-Committee has proposed changing the Asset Mix Policy to a set of procedures, as this better reflects the information expressed in that document, and as such can be changed without requiring additional approval from the Board. A related change to their terms of reference would delegate authority to carry out proposed changes to the mix of investments within approved ranges as set out in the SIP&Ps, which are Board approved. Additionally, each investment manager requires Board approval to be hired initially.

Motion (Stephanie Ratza/Michael Dell): That, on the joint recommendation of the Finance and Investments and Pension Committees, the Board of Governors approve the revised Investment Oversight Sub-Committee Terms of Reference, and assign the Asset Mix / Investment Manager Rebalancing Policies & Procedures as a procedure to be managed by the Investment Oversight Sub-Committee. Carried.

- e. Statements of Investment Policies and Procedures (SIPPs)
The SIPP documents outline investment principles, guidelines and monitoring for each of the indicated funds; they are required to be reviewed and approved annually. The briefing notes provide a summary of the proposed changes to the SIPPs.

Board members discussed section 7.3, noting that legislative changes permit the lending of securities, which raised questions about oversight; staff will clarify and report back with more information.

Motion (Stephanie Ratza/John Bowey): That, on the joint recommendation of the Finance and Investments and Pension Committees, the Board of Governors approve the revised Wilfrid Laurier University:

- **Endowment Statement of Investment Policies and Procedures.**
- **Balsillie Statement of Investment Policies and Procedures.**
- **Lazaridis Statement of Investment Policies and Procedures.**
- **Sinking Fund Statement of Investment Policies and Procedures.**

Motion (Tom Berczi/John Bowey): That, on the joint recommendation of the Finance and Investments and Pension Committees, the Board of Governors approve the WLU Pension

Plan Statement of Investment Policies and Procedures, as revised. Carried.

12. Nominations, John Bowey

a. Chair's Update on Committee Activity

Under its current authority, the Nominations Committee appointed external Board member Scott Lyons and Dean of Arts Richard Nemesvari to serve on the Search Committee for the Dean of Human & Social Sciences. Jillian Swartz and Lynda Kitamura will serve on the search for the next University Secretary.

b. Ongoing Delegation of Authority to Appoint Representatives to Search and Review Committees

In 2014, the Board delegated to the Nominations Committee, on a trial basis, the authority to appoint external Board members, deans and other reps as required to serve on Search and Review Committees, rather than having to bring these names as a motion to the Board. The process seems to have worked smoothly; helps this process be nimble and saves time at Board meetings. The Committee is seeking confirmation of this delegation of authority on a go-forward basis. The Board reserves the authority to appoint members of the search and review committee for the President's role.

Motion (John Bowey/Jamie Martin): That, on the recommendation of the Nominations Committee, the Board of Governors delegate to the Nominations Committee on-going authority to approve relevant appointments to Search & Evaluation Committees for senior administrators, with the exception of Presidential searches and reviews. Carried.

c. Call for Nominations

The Board received a copy of the Call for Nominations which outlines the qualities and skills sought in future Board members. These include experience on strategic boards; leadership in change management; enthusiasm and availability to serve; engaging with a diverse and inclusive community; and also expertise in pension, HR, Labour Relations and Enterprise Risk Management. There is a growing focus by the province on achieving gender equity on the Boards of publicly funded organizations and also encouraging this move in the private sector. Recommendations of candidates should be forwarded to the Nominations Chair or to the Secretariat office.

13. Other Business: None

B. In Camera Session

Motion (Connie Palenik/Joseph Small): to move the meeting in camera. Carried.

C. Consent Items

The following items were approved/accepted by consent.

1. **Agenda**
2. **Minutes, Board of Governors, September 15, 2017**
3. **Senate Reports: September 14 and October 17**
4. **Special Constables Service Annual Report**
5. **Capital Projects & Funding Sources Update**
6. **Investment Performance Summary Q2 2017**

Note: If you need assistance or have a question about this agenda or the Board of Governors, please contact the University Secretariat office, by email to alukin@wlu.ca or 519-884-0710 x4291.