



BOARD OF GOVERNORS MINUTES

Thursday, February 15, 2018, 2:00 p.m.

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

- Present: Jillian Swartz (Chair), Peter Ansley, Scott Bebenek, Tom Berczi, John Bowey, Mary-Louise Byrne, Michael Dell, Karljurgan Feuerherm, Angèle Hamel, Mark Harris, Dave Jaworsky, Lynda Kitamura, Paul Kwasnik, Deb MacLatchy, Jamie Martin, Sara Matthews, Kristiina Montero, Kelly Murumets, Connie Palenik, Patricia Polischuk, Michael Pryse, Stephanie Ratzka, Joe Rooney, Jessica Siegel, Paul Singh, Joseph Small, Melanie Will
- Regrets: Karl Kiefer, Adam Kovacs, Scott Lyons, Eileen Mercier, Shaun Miller, Bill Muirhead
- Secretariat: John Fraser, Anne Lukin

A. Open Session

1. **Call to Order**, Jillian Swartz

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: Bishop Pryce and Rev. Dr. Mark Harris declared a conflict of interest for item A.8.
- b. Movement of Consent Items to the Main Agenda: None; approved/accepted as is.

2. **Chair's Report**, Jillian Swartz

The Chair commented on the following:

- Thanking Rob Noxon for his service on the Board since 2015, noting that he has stepped down before the end of his term for personal reasons. The Nominations Committee is looking at potential candidates to fill this vacancy;
- Upcoming launch of a web-based degree-audit tool called MyDegree, which will help students and advisors monitor progress toward a degree;
- Congratulations to Lazaridis School of Business and Economics students who won a national Bank of Canada competition in which students recommend what the Bank's key interest rate should be. A Laurier team has made it into the finals all three years of this competition, but this is the first year it has won, competing against 25 teams from across Canada.

- Welcoming new faculty Board member Dr. Sara Matthews, Associate Professor and Undergraduate Advisor, Global Studies.

3. Leadership Update

a. President's Report, Deb MacLatchy

The President noted: the Ministry of Advanced Education and Skills Development (MAESD) approved sharing the approved second round of the SMA with the community; Laurier professors met with federal ministers to advocate for additional funds for fundamental research in Science; university presidents met to exchange ideas; recognition of Laurier Gold Scholars with 477 scholarships awarded for academic excellence; Laurier Brantford hosted the inaugural Stedman Prize for young writers, with a total of \$10,000 awarded to six high school students; Ontario University Application Centre (OUAC) released application numbers as of January, reflecting Laurier's strong growth in applications, including a significant increase in '105s' (applicants other than Ontario high school students); an advocacy meeting with MPP Kathryn McGarry, Minister of Transportation and an upcoming meeting planned with MPP Mitzie Hunter, Minister, MAESD; Laurier and others through Universities Canada reaffirm support for indigenous communities following the acquittal in the Colten Boushie shooting trial.

b. Senate Report

A written summary of items considered by Senate to date this year was provided in the Board package.

c. Q and A on Reports of the Senior Executives

Board members received a written summary of activity within the various portfolios of the senior executives; and discussed fundraising results, including the impact of media coverage through the Fall.

4. Strategic Mandate Agreement (SMA) 2017-2020 & Enrolment Update, Paul Jessop

Dr. Jessop presented on the highlights and implications of the second-round SMA, which will be in place 2017-2020. The SMAs reflect negotiations between Ontario universities and the provincial government outlining the priorities and aspirations of each institution. Laurier's institutional mandate remains unchanged from SMA1, with more explicit metrics required for SMA2. The approved SMA2 can be found at

<https://www.wlu.ca/about/assets/resources/strategic-mandate-agreement.html>.

The new agreement incorporates a new funding formula and an enrolment corridor. In this corridor context, enrolment growth and resulting flow-through enrolment in future years will require a very deliberate approach to strategic enrolment management. Projected impacts were modeled in the presentation,

which also included information on application numbers for 2018-2019 in both undergraduate and graduate programs.

Board members discussed: accounting for student applications; the potential impact of provincial election results on the future of the corridor model; advocacy efforts with all parties; provincial reaction to Laurier's enrolment successes, including the possibility of future penalties for institutions if enrolment remains above corridor parameters; impact of corridor funding on Laurier budgeting; enrolment at a Milton campus to be accounted for separately in an addendum to Laurier's SMA; the lower number of international student applications to Laurier compared to other institutions; development of a strategy for controlling enrolment given changing variables over time.

5. **Governance Update**, John Fraser

Secretariat staff continue to support the Board in addressing the work of the Governance Review and the September 2017 Board Retreat with its focus on strategic governance. Committees have reviewed and discussed their terms of reference, oversight mandate and annual workplans. Staff have begun an environmental scan of the sector looking at committee structures and responsibilities, which will lead to recommendations for future consideration of proposed changes to the committee structure. The Nominations Committee is addressing cultivating and enhancing diversity on the Board. Facilitator Susan Robinson is working with the executive leadership team and will hold a focus group with Board members as part of the continued shift to a more strategic Board. Videoconferencing between the Waterloo and Brantford campuses is now offered for all meetings to facilitate multi-campus engagement.

6. **Milton Update**, Deborah Dubenofsky

The Town of Milton continues to plan for the 400-acre Education Village; a recent public planning meeting reflected interest and excitement in the economic revitalization opportunities represented by a post-secondary campus. During discussions with Laurier executives, the province has offered reassurance that Laurier's application is on track, but there is no date set yet for a public announcement.

7. **Update on Task Force on Freedom of Expression**, Rob Gordon

Dr. Gordon provided a presentation on the work of the Task Force, which was mandated to develop a statement on freedom of expression. The Statement will be guided by principles of academic freedom and freedom of expression, using the Laurier Act and other relevant legislation as well as reflecting Laurier's mission. Working from a timeline included in the presentation, the 13-member Task Force has set its terms of reference, and shaped the components of the Statement to be developed. Extensive consultation with both external experts and within the Laurier community is being undertaken; and members of the Task Force are looking at how the Statement will be

operationalized. Over 100 submissions have been received to date; primarily submitted from Laurier email addresses.

Board members discussed: the composition of the Task Force; that the statement will be posted for a period of public consultation; the process for consultation and the tone of feedback received; participation by an expert from the University of British Columbia; considerations for the Task Force in weighing input from various sources; opportunities for the Board to review a draft of the Statement; the need to consider public relations and Laurier's reputation; that a draft statement will be provided to Board and Senate in April and that a final report will be provided to Senate for approval at their May 2018 meeting.

8. **Memorandum of Agreement between Waterloo Lutheran Seminary and Wilfrid Laurier University**, Deborah Dubenofsky

Staff provided a summary of the proposed renewal of an agreement between the Seminary and the University. The revised memorandum of agreement will replace the original 1997 operating agreement and address changes due to more recent factors such as the University's Responsibility Centre Management budget model. Based on the relationship laid out in the Act, the agreement is being proposed as a general statement of principle for Board approval, which will be supplemented by schedules which will outline more operational details in the areas of academic governance and operations; finance and accountability; and fundraising, development and alumni relations. The proposed term is for ten years, with an automatic renewal for an additional five years. The Agreement has been discussed and approved by the Seminary's Board, as confirmed by the Seminary's appointees to Laurier's Board.

Dr. Harris and Bishop Pryce left the room to allow further discussion; they returned after the motion was decided. Board members discussed that the more operational schedules would be delegated to administration; that the goal for services provided by the University to the Seminary would be on a cost-recovery basis; and that the Seminary will be branding itself as Martin Luther University College but as a legal entity its name will remain Waterloo Lutheran Seminary as identified in the Act. The Board also discussed approving or endorsing the agreements set out with key partners such as the alumni and student associations; and that contracts are typically shared with Board in summary rather than in their entirety.

The motion as originally presented was amended to read "endorse" rather than "approve".

Motion (Jamie Martin/Peter Ansley): That the Board of Governors endorse the University entering into a Memorandum of Agreement with Waterloo Lutheran Seminary which takes effect immediately. Carried.

9. **Update on Balsillie Agreement**, Deb MacLatchy / Rob Gordon
The Balsillie School of International Affairs (BSIA) was formed in 2007 through a major gift from Jim Balsillie and funding from project partners Wilfrid Laurier University, University of Waterloo and the Centre for International Governance Innovation. The Board received a presentation on the recently renewed Deed of Gift and Collaboration Agreement; and related lease, BSIA Operations Funding Agreement, and IT Services Agreement; which collectively cover the finances and operations of the BSIA over an additional ten year term. Terms of the renewal include greater flexibility in use of leased space, and in use of funds for research and scholarships; and decreased annual financial support from the University by \$100K per year under the Collaboration Agreement. The IT Services Agreement was extended until February 2020 to allow for more discussion on this item.
10. **Academic Administrator Update: Faculty of Arts**, Richard Nemesvari
Dean Nemesvari provided an update on programs and outcomes of the Faculty of Arts, highlighting transferable skills and competencies gained by students. He commented as well on the challenges for the faculty in: public perception of an arts degree; improvement needed in retention rates especially in the transition from first to second year; the Faculty's deficit under the RCM model, and the need for subvention by other faculties. The use of three levers, retention and recruitment of students and retirement of faculty, has helped reduce the deficit over the past couple of years. However, the province's corridor enrolment model puts limits on the numbers Arts can recruit.

The Faculty has developed engaged learning classes for first year students; a minor in Arts for business students to broaden their horizons; and has piloted a Strategies for Academic Success program, which provides supports on a cost-recovery basis. Other innovative programs include a joint program to train students to teach internationally; an introductory course in academic writing; and a joint BA in Political Science and an LLB with a university in Sussex, UK.

Board members discussed: the currently limited use of designations and certificate programs in Arts; convincing parents of the value of an Arts degree in face of a focus on careerism; marketing the valuable competencies offered by an Arts education; using alumni to help tell this story; and NSERC grants for arts research.

11. **Audit and Compliance**, Stephanie Ratza
- a. Chair's Update on Committee Activity
- Laurier's enrolment reporting received a clean audit report from KPMG; as did the small number of US-based government loans to students.
 - Internal Audit work undertaken at the University has included document controls in the purchase-to-payables systems and

consulting various departments including development and alumni relations and ICT.

- As part of the Enterprise Risk Management framework, the Operational Risk Management Committee is looking at the risk register, risk reporting and prioritizing risks.
- Staff have confirmed that all statutory remittances were paid as required for May-October 2017.
- The Committee discussed its Terms of Reference, including proposing more education for members; and, while maintaining oversight on compliance, a shift in focus to risk oversight.

12. **Buildings and Property**, Michael Dell

a. Chair's Update on Committee Activity

- The Capital Projects and Funding Sources report noted that the renovations of the Peters Building in Waterloo are on or ahead of schedule and budget; and in Brantford, the Athletics Complex is on budget and on schedule to open in August 2018.
- An annual tally of residence inventory and demand reported a total of 3417 beds in Waterloo and 596 beds in Brantford in 2017. Staff manage this capacity against the number of applications each year, to meet Laurier's guarantee to provide rooms to first-year students who apply by the deadline.
- An initial discussion on terms of reference and mandate noted that the committee's main mandate was to oversee the acquisition, renovation and divestment of properties to meet the university's mission; with suggestions for education, access to resource material, and more reporting on how we benchmark against other universities.

13. **Finance and Investments**, Tom Berczi

a. Chair's Update on Committee Activity

- A six-month operating budget to actual report as of October 31 noted that tuition fees and government grants are at levels expected for this time of year; and overall total expenses are slightly higher compared to last year.
- External debt levels decreased by 2.8 million dollars in fiscal 2016-17, mainly due to a reduction in the outstanding balance on the TD bankers acceptance. One million dollars is contributed annually to the sinking fund towards the 115 million debenture due in 2045; after the 2017-18 contribution, the sinking fund balance is now at \$14.4 million dollars.
- The 2016-17 Ancillary Operations Annual Report noted that overall ancillary operations for the year performed very strongly, generating

a net surplus of over 2.1 million dollars before appropriations, compared to the budgeted amount of \$765,000; six of the seven ancillary areas of operation all exceeded their budgeted net surpluses. Retail services was the only area not attaining its budgeted level of surplus, largely due to increased expenses in a number of categories.

- b. **Budget Planning for 2018-2019, Deborah Dubenofsky**
Ms. Dubenofsky's presentation included looking at the budget timeline; drivers including enrolment projections, provincial funding and major investment considerations; and factors and options for closing the gap to manage a balanced budget for 2018-2019. Senior leaders are being challenged to look internally to fund strategic initiatives; and are looking at multi-year budgets and the impact of the corridor funding model. Draft budget numbers will be presented to Finance & Investments and Senate Finance in March. The 2018-2019 budget will be presented at the April Board meeting to better align with the fiscal year.
- c. **Research Funds Presentation, Rob Gordon**
Laurier was recently recognized for achieving the second highest research funding growth among Canadian universities (2015-2016); as well as being named the most research-efficient institution in Canada last year. Dr. Gordon provided a presentation on funding for research and supports; the thirteen Canada Research Chairs at Laurier; and the high success rates of Laurier research funding applications.

14. Joint Finance and Investments and Pension, Lynda Kitamura

- a. **Chair's Update on Committee Activity**
 - The Investment Oversight Sub-Committee (IOC) has considered but deferred on investment in preferred shares; is investigating holding an RFP to add an equity manager to invest in publicly listed infrastructure; and met with investment manager CI Institutional Asset Management as part of a regular review process.
 - The committee heard that on December 19, 2017, the Executive & Governance Committee on behalf of Board of Governors approved the filing of the April 30, 2017 actuarial valuation for the WLU Pension Plan. Given the timing of the April 30, 2017 valuation, the impact of the new funding rules for Ontario defined benefit Pension Plans will not apply to Laurier until the next required valuation at April 30, 2020, resulting in the University continuing to benefit from stage 2 solvency relief, lower contributions in 2017 and over the next two years, and the new funding rules being phased in starting in 2020 over the following three-year period.
 - The Committees recommended a proposed change to the Statements of Investment Policy and Procedures. When these were approved by the Board in November, there was a question on

allowing the loaning of securities. The Committees were reassured that while new legislation allows this, it has not been Laurier's practice to loan securities. The briefing note included in the Board's consent agenda outlines a change in wording to the SIPPs that would require Board approval for any lending of securities in the various funds. With approval by consent, the revised wording will be considered carried and added to the SIPPs.

15. **Pension**, Lynda Kitamura

- a. Chair's Update on Committee Activity
 - The committee received a presentation on recent Legislative changes. The province has just completed a round of public consultation on their funding reform roadmap; Aon Hewitt provided feedback as did the Council of Ontario Universities.
 - The Committee reviewed current Pension Terms of Reference, areas of oversight and proposed agenda items for the year where members were asked to provide opinions and changes they would like to see in the future.

16. **Executive & Governance**, Jillian Swartz

- a. Chair's Update on Committee Activity

As outlined in the Board package Item C.10., on behalf of the Board the Committee approved filing a Pension Valuation as of April 30, 2018; revisions to the Gendered and Sexual Violence Policy and Procedures; and appointed Gail Forsyth to serve on the Pension Committee.

17. **Other Business**: None

B. In Camera Session

Motion (Lynda Kitamura/Jamie Martin): to move the meeting *in camera*. Carried.

C. Consent Items

The following items were provided for information or approval. The Agenda, Minutes and items including a motion (^) were approved by consent.

1. **Agenda**
2. **Minutes, Board of Governors, November 30, 2017**
3. **Enterprise Risk Management Update**
4. **Capital Projects and Funding Sources Update**
5. **Annual Ancillary Reports**
6. **External Debt Update**
7. **2017-2018 6 Month Fiscal Update**
8. **Pension Fund Valuation Update and New Funding Rules**
9. **SIP&Ps Change Re: Loaning Funds^**
10. **Executive & Governance Committee Approvals**