

**Secretariat**

845 Sherbrooke St. West, room 313

Montreal, QC, H3A 0G4

Tel: (514) 398-3948 | Fax: (514) 398-4758

The following items arise from a meeting of the Finance Committee on September 16, 2021. They are presented to the Board of Governors for information.

**I. FOR THE INFORMATION OF THE BOARD OF GOVERNORS****1. Presentation on the Process of the Capital Priorities Working Group [F21-08]**

The Finance Committee received a presentation, for information, on the capital project governance process. The presentation focused on the process to review capital requests at the University and the role of the University Capital Priority Working Group (UCPWG).

The Committee was informed that as the number, magnitude and complexity of construction and renovation requests had increased significantly at the University, a new process for turning requests into project realization (construction or renovation) had been developed and was being implemented in order to:

- Ensure alignment with McGill's strategic planning and Campus Master Plan
- Ensure optimal allocation of resources
- Increase efficiency in arriving at project start
- Improve communications among stakeholders and ensure continued transparency

It was noted that the mandate of the UCPWG was to assist and advise the Provost and Vice-Principal (Academic) and the Vice-Principal (Administration and Finance) with respect to the prioritization of capital projects and to assist in ensuring the alignment of capital spending priorities with the University's strategic objectives while deploying the 5 and 10-year Campus Master Plan.

**2. Update on Quebec Capital Grant [F21-04]**

The Committee received an update on the Quebec government's capital grant for fiscal year 2022. It was informed that the *Ministère de l'Enseignement supérieur* (MES) has confirmed that McGill University is receiving a capital grant in the amount of \$131,366,000 for fiscal year 2022, in accordance with the *Plan quinquennal des investissements universitaires 2021-2026* (PQIU). The allocation for 2022 continues with the upward trajectory observed since fiscal year 2018-2019 when the MES changed how the capital fund envelope was distributed. Under this new formula for capital funding, the

University receives a greater percentage of the total envelope mainly due to the age, state and nature of its buildings.

**3. Update on Financing Plan for Deferred Maintenance and IT Initiatives [F21-01]**

Further to the Board of Governors' 2015 approval of a \$400 million financing plan to support investment in the University's accumulated deferred maintenance and information technology (IT) needs, the Committee was informed that as at July 31, 2021, a total of \$105.9M of the \$260M allocation was spent on deferred maintenance and a total of \$88.7M of the \$140M allocation was spent on the listed IT initiatives and projects.

**4. Overview of the Ministère de l'Enseignement Supérieur's Subvention Conditionnelle [F21-07]**

The Committee received an overview of the Ministère de l'Enseignement Supérieur (MES)'s *subvention conditionnelle*. It was informed that the Quebec policy involves the provision of an annual *subvention de fonctionnement* to eligible university-level institutions with the aim to ensure that such universities can fulfil their primary mission. The preliminary amount of the *subvention de fonctionnement* is presented in the MES' *Règles budgétaires* and later confirmed in its separate *Calculs définitifs*, which is the confirmation of final funding for a respective Fiscal year. The *subvention conditionnelle* is the percentage of the *subvention de fonctionnement* which, under section 5.8 of the *Règles budgétaires*, the MES is authorized to withhold if a university runs an annual deficit without providing a plan to return to a balanced budget (the *plan de redressement*).

**5. Update on Quarterly Financial Results for Fiscal Period Ended July 31, 2021 [F21-02]**

The Committee received an update on quarterly financial results for the period ended on July 31, 2021.

**6. Treasury Report [F21-05]**

The Committee received a Treasury Report relating to the University's borrowing, investing and hedging activities for the period ended July 31, 2021 for information.

**7. Review of Committee's Terms of Reference [F21-09]**

In accordance with the Finance Committee's terms of reference, which state that a review must be undertaken at least every five years, the Committee conducted a preliminary review of its terms of reference. The general objectives of the current review of the Committees'

terms of reference include standardizing the language, implementing updates that reflect current practices, clarifying the Committee's role and responsibilities and reviewing the Committee's composition. Proposed revisions to the Committee's terms of reference will be submitted to the Nominating, Governance and Ethics Committee for consideration and subsequently to the Board for approval.

## **8. Update on the University's Financial Situation in light of the COVID-19 Pandemic**

The Committee was provided with an overview of the University's operations in light of the COVID-19 pandemic including the health and safety measures currently in place.

The Committee was informed that the University continues to work closely with provincial and federal governments, as well as public health experts and officials, to offer a safe on-campus environment for the community. It was explained that all individuals on campus are required to wear a procedural mask when entering or circulating in indoor shared spaces. In classrooms and teaching labs, no physical distancing is required for Fall 2021 classes whereas in all other indoor spaces, individuals are required to maintain a distance of 1 meter but a two meter distance is required in situations where individuals cannot wear a mask or it is too difficult to do so.

The Committee was also advised that McGill has implemented the Quebec vaccine passport for non-essential activities on campus. Non-essential activities include: attending non-curricular events, participating in extra-curricular activities, and eating or drinking in sit-down spaces in food service locations. In addition, it was informed that buildings are no longer on card-access only; however, guests or visitors must fill out a visitor form and be sponsored by a McGill staff member in order to access a building.

The Committee learned that presence on McGill campuses had reached a daily average of approximately 28,000, since the start of the Fall semester, up from an average of 3,300-3,800 at the end of the Winter 2021 semester (when most classes were still being delivered remotely and most employees working from home).

## **9. Finance Committee Orientation Package 2021-22** [F21-03]

The Committee received an orientation package for the 2021-2022 governance year, containing updated reference documents for the Committee's information.

**END**  
**October 2021**