



Minutes of Open Session

Thursday, April 22, 2021 20-21 BR:04

Minutes of a meeting of the Board of Governors held on Thursday, April 22, 2021 at 4:00 p.m. via the Zoom Conferencing Application.

Present:

Babinski, Bob	Louisa, Rod	Pilote, Louise
Boychuk, Michael	Halperin, Stephen	Price-Verreault, Cynthia
Coughlin, Peter	Headon, Fred	Rogers, Dakota
Desnoyers, Alan	Jabalpurwala, Inez	Rohrbach, Petra
Earle, Jemark	Matuszewski, Pierre	Sakhia, Samira
Fortier, Suzanne	Meighen, Michael A.	Sciortino, Karen
Généreux, Claude (<i>Vice-Chair</i>)	Panda, Ram (<i>Chair</i>)	Zorychta, Edith
Gilbert, Lucy	Paul, Maarika	

Regrets: Maryse Bertrand (Vice-Chair), Samuel Minzberg, Keel Scruton.

Secretary-General: Edyta Rogowska, supported by Sandra Duarte (Governance Officer), Secretariat.

Resource Persons: Professor Yves Beauchamp, Vice-Principal (Administration and Finance); Professor Christopher Manfredi, Provost and Vice-Principal (Academic).

Guests: Mr. Louis Arseneault, Vice-Principal (Communications & External Relations); Dr. Martha Crago, Vice-Principal (Research and Innovation); Dr. David Eidelman, Vice-Principal (Health Affairs) and Dean of the Faculty of Medicine and Health Sciences; Mr. Marc Weinstein, Vice-Principal (University Advancement); Dr. Richard Martin, Executive Director, Analysis, Planning and Budget, Office of the Provost and Vice-Principal (Academic); Ms. Sophie Leblanc, Chief Investment Officer and Treasurer; Mr. Joel Raby, Chair of the Investment Committee; Professor Carola Weil, Dean, School of Continuing Studies; Ms. Veronique Belanger, Chief of Staff, Office of the Principal and Vice-Chancellor.

10. Chair's Remarks

Governor Ram Panda, Chair of the Board of Governors (Chair), welcomed members to the fourth meeting of the Board of Governors for the 2020 – 2021 governance year.

11. Consent Items

On a motion duly proposed and seconded, the Board of Governors approved the following as consent items:

11.1 Minutes (Open Session) of February 11, 2021

11.2 Report of the Building and Property Committee (Part II)

[GD20-50]

The following items were received by the Board, as consent items, for information:

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| 11.3 | Report of the Executive Committee | [GD20-51] |
| 11.4 | Report of the Committee on Sustainability | [GD20-52] |
| 11.5 | Report of the Joint Executive – Senate Steering Committees | [GD20-53] |

12. Business Arising from Open Session Minutes

There was none.

13. Principal’s Remarks (Continued)

Professor Suzanne Fortier, Principal and Vice-Chancellor, opened her remarks by offering condolences to all those who had lost loved ones to the COVID-19 pandemic. She then provided an update on campus developments, noting that since the Board’s last meeting, the Quebec government had announced new measures to halt the spread of COVID-19, which had come into effect toward the end of the Winter semester.

The Principal informed members that planning for an in-person Fall semester had been underway since November, noting that the Emergency Operations Committee was monitoring the evolution of the pandemic closely and preparing for a spectrum of possibilities, with the anticipation that the opportunity to be on-site under safety restrictions seemed likely at this time. She emphasized that the wellbeing of the community would remain a top priority, and all necessary safety measures would continue to be implemented to ensure that the campuses remain safe places to learn and work in the coming academic year.

Concerning government relations, the Principal reported that two budgets had recently been announced. She indicated that on April 19, 2021 Deputy Prime Minister and Finance Minister Chrystia Freeland had tabled the federal budget outlining over \$101 billion in spending focused on pandemic recovery and long-term economic growth. She noted that this had been the first federal budget in two years and the first ever to be delivered by a woman. She highlighted that the budget outlined considerable investment in the life sciences (bio-manufacturing, stem cell, genomics) and supported the strategic areas of artificial intelligence and quantum technologies. She mentioned that significant investments would also be made in student and youth opportunities, as well as in upskilling and reskilling for the workforce, including: \$239.8M in the Student Work Placement Program to support work-integrated learning opportunities for post-secondary students; \$708M over five years to Mitacs to create at least 85,000 work-integrated learning placements; and with respect to student assistance, the budget proposed to double Canada Student Grants for an additional two years, and to improve loan repayment conditions on Canada Student Loans. She noted that the planned investment in the Canada Foundation for Innovation would also benefit universities.

The Principal then reported that on March 25, 2021 the provincial government had tabled its 2021-2022 budget, which outlined \$4 billion in spending on universities, representing a

5.5% increase over last year, including \$670 million to support student retention in Cégeps and universities. With respect to capital investments, she noted that the *Plan québécois des infrastructures* (PQI) envelope for universities had allocated \$4.5B for infrastructure and \$0.3B for information technologies (over 10 years for the period 2021-2031).

The Principal informed members that the Minister of Higher Education, Danielle McCann, had announced a new expert committee on academic freedom, chaired by Alexandre Cloutier, former PQ Minister for Intergovernmental Affairs, noting that members of universities would be consulted as the committee undertook its work. She mentioned that McGill was committed to academic freedom and would contribute to the consultations.

Concerning external relations, the Principal announced that McGill had signed an agreement with the University of the People, an online university catering to students facing financial, political or personal constraints. She mentioned that as part of the agreement, McGill would welcome students for in-person learning after they had completed two years at the University of the People.

The Principal informed members that the inaugural cohort of the McCall MacBain Scholars had been announced, noting that the 20 scholars, including three from McGill, would begin their studies at McGill in the Fall 2021. She noted that 735 applications had been received from 15 different universities.

Concerning community relations, the Principal reported that the sixth edition of McGill24 had surpassed records thanks to the generosity of all members of the McGill community. She highlighted that a total of \$3,810,861 had been raised, with the Class of 2021 contributing the highest number of donations of any graduating class. She noted that in total, McGill24 had raised over \$13 million in its six-year history.

The Principal then mentioned that on March 31, 2021 McGill had launched its bicentennial with a virtual food security conference, followed by a one-hour launch celebration hosted by Laurent Duvernay-Tardif and current student Heleena De Oliveira. She also indicated that ten finalists had been selected for impact200, McGill's bicentennial sustainability challenge, noting that the winners would be announced in November 2021.

The Principal concluded her remarks with examples of external recognition of members of the community. She highlighted that Dr. Nada Jabado (Department of Pediatrics, and RI-MUHC) had received the Dr. Chew Wei Memorial Prize in Cancer Research from the University of British Columbia for her work in treating childhood brain cancers, and that Prof. Valérie Orsat (Department of Bioresource Engineering) had been named one of 12 recipients of the 'Engineering and Physical Sciences' Suffrage Science award by the London Institute of Medical Sciences. She announced that Kasia Juno Van Schaik, a doctoral candidate in McGill's English Department and creative writing instructor at the McGill Writing Centre, had won a writer-in-residence prize from CBC Quebec and the Quebec Writers' Federation. She informed members that several McGill Law students had won prizes for Top School, Top Appellant Pair, Top Respondent Pair, and Top Individual Oralist in the Laskin Moot Court Competition, and that PhD students Auriane Canesse and

Trevor Cotter had made it to the next round of the Three Minute Thesis / *Ma thèse en 180 secondes* competition and would compete at the national level next. Lastly, she highlighted that McGill had been recognized as one of Canada's Greenest Employers by Mediacorp Canada for a fourth consecutive year.

In response to a question about the agreement with the University of the People, Professor Christopher Manfredi, Provost and Vice-Principal (Academic), explained that two to four students per year were expected to come to McGill to complete their degree, noting that the University would also consider applicants for bursary support to ensure that financial barriers would not preclude them from pursuing their education at McGill. The Principal explained that there were a lot of students in need in the world and that with this initiative McGill aimed to make a difference and promote other universities to do the same. She highlighted that increasing access to education to people who might not otherwise be able to come to McGill was an important step toward creating a more equitable world.

14. Board Committee Reports: Part II

14.1 Report of the Finance Committee [GD20-54]

Governor Pierre Matuszewski, Chair of the Finance Committee, presented the Report of the Finance Committee arising from the Committee's meeting of April 15, 2021. He indicated that the Report contained three items requiring approval by the Board.

14.1.1 Proposed McGill University Budget 2021 – 2022

Governors Matuszewski explained that the Finance Committee had received the last in a series of three budget reports outlining major considerations shaping the budget for the coming fiscal year starting May 1, 2021. He reminded members that for the fiscal year ending on April 30, 2021 (FY2021), the extraordinary circumstances resulting from the COVID-19 pandemic had led to the approval by the Board of Governors of a provisional budget plan in April 2020, followed by a final budget in December 2020, with an anticipated deficit of \$13.1M. He noted that based on January 31, 2021 actuals, the University was forecasting a FY2021 deficit estimated at \$6.3M.

Governor Matuszewski then explained that for FY2022, there would be continued COVID-driven uncertainty impacting all of the University's primary revenue sources (notably Quebec government funding, tuition and fees, and sales of goods and services). He indicated that the Finance Committee had approved the proposed budget for FY2022 with an anticipated unrestricted fund deficit of \$9.8M, which it recommended for final approval by the Board of Governors.

Governor Matuszewski then called on Professor Christopher Manfredi, Provost and Vice-Principal (Academic), to present the Proposed McGill University Budget 2021 – 2022.

The Provost reviewed with members key elements of the proposed budget for FY2022. He started by presenting highlights of the FY2021 forecast, noting that by maintaining discipline and implementing cost reduction and cost control measures, the University was able to contain the deficit during these uncertain times. He indicated that after considering the current forecast and in consultation with the Chair of the Board and the Chair of the Finance Committee, the University had decided to make a one-time payment to faculty and staff whose merit/performance-based salary increases had been deferred from June 1, 2020 to December 6, 2020 due to COVID-related uncertainties.

The Provost then explained that for FY2022, in order to address the many unknowns, the University had established assumptions for the main revenue sources and expenses using three scenarios, and it also included a \$15M contingency. He reviewed the risk mitigation measures, noting that the University would continue to be prudent and contain expenses. With respect to the outlook for a balanced budget, he indicated that the University expected a return to a balanced budget in FY2024.

In response to a question about the requirement for government approval of a deficit budget, the Provost explained that the University was not anticipating that government officials would have concerns with the University's financial situation, noting that the University was not expected to go back to a *Plan de redressement*.

In response to a question about the enrolment of international students, the Provost explained that since the fees of international students had been deregulated, the government had also instituted that 50% of students had to be from Quebec, which resulted in a maximum number of international students that the University could accept. With respect to pricing strategies, the Provost mentioned that the University was undertaking benchmarking exercises.

In response to questions about the FY2022 expenses, the Provost explained that the salaries were expected to increase by 3%, which was considered reasonable. With respect to non-salary expenses, he noted that for the cost of goods sold and services rendered, the FY2022 optimistic scenario expectations represented approximately 75% of pre-COVID expense levels, and that for travel expenses, budgeted costs were based on an expected return to 50% of pre-COVID activity. He also mentioned that there were several projects underway to reassess expenses after the pandemic, including a mandate to review the delivery of academic programs in a post-COVID context, as well as a project to look at work arrangements post-COVID, with the implementation of a New Model of Work Project Office.

Following discussion, the Board approved the recommendation, as presented.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Finance Committee, approved the proposed FY2022 Budget, as described in Appendix A.

14.1.2 Maximum Borrowing Resolution for June 1, 2021 to May 31, 2022

Governor Matuszewski presented the recommendation to approve an annual short-term borrowing limit of \$400 million from June 1, 2021 to May 31, 2022, noting that this was an annual item and that the *Ministère de l'Enseignement supérieur* (MES) required annual borrowing authorization limits to be confirmed by the University.

Following the presentation, the Board approved the recommendation, as presented.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Finance Committee, approved a maximum borrowing of up to \$400 million, for the twelve month period from June 1, 2021 to May 31, 2022.

The Board of Governors also authorized the Vice-Principal (Administration and Finance) or the Associate Vice-Principal, Financial Services or the Chief Investment Officer and Treasurer to sign contracts, documents, or any instruments pertaining to these borrowings.

14.1.3 Short-Term Line of Credit with Financement-Québec

Governor Matuszewski presented a recommendation to approve a short-term line of credit with *Financement-Québec* at a cost of Canadian Dollar Offered Rate (CDOR) plus 10bps. He explained that the borrowing rate offered by *Financement-Québec* was lower than most of the University's current bank lines and would be used to bridge major capital projects that would be financed by *Financement-Québec* long-term financing.

Governor Matuszewski also indicated that the *Financement-Québec* short-term facility would be subject to McGill's short-term borrowing limit currently at a maximum of \$400M. He noted that the *Ministère de l'Enseignement supérieur* required that the Board of Governors approve the resolution presented in Appendix B of the Report of the Finance, as a condition to establish a short-term line of credit facility with *Financement-Québec*.

Following the presentation, the Board, on a motion duly proposed and seconded, approved the resolution as presented in Appendix A.

Governor Matuszewski highlighted key elements of the informational items contained in the Report, including that the Committee had received the second semi-annual report for Fiscal Year 2021 on the status of the financial considerations for the McGill University Master Plan. He also reported that the Committee had been informed that as at February 28, 2021, a total of \$105.1M of the \$190M allocation had been spent on the listed capital projects and a total of \$86.6M of the \$210M allocation had been spent on the listed IT initiatives and projects. Lastly, he mentioned that the Committee had received an update

on the Genomics Funding Proposal, noting that it was anticipated that a proposal to address the outstanding balance of the line of credit would be presented to the Finance Committee in the context of the next report, planned for 2022.

14.2 Report of the Committee to Advise on Matters of Social Responsibility

[GD20-55]

Governor Cynthia Price Verreault, Chair of the Committee to Advise on Matters of Social Responsibility (CAMSR), presented the Report of CAMSR arising from the Committee's meeting of March 18, 2021. She indicated that the Report contained one item for information.

Governor Price Verreault explained that the Committee had received, for information, the 2020 Report on Socially Responsible Investing (SRI). She reminded members that the Board had approved eight recommendations contained in the December 5, 2019 CAMSR Report, following which, CAMSR, in collaboration with the Investment Committee, had worked to develop an implementation plan to operationalize the recommendations, noting that the implementation plan had been approved by the Board of Governors at its meeting of April 23, 2020.

She also reminded members that Recommendation #6 involved a commitment to present to the Board and publish, annually, a report on SRI, including:

- % of assets managed by managers with an ESG policy and/or as signatories of the UNPRI
- MIP carbon emission relative measures
- Impact investment exposures
- Such other initiatives as may be relevant to SRI activities

She noted that in order to operationalize this recommendation, the Board had approved that the Investment Committee would present to CAMSR and to the Board, and publish annually, a report on SRI beginning in Spring 2021, following the MIP's year-end.

Governor Price Verreault then explained that CAMSR had reviewed the 2020 SRI report and was very pleased with the work done by the Investment Committee on this subject.

14.3 Report of the Investment Committee

[GD20-56]

Mr. Joel Raby, Chair of the Investment Committee, presented the Report of the Investment Committee arising from the Committee's meeting of March 16, 2021. He indicated that the Report contained one item for information.

14.3.1 Annual Report on Socially Responsible Investing (SRI)

Mr. Raby informed members that the Investment Committee had reviewed and approved, for submission to the Board of Governors, the 2020 Report on Socially Responsible Investing (SRI), noting that this was the first Investment Committee Report on SRI.

Mr. Raby indicated that, as had been explained by Governor Price Verreault earlier, this Report had been prepared to address recommendation #6 of the CAMSR Report and in accordance with the implementation plan supporting the operationalization of the recommendations. He explained that the Report demonstrated the University's commitment to SRI, outlining key accomplishments across all asset classes of the McGill Investment Pool (MIP), highlighting that important progress had been made over the past five years in developing a framework for managing the MIP's Socially Responsible Investing practices.

Mr. Raby mentioned that Environmental, Social, and Governance (ESG) considerations were now key elements of the University's investment policies and manager selection process, noting that as part of its regular performance reviews, the Investment Committee diligently monitored the compliance of its investment managers with respect to ESG and United Nations-supported Principles of Responsible Investment (UNPRI). He then highlighted that about 99% of the MIP's managers had adopted ESG policies and/or were signatories of the UNPRI.

Mr. Raby informed members that important progress had also been made in reducing the carbon footprint from the MIP listed equity portfolio, for which the University had set a target of at least 33% below its benchmark by 2025. He highlighted that as of December 2020, the portfolio carbon footprint stood at 20%, more than the minimum expected reduction.

Mr. Raby stated that collaborative effort with CAMSR had produced a blueprint that would guide McGill's sustainable investment activities with a focus on climate change, noting that the dual objectives were to support the common good while maintaining the integrity of the MIP's long-term investment goals and risk/return profile. He finished by explaining that it was important that the University remains prudent in its investment approach in order to avoid becoming overly restrictive, resulting in increased risk and sub-optimal outcomes.

In response to a question about the 5% target of impact investments, Ms. Sophie Leblanc, Chief Investment Officer and Treasurer, explained that impact investments were made with the intention of generating positive, measurable social and environmental impact alongside financial return, noting that it was a relatively new investing area and it took time to search for the products and projects. She mentioned that impact investing was expected to become a broader market with increased focus for investors.

Members congratulated the University for its progress in implementing the CAMSR recommendations and for putting in place a framework that would guide

McGill’s sustainable investment practices going forward. They also thanked members of CAMSR and the Investment Committee, and the staff of the Office of Investments for all their work in this area.

15. Annual Report on Research and Innovation [GD20-57]

Dr. Martha Crago, Vice-Principal (Research & Innovation), presented the 2020 Annual Report on Research and Innovation.

Dr. Crago reviewed with members key elements of the Annual Report, highlighting various COVID-19 initiatives that McGill had undertaken and focusing on the University’s performance in major funding programs as well the progress in areas related to innovation and partnerships. She reported that McGill’s funding from federal sources, as well as from provincial, individuals/not-for-profits, and industry sources had increased over the past five years. She then described McGill’s performance against comparable universities, noting that McGill continued to be among the top most research intensive universities in Canada.

A discussion on the report ensued during which members commented on the potential for McGill to play a larger role in the area of clinical trials. Members also discussed the research capacity and funding in the area of artificial intelligence and exchanged opinions on the topic of rankings.

16. Presentation: School of Continuing Studies [GD20-58]

The Chair invited Dr. Carola Weil, Dean of the School of Continuing Studies, to deliver a presentation on the School of Continuing Studies.

Dr. Weil presented an overview of the School, focusing on the role it played in meeting the life –long learning needs of society. She highlighted the future opportunities and challenges for the School and described the School’s learners’ profiles as well as the programs it offered and the partnerships it had developed.

On behalf of the Board, the Chair thanked Dean Weil for taking the time to speak to the Board.

17. Other Business

There was none.

The meeting ended at 7:00 p.m.

END.

SUMMARY OF MATTERS CONSIDERED IN CLOSED SESSION OF THE BOARD OF GOVERNORS HELD ON APRIL 22, 2021

1. Report on New Appointments, Promotions and Tenure

The Board of Governors approved the appointment of one Associate Professor with tenure and the promotion of 10 Associate Professors to the rank of Full Professor.

2. Proposed Extension of Appointments for Senior Administrators

The Board of Governors, on the recommendation of the Principal, approved to extend the current appointments of Professor Martha Crago, Vice-Principal (Research and Innovation), and Dr. David Eidelman, Vice-Principal (Health Affairs) and Dean of the Faculty of Medicine and Health Sciences, for one year, from July 1, 2022 to June 30, 2023.

It was noted that the COVID-19 pandemic has had a significant impact on the University's Research and Innovation unit, and on the Faculty of Medicine and Health Sciences. These extensions will allow Dr. Crago and Dr. Eidelman to continue to steer their respective teams through the end of the crisis and through the recovery period, and to provide stability to the University in this critical period.

3. Recommendation Concerning Honorific Naming Proposal

The Board of Governors, on the recommendation of the Principal and Vice-Chancellor, and pursuant to the advice of an ad hoc committee established under the *Policy Relating to the Naming of University Assets*, approved a naming proposal concerning a significant University asset. The naming of the asset will be announced publically in due course.

4. Board Committee Reports: Part I

4.1 Report of the Building and Property Committee

The Board of Governors, on the recommendation of the Building and Property Committee, approved the acquisition of an off-campus collection management facility.

A collection management facility is a necessary precondition to the Fiat Lux Library Project, which cannot start until the library collections are removed and relocated.

4.2 Report of the Finance Committee

The Board of Governors received, for information, an overview of the financial controls currently in place to maintain the financial health of McGill University.

5. Update on the Bicentennial Campaign

The Board of Governors received a presentation on the Bicentennial Campaign, including an update on the campaign's progress and achievements to date.