



Minutes of a meeting of the Board of Governors held on Thursday, February 27, 2014 at 4:00 pm in room 301 of the James Administration Building, 845 Sherbrooke Street West, Montreal.

PRESENT:

Arezki, Amine

Boychuk, Michael

Butts, Gerald (by phone)

Cobbett, Stuart (*Chair*)

Coughlin, Peter

Critchley, Ronald

Fazel, Kathy

Fortier, Suzanne

Généreux, Claude (*Vice-Chair*)

Halperin, Stephen

Harpp, David Noble

Haynes, Bryan

Hobday, Tina

Kalant, David

Larson, Katie

Mooney, Jonathan

Panda, Ram

Price, Cynthia

Roy, Mario

Shrier, Alvin

Steinberg, H. Arnold
(*Chancellor*)

Vandal, Thierry

Zorychta, Edith

Resource Persons

Aberman, Susan

Di Grappa, Michael

Dyens, Ollivier

Masi, Anthony C.

Marcil, Olivier

Moreau, Pierre

Thibault, Line

Strople, Stephen
(*Secretary-General*)

Edyta Rogowska
(*Governance Officer*)

Kevin Chan (*Deputy Secretary-General*)

Regrets: Dan Gagnier, Juliet Johnson, Samuel Minzberg, Martine Turcotte.

Invited Guests: Mr. Mohammed Ashour, Mr. Gabriel Mott, Mr. Jesse Pearlstein: MBA Students, Desautels Faculty of Management.

The Chair reconvened the meeting in Open session. He reminded visitors that tape, video or other means of recording sound or images were not permitted prior to, during or after a Board meeting.

8. Approval of Minutes (Open Session) of November 28, 2013 (Consent Item)

On a motion duly proposed and seconded, the minutes from a meeting held on November 28, 2013, were approved.

9. Principal's Remarks (Continued)

The Principal informed members that the federal government had tabled its budget on February 11 and provided some details on anticipated funding for the university sector. She noted that funding to research and innovation was a significant component of the federal budget, which would include a \$1.5 billion allocation for the university sector over a ten-year period through the Canada First Research Excellence Fund program, which would start in 2015-16. She specified that the Association of Universities and Colleges of Canada and the major research-intensive universities had been advocating for such a fund for some time.

The Principal spoke about the federal government's plan to allocate an additional \$46 million a year, starting in 2014-15, to granting councils, which included the Canadian Institutes of

Health Research, the Natural Sciences and Engineering Council and the Social Sciences and Humanities Research Council. She also conveyed the federal government's intention to set in place additional student and postdoctoral initiatives that would provide students with industry-relevant research experience and training.

Describing the highlights of the provincial budget, the Principal explained that the Quebec government was aiming to balance its budget by 2016 and stated that spending allocated to the education sector was anticipated to increase by three percent. She conveyed that the provincial government indicated its intention to review various options that would allow it to save costs associated with out-of-province and international students. She explained that these costs were related to claims incurred through exemption agreements and tuition fees for international student fees that were generally lower than in other parts of Canada.

The Principal informed members of a meeting between the Minister of Education and Quebec universities on the topic of the indirect costs of research. She explained that the purpose of the meeting was to present a new mechanism for allocating indirect costs and engender support to lobby the federal government to increase cost support to all Universities to a minimum of forty percent. The Principal assured members of McGill's intention to continue working with the Quebec government and other research institutions on this initiative.

The Principal spoke about the 2014 conference of the American Association for the Advancement of Science, which had been held in Chicago in February. She informed members of the conference's theme, which focused on addressing global challenges as a way of enhancing economic growth.

The Principal shared with members her intention to meet with McGill supporters, friends and alumni, as part of her Regional Introductory Tour planned by Development and Alumni Relations. She expressed her intention to reconnect with members of the alumni community through several trips planned in Los Angeles, San Francisco, New York, and then in Europe and in Asia.

In an effort to promote transparency and good governance, the Principal stated that starting in April she would be posting online travel and hospitality expenses incurred in her duties as Principal. The Board commended the Principal for starting this practice.

The Principal reported on the success of the Centraide Campaign, noting that McGill had surpassed its fundraising goal of \$400,000 by \$16,500, collecting a total of \$416,500, which was the largest dollar amount of all participating Quebec universities. She thanked all those who had worked for and contributed to the Campaign.

The Principal offered her congratulations to several members of the McGill community who had been recognized for their achievements in research. She mentioned Professors Ehab Abouheif and Aashish Clerk, who were the 2014 recipients of the Steacie Memorial

Fellowship, and doctoral student Mr. Michael Lifshitz, who was awarded the André Hamer Postgraduate Prize for his work in the field of cognitive neuroscience. The Principal also offered her congratulations to Professor Brenda Milner, winner of The Dan David Prize for achievements impacting science, technology, culture and society at-large.

The Principal reported that McGill had been named one of Montreal's Top Employers for the sixth consecutive year and added that this year's list also included the McGill University Health Centre and the Jewish General Hospital.

The Principal informed members that an 18-member group of McGill students and graduates were among the various official delegations at the Sochi Winter Olympics. She spoke about the success of the McGill men's and women's hockey teams, noting that three members of the McGill's women hockey program had contributed to Canada's win over the United States, which had earned the country a gold medal.

A suggestion was made to distribute a summary of the Principal's remarks in advance of the Board meeting in order to free more time for discussion at Board meetings.

In discussing the provincial budget, members were informed that no details had been shared with respect to out-of-province tuition fees. Members were told that tuition questions would likely be addressed by the *Chantier sur la politique de financement des universités*, and that McGill would aim to contribute to discussions on this topic.

10. Conclusion and Outcomes of the SRI [GD13-31]

The Principal provided some background on the Strategic Reframing Initiative, noting that it had been launched in 2010 as a disciplined process to examine and improve key areas in many of the University's practices. She explained that the SRI exercise focused on improving efficiencies and performance in the following five areas: cost efficiencies, enrolment mix, performance enhancement, philanthropy, and transformative research and innovation.

The Principal described some of the lessons learned from the SRI exercise. She noted that the initiative had been ambitious and that not all of its projects had come to fruition. Nevertheless, she stated that, overall, the SRI exercise had generated valuable returns to McGill in helping the University work smarter and more efficiently. She thanked Governor Gagné for all of his assistance in developing the SRI.

11. Board Committee Reports

11.1 Report of Building and Property Committee [GD13-32]

Mr. Peter Coughlin, Chair of the Building and Property Committee, presented a report arising from the Committee's meeting of February 20. The report contained three approval items.

1. Project Planning: February 2014 to April 30, 2015

Mr. Coughlin explained that the BPC considered a proposal to establish a mechanism for allocating funding for project planning purposes that would help to ensure that more precise project cost estimates would be presented to the Committee at the approval stage. He explained that the proposal entailed delegating to the Vice-Principal, Administration and Finance, the authority to approve project-specific funding in support of project development, planning and costing. He indicated that the Vice-Principal would report all such approvals to the BPC.

Members supported this initiative, noting that it should lead to improving efficiencies in the approval process of BPC-related projects.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Building and Property Committee, approved to delegate to the Vice-Principal, Administration and Finance, the responsibility and authority to approve project-specific funding in support of project development, planning and costing for proposed construction and renovation projects requiring approval by BPC and/or the Board of Governors between now and April 30, 2015, subject to the reporting of all such approvals at the next available Committee meeting.

2. Revision of Scope and Budget: Montreal Neurological Institute (MNI) Service Tunnel

Mr. Coughlin explained that the MNI Service Tunnel project had been delayed due to complications in the design process, as well as a major construction project initiated by the City of Montreal on aqueduct infrastructure. He stated that changes in the scope of the project, more precise cost estimates stemming from the tender results, as well as inflation costs over the past three years, had resulted in increases of \$7.6 million, which had brought the total project cost to \$17.6 million. He presented the BPC's recommendation to approve the revised project, with a total budget of \$17.6 million, noting that this project would be funded from the Deferred Maintenance allocation under McGill's Capital Budget.

In discussion, members were informed that the University had engaged the services of a consulting firm and that delays incurred during the design process were linked to the consulting firm's involvement in the project. Members were informed that recent changes in project planning and development would help to resolve challenges of this nature.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Building and Property Committee, approved a revised project relating to the construction of a new service tunnel under the MNI/MNH and Lyman Duff medical complexes (North-East Tunnel Project Number 08-29-104) with a total budget of \$17,595,800; and

The Board of Governors authorized the Vice-Principal, Administration and Finance, or the Associate Vice-Principal, University Services, to sign contracts and approve disbursements pertaining to this project on behalf of Royal Institution for the Advancement of Learning/McGill University, provided that the total amount of the contracts and disbursements do not exceed the full budget amount and that the contracts are reviewed by Legal Services.

3. Delegation of Authority under the Act Concerning Contracts of Public Bodies

Mr. Coughlin presented a request to approve a delegation of authority linked to the Act Respecting Contracting by Public Bodies. He explained that without the delegation, the Board would be required to review and make decisions on all matters identified in the Act, which would result in inefficiencies in the University's ability to execute procurement activities, contract approvals and reporting responsibilities in a timely manner. Me Line Thibault, General Counsel, added that provincial legislation allowed the Board to delegate certain matters arising from the Act to members of the University's administration. These matters are outlined in the resolution, which was presented and approved by the Board as follows:

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Building and Property Committee, approved the delegation to the Vice-Principal, Administration and Finance for the period 1 March, 2014 to December 31, 2017 of the authority, responsibility and functions conferred on the Board of Governors as Chief Executive Officer under the Act respecting Contracting by Public Bodies, R.S.Q, c. C-65.1 as detailed in Appendix A, as amended from time to time, except for the authority and responsibility which are reserved to the Board of Governors as Chief Executive Officer as follows:

- a) contract approvals under sections 21.5 (2) and 21.20 (2) of the Act pertaining to a supplier who is ineligible for public contract, or a supplier that does not hold the authorization issued by the Autorité des marchés financiers, respectively;*
- b) other contract approvals, or approvals of contract amendments where the value of the contract or the amendment is greater than the limit of the Vice-Principal Administration and Finance's authority as established under the University's "Regulations Relating to the Approval of Contracts and Signing Authority";*
- c) approval of a Procurement Policy and amendments thereto;*
- d) the annual declaration to Treasury Board on compliance of the university's procurement process with the Act;*

The Board of Governors further approved to adopt, ratify and confirm for all legal purposes, all exercise of authority, responsibility, including all actions and decisions performed or taken on behalf of the University under the Act to midnight on February 28, 2014.

Mr. Coughlin presented the remaining informational items in the BPC report, noting that the Committee had received an update on plans with respect to the Royal Victoria Hospital (RVH) site. Members were informed that the University would be submitting a proposal for the site to the Quebec government. Members were told that a lot more work would need to be done in order for McGill to commit to moving forward with plans of acquiring the site.

Members expressed an interest in obtaining more information on this file at a future meeting.

11.2 Report of the Finance Committee

[GD13-33]

Mr. Thierry Vandal, Chair, Finance Committee, presented a report of the Finance Committee, arising from the Committee's meeting of February 13. He indicated that in addition to a report on the planning of the 2014-15 budget, the report of the Finance Committee contained a recommendation concerning the University's contribution to the Green Chemistry CERC Initiative. He explained that that the provincial government required Board of Governors approval of the University's commitment to provide financial support towards renovations in support of the new Green Chemistry Canada Excellence Research Chair. He specified that the Quebec government would contribute \$9.2 million towards the renovation costs while McGill would be responsible for at least \$8.3 million.

Noting that McGill would be responsible for at least \$8.3 million, members emphasized the importance of managing this project responsibly to ensure that it would be executed within budget.

11.2.1 Recommendation Concerning University Contribution to Green Chemistry CERC Initiative

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Finance Committee, approved a financial contribution of at least \$8.3 million toward the CERC Green Chemistry Renovation Project, subject to the award of the PSRV2 grant by the Ministère de l'Enseignement supérieur, de la Recherche, de la Science et de la Technologie (MESRST).

The Board of Governors also designated the Vice-Principal (Research and International Relations) as the University's contact ("répondant officiel") with MESRST.

11.2.2 Presentation of Budget Planning 2014-15 Report II

Mr. Vandal reported that the University was tracking on budget to end the fiscal year with a \$10-million deficit, as had been projected in last year's budget. He then called on the Provost to provide details on the planning process.

Professor Anthony C. Masi, Provost, reiterated that the budget's development is guided by McGill's strategic priorities and academic plans.

He explained that the largest increase in the University's expenditures for FY2015, and for the next five years, were salary raises for members of the academic staff. He specified that salary increases for this employee group had been incorporated into the planning exercise in response to the need for McGill to remain competitive with other research-intensive universities. He explained that other significant expenditures for the University included pay equity payments, deferred maintenance issues and capital investments. The Provost clarified that increased expenditures for the University would be generally offset by the savings from the Voluntary Retirement Program.

Regarding revenues, the Provost noted that while Quebec universities were anticipating growth in provincial government financing, the details of this increase were not fully known. He highlighted that the provincial government's reinvestment was not entirely composed of unrestricted funds and that the government was attaching conditions to some additional funding. In addition, he noted that the government was specifying how certain funds must be expended. The Provost also mentioned that the province had deregulated tuition for international students in the Faculties of Management, Law, Engineering and Science, for which McGill would no longer receive provincial funding. Overall, the Provost reported that despite an expected rise in provincial government financing and deregulated tuition for some international students, the University would need to leverage funds beyond these sources.

Members expressed an interest to incorporate more fully the impact of capital projects and deferred maintenance within the budget planning process. Members also supported the University's plan to indicate low student-professor ratios in the budget.

11.3 Report of the Audit Committee (Consent item)

[GD13-34]

Mr. Michael Boychuk, Chair, Audit Committee, presented a report of the Audit Committee, arising from the Committee's meeting of January 30. He reviewed the main points of the report, noting that a major focus of the meeting was the consideration of an internal audit charter, which had been developed by the Executive Director, Internal Audit.

He noted that the charter had been approved by the Audit Committee and was now being presented to the Board for approval as a good governance practice. He added that the charter defined more fully the purpose, authority and responsibility for internal audit activities.

11.3.1 Recommendation to Approve Internal Audit Charter

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Chair of the Audit Committee, approved the Internal Audit Charter.

11.4 Report of the Executive Committee (Consent item)

[GD13-35]

The Chair presented a report of the Executive Committee, which contained a summary of items considered by the Committee at its meeting of January 16. He specified that the report contained a clarification concerning the Executive Committee's approval of amendments to the Policy on Harassment, Sexual Harassment and Discrimination Prohibited by Law that was included to clarify processes linked to maintaining confidential files arising from cases addressed in accordance with the Policy.

12. Renewal of Lease with SSMU

[GD13-36]

Governor Katie Larson, due to her involvement in the Students' Society of McGill University (SSMU), exited the room during the Board's consideration of this item. Governor Jonathan Mooney disclosed that the Postgraduate Students' Society (PGSS) was in negotiations with the University concerning the renewal of the Society's lease with the University.

Professor Ollivier Dyens, Deputy Provost, Student Life and Learning, presented a request to approve a new lease agreement between the Students' Society of McGill University and the University. Referring members to certain parts of the lease, he summarized the main points of the new agreement, explaining that it would cover the use of the student building on McTavish Street until 2021.

Professor Dyens stated that negotiations with SSMU spanned over a number of years and involved several individuals. He thanked Mr. Josh Redel, Ms. Katie Larson and Ms. Vilma Campbell for all of their work in drafting the new lease.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Deputy Provost (Student Life and Learning):

- i. approved the Agreement of Lease between The Royal Institution for the Advancement of Learning/McGill University and the Students' Society of McGill University (SSMU) for a ten-year term beginning June 1, 2011, and ending May 31, 2021, and*
- ii. authorized the Deputy Provost (Student Life and Learning) and the Vice-Principal (Administration and Finance) to sign the SSMU Agreement of Lease with the SSMU.*

13. 2012-13 Report on Student Life and Learning

[GD13-37]

The Deputy-Provost presented a report on Student Life and Learning, which provided a summary of activities undertaken in the student life and learning area in the 2012-13 year. He referred members to some of the highlights of the report, noting that the University was working to draft a narrative and a plan for Student Life and Learning that would help guide the future direction of Student Life and Learning at McGill.

Members discussed differences in responsibility between the area of Student Life and Learning and the Dean of Students. Members were told that the area of Student Life and

Learning was much broader in scope and operationally responsible for a wider array of units, including Athletics and Residences. Members were informed that the Dean of Students reported to the Deputy Provost, Student Life and Learning.

14. Report from Senate (Consent item) [GD13-38]

The Principal presented a report from Senate, arising from Senate's meeting of February 19. The report contained a recommendation to approve minor changes to dates affecting the tenure process. The proposed changes included stream-lining dates, clarifying the role of the Secretariat and aligning promotion and tenure processes. She specified that the proposed changes would be reflected in the Regulations Relating to the Employment of Tenure Track and Tenured Academic Staff and the Regulations Relating to the Employment of Librarian Staff.

On a motion duly proposed and seconded, the Board of Governors, on recommendation of Senate, approved the proposed changes to the Regulations Relating to the Employment of Tenure Track and Tenured Academic Staff, as well as corresponding changes to the Regulations Relating to the Employment of Librarian Staff.

15. MBA Student Presentation: Hult Prize [GD13-39]

The Board received a presentation from a student team from the Desautels Faculty of Management who had won the \$1-million Hult Prize in the Fall of 2013. The students spoke about their winning proposal to develop insect farming as a source of food for under-nourished populations.

Members were informed that winning the Hult Prize had created a number of opportunities for the students to further expand insect farming production in the Mexican and African markets. In sharing their vision to further develop this type of farming industry in the future, the students expressed an interest to develop partnerships with members of the McGill community and with industry.

Members thanked the students for their presentation, congratulated them on their achievements and wished them continued success.

16. Other Business

There was none. The meeting was adjourned at 7:00 p.m.

SUMMARY OF MATTERS CONSIDERED AT CLOSED SESSIONS OF THE BOARD OF GOVERNORS HELD ON FEBRUARY 27, 2014

1. Follow-up Discussion of Board of Governors Retreat: Next Steps and Actions

Members had a follow-up discussion arising from the Board of Governors retreat of January 16, 2014, which focused on enhancing current and alternate sources of funding. Members discussed next steps and possible actions that the University could develop to support the objectives of the retreat.

2. Report of the Human Resources Committee

The Board of Governors received a report of the Human Resources Committee, arising from the Committee's meeting of March 20.

3. Report on New Appointments, Promotion and Tenure (Consent Item) [GD13-30]

The Board of Governors approved recommendations contained in the Report on New Appointments, Promotion and Tenure. Approvals included a new academic appointment in the Faculty of Arts and at the Desautels Faculty of Management, effective August 1, 2014, as well as two new promotions within the Faculty of Medicine and one new promotion within the Faculty of Arts, effective March 1, 2014.