



The UNIVERSITY of WESTERN ONTARIO

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

April 30, 2009

The meeting was held at 1:00 p.m. in Room 4210 Support Services Building.

PRESENT: Ms. M. Noble, Chair
Ms. I. Birrell, Secretary

Mr. F. Angeletti
Dr. D. Bentley
Mr. J. Berge
Mr. S. Coxford
Dr. P. Davenport
Ms. J. De Laurentiis
Mr. T. Garrard
Mr. T. Gosnell
Ms. L. Gribbon
Ms. S. Grindrod
Dr. T. Hewitt
Mr. B. Jackman
Mr. H. Kelly
Mr. J. Knowles

Ms. G. Kulczycki
Dr. F. Longstaffe
Ms. K. Meighen
Dr. L. Miller
Ms. J. Moss
Mr. J. Nash
Mr. C. Sinal
Dr. S. Singh
Ms. J. Vanderheyden
Mr. H. Vander Laan
Dr. J. White
Mr. R. Wong
Mr. K. Zerebecki

By Invitation: R. Campbell, L. Logan, J. O'Brien

BG.09-30 **Report of the President**

The President's report consisted of six items: Ivey Health Innovation Centre, Alumni Gala Concert, France Day at Western, Dinner for the President, Western Law Alumni Dinner, Major Faculty Awards and Prizes, and activities of the President during the months of March and April, 2009. Overhead slides used to highlight his presentation are attached as [Appendix 1](#).

BG.09-31 **UNANIMOUS CONSENT AGENDA** [Appendix I]

It was moved by J. White, seconded by J. Knowles,

That the 16 items listed in Appendix I, be approved and/or received for information by the Board of Governors by unanimous consent.

CARRIED

BG.09-32 **Minutes of the Previous Meeting**

The minutes of the open session of the meeting of January 29, 2009, were approved as circulated.

REPORT OF THE PROPERTY & FINANCE COMMITTEE [Appendix II]

BG.09-33 **Operating Reserve Policy**

It was moved by S. Coxford, seconded by J. Berge,

That the annual operating reserve be maintained at a minimum of \$2.5 million.

Ms. Kulczycki provided an overview of the operating reserve policy detailed in Appendix II, item 1. The operating reserve policy should be understood as important to the University's future financial stability, given the significant liabilities and obligations which the institution carries. Western's liabilities include \$226 million in long-term capital debt, \$208 million in Employee Future Benefits, and \$142 million in deferred maintenance on non-residential buildings. The operating reserve policy helps ensure that the future obligations can be met without undue burden on future generations of faculty and staff at Western.

Dr. Davenport stated his strong support for the policy. It gives the administration flexibility to build surpluses in good times and spend down in difficult times.

The question was called and CARRIED.

BG.09-34 **Operating and Capital Budgets, Tuition and Fees**

It was moved by S. Coxford, seconded by F. Angeletti,

That the Board of Governors approve the 2009-10 University Operating and Capital Budgets and the Program Specific Fees and Other Supplemental Fees for 2009-10.

Ms. Kulczycki provided a comprehensive overview of the 2009-10 University Operating Budget. Copies of overheads used for the presentation are attached as **Appendix 2**. The presentation included the 2009-10 budgetary information comprising: the Operating and Capital Budgets 2009-10; Tuition and Fees 2009-10; Budgets for Student Fee-Funded Units, Ancillaries, Academic Support Units and Associated Companies and budget summaries for the same (Appendix II, Annex 1).

In answer to questions and comments it was noted that:

- a restriction attached to the government's infrastructure funding program is that "shovel-ready" projects must be completed by March 2011.
- Western's top project to be funded is the new Ivey building which is ready to go and can be completed in two years. The FIMS building will be funded through increased deferred maintenance funds that will be allocated from the Province.
- At the end of 2007-08, the carryforward was about \$55 million (see Table 14, line 17). Of that amount, \$35 million was held in Faculty carryforwards and \$20 million held centrally. The Faculty figure was made up from a variety of sources; much of it would be ear-marked for particular expenditures but the timing was such that it could not be expended in the particular budget year.
- One of the criteria used by the Provost in determining differential cuts for Faculties was the level of carryforward funds available to each Faculty.

The question was called and CARRIED.

BG.09-35 **Student Fee Funded Units, Ancillaries, and Academic Support Units**

It was moved by S. Coxford, seconded by R. Wong,

That the Board of Governors approve the 2009-10 budgets for Student Fee Funded Units, Ancillaries, and Academic Support Units summarized in the report entitled "Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies" detailed in Annex 3, Table 1.

CARRIED

BG.09-36 **Student Organization Fees 2009-2010**

It was moved by S. Coxford, seconded by C. Sinal,

That the organization fees for the **University Students' Council** for 2009-10 shown in Annex 3, Table 2 (full-time undergraduates) and Table 4 (part-time undergraduates) be approved, as requested by the USC.

That the organization fees for the **Society of Graduate Students** shown in Annex 3, Table 3 (full-time graduate students - three terms) and Table 4 (part-time graduate students), be approved as requested by SOGS.

That the organization fees for the **Honors Business Administration Association** for 2009-10 shown in Annex 3, Table 2, note (b) be approved, as requested by the HBAA.

CARRIED

BG.09-37 **Annual Report and Recommendations of the Student Services Committee**

It was moved by S.Coxford, seconded by J. Nash,

That the ancillary fees collected by the University be those detailed in **Annex 4**, Table 1, as recommended by the Student Services Committee.

CARRIED

BG.09-38 **Revisions to Purchase of Materials & Services Policy (MAPP 2.8) and Central Equipment Inventory Policy (MAPP2.19)**

It was moved by S. Coxford, seconded by S. Singh,

That the following revised policies become effective April 30, 2009:

- Purchase of Materials and Services Policy (MAPP 2.8) (**Annex 5**)
- Central Equipment Inventory (MAPP 2.19) (**Annex 6**)

CARRIED

BG.09-39 **Report on Endowed Funds**

BG.09-39a **Quarterly Ratio on Report on Non-Endowed Funds**

The Board received for information the quarterly ratio report on non-endowed funds detailed in Appendix II, Annex 7.

BG.09-39b **Update on Endowed/Non-Endowed Funds**

The Board received for information an update on Endowed/Non-Endowed Funds detailed in Appendix II, pages 6 and 7.

BG.09-40 **Information Items Reported by the Property & Finance Committee**

The Report of the Property & Finance Committee, detailed in Appendix II, contained the following items that were received for information by unanimous consent:

- Robert W. Hodder Chair in Economic Geology
- Report on Revenues, Expenditures & Tuition by Faculty
- Investment Committee Membership
- Quarterly Financial Report (Operating)
- Investment Committee Report
- (revised) Scholarship/Awards/Prizes

BY-LAWS COMMITTEE [Appendix III]

BG.09-41 **Revision to Special Resolution 2 - Delegation of Authority**

It was moved by J. White, seconded by J. Knowles,

That subject to approval of proposed amendments to MAPP 2.8 - Purchase of Materials and Services, the Board of Governors approve revisions to Special Resolution 2 - Delegation of Authority, as outlined in Appendix III, Annex 1.

CARRIED by Unanimous Consent

SENIOR OPERATIONS COMMITTEE [Appendix IV - Revised]

BG.09-42 **Use of Corporate Name by King's University College**

It was moved by J. White, seconded by J. Knowles,

That the Board of Governors approve the use of The University of Western Ontario as part of the incorporated name of King's University College at The University of Western Ontario.

CARRIED by Unanimous Consent

BG.09-43 **New Alumni Members of the Board**

The Board was advised that the Alumni Association has appointed Mr. Hanny Hassan to complete the term of Ed Holder (to April 2012).

BG.09-44 **Appointments to the Western Fair Association**

Alan Noon has been reappointed as one of two representatives of the Board to the Western Fair Association.

ITEMS REFERRED BY SENATE [Appendix V]

BG.09-45 **Faculty of Health Sciences: School of Health Studies**

It was moved by J. Vanderheyden, seconded by R. Wong,

That the Board of Governors approve that the School of Health Studies be created from the Bachelor of Health Sciences Program (BHSc) in the Faculty of Health Sciences, effective July 1, 2009, as recommended by Senate.

CARRIED

BG.09-46 **Human Rights and Genocide Related Teaching and Research**

Dr. Hewitt provided a brief overview of the report on Human Rights and Genocide Related Teaching and Research detailed in Appendix V, Annex 1. He stated that the Office of the Vice-President (Research and International Relations) has agreed to provide funds on a one-time basis for the

establishment of a competitive student research fund at Western to promote the study of human rights and genocide and related issues. Additional funds may be allocated to this fund pending the success and impact of the initial round of the competition.

BG.09-47 **Information Items Reported by Senate**

Appendix V, Items Reported by Senate, contained the following items that were received for information by unanimous consent.

- 2009-10 University Operating and Capital Budgets
- Spring 2009 Honorary Degree Recipients
- Excellence in Teaching Award Winners for 2008-09
- Reports of the Academic Colleague
- Academic Administrative Appointments

The meeting adjourned to the confidential session.

M. Noble
Chair


I. Birrell
Secretary

The University of Western Ontario

President's Report to The Board

- Ivey Health Innovation Centre
- Alumni Gala Concert
 - Toronto Centre for the Arts
- France Day at Western
- Dinner for the President
- Hellmuth Prizes
- Distinguished University Professors

Dr. Paul Davenport
April 30, 2009



The University of Western Ontario

Ivey Centre for Health Innovation and Leadership

- Announced at Western by Federal Industry Minister Tony Clement on March 26
 - \$5 million investment
- Collaboration of Ivey, Schulich, LHSC government and private sector partners



The University of Western Ontario

Ivey Centre for Health Innovation and Leadership

- To bring together experts from business, healthcare and medicine to foster talent and commercialize innovations to benefit healthcare professionals and patients
- Vision of Dr. Kellie Leitch (Schulich) and Dean Carol Stephenson (Ivey), working with colleagues in other Faculties and at Lawson



The University of Western Ontario

Alumni Gala Concert


- 40th Anniversary of the Don Wright Faculty of Music
- March 27, George Weston Recital Hall, Toronto Centre for the Arts
- Carl Orff - *Carmina Burana*
- Benjamin Britten – *Peter Grimes*
- Soloists Sherry Steele, John Tessier, Kevin McMillan, with UWO Symphony Orchestra and Choral Groups, conducted by James McKay



The University of Western Ontario

France Day

- April 1, 2009
- French Ambassador to Canada Hon. Francois Delattre
- Consul General Jerome Cauchard, Cultural Attaché Joel Saravy, Scientific Attaché Christian Turguat,
- Discussed exchanges and the relationship between Canada and France and the E.U.



The University of Western Ontario

Dinner for the President


- April 7, Four Seasons Hotel, Toronto
- Over 200 Guests
- Speakers:
 - Art Murray and Mike Bloomstein
 - Greg Moran and Madeline Lennon
 - Rob Prichard and Martha Piper
 - Peter Godsoe and Hon. Chris Bentley
- Celebrating 15 years of Paul Davenport's Presidency



The University of Western Ontario

Hellmuth Prize for Achievement in Research

- Brian Feagan (Schulich, LHSC and Robarts) national leader in the development of Clinical Trials and the evaluation of medical treatments
- John Whalley (Economics) – dynamic models of the global economy, tax strategies, development and the environment



The University of Western Ontario

Distinguished University Professors

For career achievement in scholarship, teaching and contributions to the academy

- Jack Bend (Schulich)
 - Researcher in pharmacology, teacher, and administrator
- Michael Strong (Schulich, Robarts)
 - clinician, leading world authority on ALS
- Richard Vernon (Political Science)
 - analyst of political thought and theory & the responsibilities of citizenship



The University of Western Ontario

2009-10 Operating and Capital Budgets

Board of Governors
April 30, 2009

Outline

- Context/Background
 - Recent Developments
- Operating Budget Recommendations
 - Operating Revenues
 - Faculties and Support Units
 - Scholarships and Bursaries
 - University-wide and One-time Expenditures
- Capital Budget

Context/Background

Context/Background

- Moving into Year 3 of Four-Year Plan
- Four-Year Plan approved by Board in May 2008
 - For the period -- 2007-08 to 2010-11
 - Grants from Province's *Reaching Higher* Plan
 - 5-year period -- 2005-06 to 2009-10
 - Major portion of revenues already at steady-state
 - Graduate Expansion Funding continues
 - Tuition Revenue -- about 4.5% per year
 - Investment Income -- \$46.25M over final 3 years

Context/Background

- Expenditures
 - Commitments to Faculties and Support Units
 - UPIF, One-time, ECF, GEF/GEF+
 - Student Aid
 - Many other University-wide Expenditures
 - Employee Salaries and Benefits
- Rate of Growth in Revenues Slowing Down
 - Will require Expenditure Restraint
- Downturn in the Equity Markets
 - Loss of Investment Income from Non-Endowed Funds -- totaling \$46.25M over three years

Approved by Board in January

- Withdraw Investment Income Transfer to Operating Budget in Current Year (\$18.55M)
- Withdraw One-time Transfer to the Capital Budget (\$12.2M)
 - Physics & Astronomy Project put on hold
- Withdraw \$6M One-time Allocation to CFI Matching
 - But . . . we are committed to supporting CFI Initiatives -- and will provide the necessary funds in the coming years

Preliminary Recommendations

(on February 11, 2009)

- From the February Provost's Document:
 - Reviewing Other One-time and University-wide Expenditures -- for possible reductions
 - Additional Average 2.5% Budget Reductions to Faculty and Support Unit Budgets in each of 2009-10 and 2010-11
 - Applied differentially

Recent Budget Developments

(Subsequent to February 11th)

- Federal Budget committed to substantial funding for Infrastructure Renewal
- Provincial Budget
 - Matching Federal Infrastructure Funding
 - Details still not known
 - \$150M in One-Time Year Funding
 - Constituent University's share is \$5.05M
- Long-running Litigation decided in University's Favour
 - \$4.7M in One-time Funding in Current year

Recommendations to Change Other One-time and University-wide Expenditures

- MMI Transfer fixed at 2008-09 level of \$10.25M in each of next two years
- FFICR Transfer to Capital reduced to \$0 (from \$3M) in each of the next two years
- Other Expenditure Changes
 - Business Continuity Plan Development, Learning & Development Initiatives, Systems Initiatives in RDS, University Advertising, Campus Rec Subsidy, IDIs, Graduate Recruitment Initiatives, Library Acquisitions
- Freeze of Senior Administrative Salaries

Revised Recommendations -- in this Budget

- Average Additional Budget Reduction reduced to 1.5%
 - From the Preliminary Recommendation of 2.5%
- 100% of Staff and Faculty Exit Costs covered by Central Budget
 - Compared to the 50% Preliminary Recommendation
 - For Operating-funded Positions
- \$2.05M in One-time Funding in 2009-10 to the Faculties to Maintain Teaching Capacity and Program Delivery

Operating Revenues (Table 8)

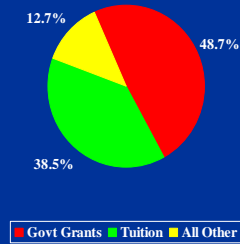
Major Revenue Categories Changes in 2009-10

- Government Grants
 - Modest additional funding in support of Graduate Expansion and Expansion of Medical Enrolments
- Tuition Fees
 - 4.5% Average Increase in Tuition Rates
 - 6.0% in Tuition Revenue -- including enrolment increases
- No draw on Investment Income
- Decline in Fundraising Revenues in support of Student Aid -- due to endowment shortfalls
- Growth in Contribution from Ancillaries due to increases in Occupancy Rates and Fee for Service Rates

Tuition Recommendations for 2009-10

- Based on Government Framework which applies to 2009-10
- Direct-Entry Undergraduate Programs
 - 4.5% for First-Year and 4.0% for Upper-Year
- Engineering, Dentistry, Law
 - 8.0% for First-Year and 4.0% for Upper-Year
- 4% for MD; 3% for HBA
- About 4% for International Undergraduates
- 4% for Graduate Programs -- Domestic and International
 - Exception -- 8% for Domestic Masters in Environment & Sustainability

2009-10 Operating Revenues (Total = \$526.4M)



Recommendations for Faculties (Table 9)

Current Situation for the Faculties

- 4-Year Plans/Budget in place for the Faculties
 - As approved in May 2008
 - 3% IBA per year -- supplemented by ECF/GEF/GEF+, tuition-based investments, program expansion funding, and modest UPIF allocations
- Maintain the Quality of Academic Programs
- Continue with Graduate Expansion
- Additional Budget Reductions
 - Averaging 1.5% in each of next 2 years

Faculty Budget Recommendations

- Provost's Review of Faculty Plans/Budgets
 - Teaching Responsibilities
 - Budgets relative to Teaching Responsibilities
 - Faculty Complement Plans
 - Carry forward Levels
 - Other Funding Sources
 - Tuition-based funds
 - Targeted government funds
 - CRCs

Faculty Budget Recommendations Differential Additional Base Reductions

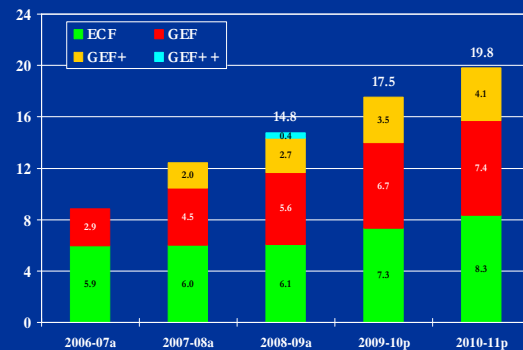
Additional Reduction in each of Next 2 Years

Arts & Humanities	-2.0%
Education	-0.0%
Engineering	-2.5%
Health Sciences	-2.5%
Info & Media Studies	-2.5%
Law	-2.5%
Medicine & Dentistry	-2.5%
Music	-2.0%
Science	-0.6%
Social Science	-0.0%
Total/Average	-1.5%

Allocations to the Faculties that Apply in 2009-10

- UPIF from Rounds 1 and 2 (\$737K)
 - Table 9, Column <d> -- details in Table 2
- Pgm Expansion & Tuition-based Investments (\$1.4M)
 - Table 9, Column <e>
- ECF/GEF/GEF+
 - Tables 16, 17a/17b
 - \$3.2M more in 2009-10, with \$700K ECF rolled into base
- PASF (Table 4)
 - \$955K from Rounds 1 and 2
 - \$618K from Round 3(NEW)
- One-time Funding (\$1.1M)
 - Table 5

ECF/GEF/GEF+/GEF++ (\$M)



Faculty Recommendations Other Budget-Related Items

- Unfilled UPIF Positions
 - Faculties be allowed to retain the funds to use in managing the Additional Budget Reductions
 - i.e. Without filling the position
- Turnover Recovery
 - Turnover Recovery be waived for new faculty retirements from “time-limited” program
 - Position’s future must be part of Faculty’s overall final complement plan – to be approved by the Provost

Faculty Recommendations Other Budget-Related Items

- Provide Central Funding to Support the Exit Costs of New Faculty and Staff Retirements
 - Those arising from “time limited” programs
 - 100% of Costs covered by Central Budget
- Doctoral Supervision Internal Grant (DSIG)
 - Estimated \$1.04M in Research Support for faculty taking on new PhD students
- Endowment-related Shortfalls associated with Chairs/Professorships/Fellowships
 - Faculties holding positions to fund shortfalls

Ivey School’s 2009-10 Budget

- Ivey Funding Model Flows all Tuition and Grant Revenues to the School
 - Ivey responsible for all costs (e.g. salary increases)
 - Ivey transfers Fee-for-Services to UWO
 - \$6.5M in 2009-10
 - Ivey does not participate in funding envelopes such as UPIF, ECF, GEF/GEF+, PASF, RISF
- Tuition Proposals for 2009-10
 - HBA Year 1 =\$20,265; MBA = \$64,000
- HBA Program continues to Grow
 - 122 additional students in 2009-10
- Modest Expansion of the MBA

Ivey School’s 2009-10 Budget

- Additional Revenues in 2009-10

■ HBA Expansion & Tuition Rate =	\$2.85M
■ MBA Expansion & Tuition Rate =	\$1.09M
■ Executive MBA Tuition =	\$0.28M
■ Grant Revenue =	\$0.53M
■ Total =	\$4.75M

Scholarships and Bursaries (Table 10)

Scholarships and Bursaries

- Overall Base Increase of \$313,000 in 2009-10
- In addition, the shortfalls in Privately-funded Needs-based Awards & Bursaries will be covered using Carry Forward Funds in 2009-10
 - Undergraduate = \$1.3M
 - Graduate = \$326K

Recommendations for Support Units (Table 11)

Support Unit Budget Recommendations Differential Additional Base Reductions

Police	-0.5%
Physical Plant	-0.5%
ITS	-0.8%
Registrar's Office	-1.0%
Human Resources	-1.2%
SGPS, IPB, R&DS	-1.5%
VP External Portfolio	-1.5%
OOP, Secretariat	-1.5%
TSC, Libraries	-2.0%
Vice-Provost (APPF)	-2.0%
Internal Audit	-2.1%
Financial Services	<u>-2.2%</u>
Total/Average	-1.5%

Allocations to the Support Units that Apply in 2009-10

- UPIF from Rounds 1 and 2 (\$530K)
 - Table 11, Column <c> -- details in Table 6
- One-time Funding (\$1.2M)
 - Table 7

- 100% of Staff Exit Costs funded Centrally

University-wide Expenditures (Table 12)

University-wide Expenditures for 2009-10

- Lower Utilities Costs due to new Price Agreement on Natural Gas
- Library Acquisitions increases by \$250K
- MMI Transfer fixed at 2008-09 level of \$10.25M
- FFICR Transfer to Capital reduced from \$3M to \$0
- Information Technology Infrastructure Fund increases by \$495K
 - Supports central IT Infrastructure -- networks, wireless technologies, computer labs, instructional software applications, and central university databases

One-Time Expenditures (Table 13)

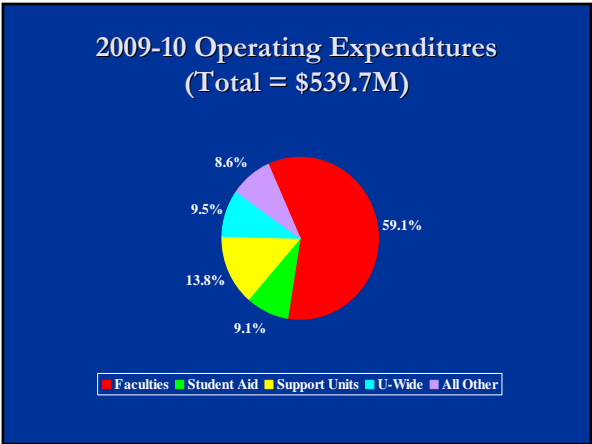
One-Time Expenditures for 2009-10

■ Staff and Faculty Exit Costs	\$ 6.00M
■ CFI Matching	\$ 3.50M
■ Maintain Teaching Capacity and Program Delivery	\$ 2.05M
■ DSIG	\$ 1.04M
■ Flow through of Robarts Revenues	\$ 4.37M
■ Expansion of Medical Programs	\$ 4.10M
■ Clinical Education Funding	\$ 2.00M
■ All Other	<u>\$ 5.27M</u>
■ Total	\$28.33M

Summary of Operating Budget and Operating Reserve (Tables 14 and 15)

Summary of Operating Budget

■ 2009-10 Revenues	\$526.4M
■ 2009-10 Expenditures	\$539.7M
■ In-Year Deficit	\$ 13.3M
■ Operating Reserve	
■ 2008-09	\$28.2M
■ 2009-10	\$14.9M
■ Operating Reserve Forecast for 2010-11	=\$2.5M



Capital Budget (Tables 22 to 32)

Overview of 2009-10 Capital Budget

- Supports Long-Range Space Plan
 - Total Spending of \$75.1M (Table 22)
- \$7.8M for New Construction (Table 25)
 - Final stages of Student Services Building and Lassonde Pavilion
- \$31.5M for Major Renovations (Table 25)
 - Stevenson and Lawson Halls, UCC Renovations, Services Building for FIMS, B&G Renovations, IT Network Infrastructure Upgrades, Physics & Astronomy Renovations

Federal & Provincial Infrastructure Funding

- \$2B Committed by the Federal Government for PSE Infrastructure in Canada
- Province to Match Federal Commitment
- Details not yet known
- We are hopeful that the Allocation to Western would give us flexibility to move forward with Priority Projects
 - Physics & Astronomy Building Renovations
 - Renovate Services Building for FIMS

Overview of 2009-10 Capital Budget

- \$35.7M for All Other Capital Expenditures (Tables 26 to 28)
 - Utilities and Infrastructure
 - Modernization of Instructional/Research Facilities
 - General Maintenance and Modernization
 - Ancillary Projects
 - Carrying Costs and Debt Repayment

The University of Western Ontario

2009-10 Operating and
Capital Budgets

Questions??

