



**MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS**

**November 20, 2014**

The meeting was held at 1:15 p.m. in Room 4155 Stevenson Hall.

PRESENT: Mr. C. Shah, Chair  
Ms. I. Birrell, Secretary

Dr. S. Armstrong  
Dr. C. Beynon  
Dr. J. Capone  
Dr. A. Chakma  
Ms. K. Cole  
Dr. R. Darnell  
Mr. J. English  
Ms. L. Gainey  
Ms. S. Grindrod  
Mr. H. Hassan

Mr. P. Jenkins  
Mr. J. Knowles  
R. Konrad ☞  
Ms. G. Kulczycki  
Mr. M. Lerner  
Mr. B. Power  
Mr. T. Sutherland  
Dr. B. Timney  
Dr. J. Toswell  
Ms. J. Vanderheyden  
Mr. M. Wilson

☞ *Participated via telephone*

By Invitation: M. Belanger, H. Connell, S. Fazilat, S. Jarrett, T. Keenleyside, L. Koza, L. Logan,  
A. Mandich, J. O'Brien, A. Weedon

BG.14-98 **REPORT OF THE PRESIDENT**

The President's Report, distributed with the agenda, included the following topics: government matters, U-15 and ACU update, leadership update, second Cluster of Research Excellence created, Western named Top-100 Employer for second consecutive year and the President's activities since the September 23, 2014 Board meeting.

BG.14-98a **Analysis of the Maclean's Magazine University Rankings for 2015**

Dr. Chakma presented an analysis of the *Maclean's Magazine* University rankings for 2015. The rankings are based on information from a number of data sources, such as Statistics Canada and federal research grant agencies, as well as survey responses gathered from university officials, high school principals and guidance counselors, CEOs and corporate recruiters across Canada. Overhead slides used to highlight his presentation are attached as [Appendix 1](#).

Discussion included the following points:

- Maclean's process may be flawed but the results are carefully scrutinized by the public
- a change in measures occurred between 2006 and now. Rankings were once focused on quality of students and student experience and now the focus is more on research
- it is important to follow the trends and input measures that have value to Western. For example, it is good for Western to have more research funding and more faculty awards and if Western improves its performance in these areas, the rankings improve
- Western has no control over the data used; the U15 universities have withdrawn their participation, consequently Maclean's gathers data elsewhere from public sources

BG.14-99 **UNANIMOUS CONSENT AGENDA** [Appendix I]

It was moved by T. Sutherland, seconded by S. Grindrod,

That the 13 items, excluding item 11. Communications & Public Affairs Report, listed in Appendix 1, Unanimous Consent Agenda, be approved or received for information by the Board of Governors by unanimous consent.

CARRIED

BG.14-100 **Minutes from the Previous Meeting**

The open session minutes from the meeting of September 23, 2014 were approved as circulated.

**REPORT OF THE PROPERTY & FINANCE COMMITTEE** [Appendix II]

BG.14-101 **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:

- CanWest Global Fellowship in Media: Name Change to The Asper Fellowship in Media
- Investment Committee Report
- Budget Indicators for Previous Year
- Financial Performance Indicators
- Report on Endowments
- New and Revised Scholarships and Awards

**REPORT OF THE SENIOR OPERATIONS COMMITTEE** [Appendix III]

BG.14-102 **Information Items Reported by the Senior Operations Committee**

The Report of the Senior Operations Committee, detailed in Appendix III, contained the following items that were received for information by unanimous consent:

- Membership of the University Discipline Appeals Committee
- Annual Report on the Code of Student Conduct

**REPORT OF THE AUDIT COMMITTEE** [Appendix IV]

BG.14-103 **New MAPP 1.53 – Student Safety Abroad**

It was moved by P. Jenkins, seconded by M. Wilson,

That MAPP 1.53 – Safety Abroad (Appendix IV, Annex 1) be approved with an effective date of November 20, 2014.

CARRIED

BG.14-104 **Retirement Income Fund Program Recommendation**

*[Declaration of a Conflict of Interest: H. Hassan]*

It was moved by J. Knowles, seconded by T. Sutherland,

That the Board of Governors approve the discontinuation of the Western Retirement Income Fund program and approve a contract with Sun Life Financial Trust and Sun Life Assurance Company of Canada for the delivery of Retirement Income Fund financial products for retired and retiring members and former members of the University Pension Plans, under a 10-year contract, with two five-year contract renewals at Western's option.

Ms. O'Brien, Associate Vice-President (Human Resources), provided an overview of the proposal detailed in Appendix IV, Annex 2, noting that the move to an external provider will provide Western's retirees and former employees with a high-quality investment management service at fees lower than the current plan.

Ms. Koza and Mr. Belanger, from Western's Pensions and Benefits group, gave brief presentations about the history, Request for Proposal process, investment options and the communications plan. Moving forward, the implementation timeline is such that new retirees could choose the preferred provider as of May 1, 2015; current RIF members could move their portfolio May 1, July 1, or December 1, 2015. Overhead slides used to highlight their presentations are attached as [Appendix 2](#).

The Chair thanked those involved in this process for their time and efforts. Dr. Chakma thanked the Board for their input and contributions as well.

Dr. Darnell stated her intent to abstain from voting on the recommendation, not because of the product, but because of the issues around the communication of the proposed changes to current and potential members of the RIF. She hoped that lessons had been learned about how to manage such issues in the future.

The question was called and CARRIED  
[Abstention: R. Darnell]

**REPORT OF THE FUND RAISING AND DONOR RELATIONS COMMITTEE** [Appendix V]

BG.14-105 **Information Item Reported by the Fund Raising and Donor Relations Committee**

The Report of the Fund Raising and Donor Relations Committee, detailed in Appendix V, contained the following item that was received for information by unanimous consent:

- Campaign Activity Summary for the Period Ending October 31, 2014

BG.14-106 **Communications and Public Affairs Report**

BG.14-106a **Western's New Coat of Arms**

Ms. Connell, Associate Vice-President (Communications & Public Affairs), provided background information on the development of Western's new Coat of Arms and Crest detailed in Appendix V, Annex 2, Appendix 1, noting that throughout the process Western worked with the Canadian Heraldic Authority to redesign and simplify the Coat of Arms to better enable smaller reproductions. The new coat of arms electronic "vector" rendering was created by Creative Services based on the Canadian Heraldic Authority painting.

**ITEMS REFERRED BY SENATE** [Appendix VI]

BG.14-107

**MAPP 2.10 – Scholarships, Awards and Prizes – Definitions and Approval Process**

It was moved by T. Sutherland, seconded by S. Grindrod,

That the amendment to the Scholarships, Awards and Prizes – Definitions and Approval Process Policy (MAPP 2.10) as shown in Appendix VI, Annex 1 be approved, as recommended by Senate.

CARRIED (by Unanimous Consent)

BG.14-108

**Information Item Referred by Senate**

Appendix VI, Items Referred by Senate, contained the following item that was received for information by unanimous consent:

- Report of the Academic Colleague

*The meeting adjourned to the closed session.*

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C. Shah  
Chair

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I. Birrell  
Secretary



### Medical/Doctoral Rank

	Rank
2006	5
2009	9
2013	11
2015	8



### Student Body

	Ent. Avg.	Retention	Int. UG
2006 (5)	87.9 (3)	96.5 (2)	6.5 (9)
2009 (9)	86.0 (11)	91.1 (4)	5.4 (25)
2013 (11)	87.6 (7)	93.2 (3)	6.9 (23)
2015 (8)	89.3 (2)	93.2 (3)	11.0 (17)



### Student Awards

1	McGill	10.4
2	UBC	10.1
3	Queen's	7.7
4	Toronto	7.4
5	Dalhousie	6.6
6	Alberta	5.9
7	McMaster	5.7
8	Ottawa	5.2
9	Calgary	5.1
10	Montréal	4.9
11	Western	4.6
*12	Laval	4.4
*12	Sherbrooke	4.4
14	Manitoba	3.9
15	Saskatchewan	3.0



### Student/Faculty Ratio

1	UBC	13.7	9	Alberta	21.4
2	Dalhousie	15.6	10	Laval	22.2
*3	Saskatchewan	16.0	11	Western	23.3
*3	Sherbrooke	16.0	12	Montréal	25.5
5	Manitoba	16.5	13	Ottawa	26.7
6	Calgary	16.8	14	Toronto	26.9
7	McGill	17.9	15	Queen's	28.0
8	McMaster	19.0			



### Budget

1	Alberta	\$15,601
2	Saskatchewan	15,423
3	UBC	15,102
4	Dalhousie	14,611
5	Manitoba	14,242
6	Calgary	14,137
7	Toronto	13,465
8	McMaster	13,056
9	Ottawa	12,009
10	Western	11,455
11	Queen's	11,381
12	McGill	11,105



### Total Research Grants

1	Toronto	\$457,063
2	McGill	281,433
3	Montréal	276,135
4	Alberta	249,556
5	Queen's	240,798
6	UBC	236,359
7	McMaster	234,547
8	Laval	228,467
9	Ottawa	228,209
10	Calgary	222,872
11	Western	206,540
12	Dalhousie	154,335



### Faculty Awards

1	Toronto	10.4			
2	Queen's	9.5	*9	Calgary	3.3
3	Alberta	7.9	*9	Ottawa	3.3
4	McGill	7.7	*11	Laval	2.9
5	UBC	7.3	*11	Western	2.9
6	Montréal	6.2	13	Sherbrooke	2.3
7	McMaster	5.6	14	Saskatchewan	1.9
8	Dalhousie	5.2	15	Manitoba	1.7
1	Waterloo	5.7	1	Saint Mary's	4.9
2	Simon Fraser	4.9	2	Mount Allison	4.2
3	Victoria	4.2	3	Trent	4.1
4	Carleton	3.1	4	UNBC	3.2
*5	UQAM	3.0			
*5	York	3.0			



### Faculty Awards Rank (#)

	Western	Ottawa	Calgary
2006	13 (3.2)	7 (5.5)	12 (3.5)
2009	10 (3.6)	6 (7.1)	11 (3.2)
2013	11 (3.2)	6 (5.6)	10 (3.3)
2015	11 (2.9)	9 (3.3)	9 (3.3)



### SSHRC Awards

1	McGill	\$15,910	37.23	9	Queen's	7,312	20.33
*2	Ottawa	13,525	26.41	10	Alberta	6,966	17.94
*2	Toronto	11,688	30.05	11	Western	6,671	14.62
4	McMaster	14,934	22.74	12	Manitoba	7,056	11.90
5	Montréal	11,570	25.98	13	Saskatchewan	6,555	11.05
6	UBC	12,321	23.37	14	Calgary	4,418	14.39
7	Dalhousie	10,744	18.93	15	Sherbrooke	3,151	8.41
8	Laval	10,962	17.09				
1	Waterloo	\$13,785	27.91				
2	Simon Fraser	10,726	22.45				
3	Victoria	9,077	18.70				
4	York	8,775	14.86				
5	Carleton	7,084	17.86				



### SSHRC Grants

	\$	#	Rank
2001	5,225	21.31	10
2006	10,873	21.13	8
2009	8,329	20.00	10
2013	6,736	17.20	11
2015	6,671	14.62	11

Toronto \$9825 (2001) to \$11,688 (2015) ;  
UW \$4455 (2001) to \$13785 (2015)



### Med/Sci Grants


1	Toronto	\$186,236	193.32
2	McGill	133,579	144.40
3	Queen's	132,257	134.97
4	UBC	118,767	128.29
5	Western	99,526	143.00
6	Laval	106,668	110.32
7	Alberta	89,227	120.32
8	Montréal	95,442	111.17
9	Ottawa	91,786	99.03
10	McMaster	81,718	66.41
11	Dalhousie	68,979	78.01
12	Calgary	53,527	73.54



### Medical/Science Grants

	\$	#	Rank
2001	71971	140.25	7
2006	82330	128.52	10
2009	78972	127.8	9
2013	76517	113.51	9
2015	99526	143.00	5

Toronto \$95061 (2001) to \$186,235 (2015);  
Queen's \$72,153 (2001) to \$132,257 (2015)




### Highest Quality

- 1 McGill
- 2 Toronto
- 3 UBC
- 4 Waterloo
- 5 Queen's
- 6 McMaster
- 7 Alberta
- 8 Western
- 9 Simon Fraser
- 10 Dalhousie
- 11 Victoria
- 12 Montréal



### Most Innovative

- 1 Waterloo
- 2 Toronto
- 3 UBC
- 4 McMaster
- 5 McGill
- 6 Ryerson
- 7 Alberta
- 8 Queen's
- 9 Guelph
- 10 Western
- 11 Simon Fraser
- 12 Victoria



### Leaders of Tomorrow

- 1 Waterloo
- 2 UBC
- 3 Toronto
- 4 McGill
- 5 Alberta
- 6 Ryerson
- 7 McMaster
- 8 Queen's
- 9 Simon Fraser
- 10 Montréal
- 11 Laval
- 12 Western




### Best Overall

- 1 Waterloo
- 2 UBC
- 3 Toronto
- 4 McGill
- 5 Alberta
- 6 McMaster
- 7 Queen's
- 8 Ryerson
- 9 Western
- 10 Simon Fraser
- 11 Montréal
- 12 Guelph



### Leaders of Tomorrow

	Western	Ryerson	Calgary
2001	18	10	12
2006	15	11	9
2009	16	14	13
2013	21	10	14
2015	12	5	13





## Proposed Preferred Provider for RIF Program

Board of Governors  
November 2014



Human Resources

### Important Information

- This presentation and handout are intended to inform Audit Committee members and Governors on aspects of Western's current RIF program, and on features that would be available members if our recommendation to contract with a preferred external provider is accepted.
- Information about specific features of the preferred provider RIF are provided in as much detail as possible. While we have substantial completed our research and clarification of the product and services, **some of these features are not yet finalized and may change. Following approval of this recommendation by Board of Governors, a contract will be finalized and signed.**
- For these reasons, this information should be viewed as proposals to enable discussion and approval, and **subject to change prior to any final contractual agreement.**



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### Recommendation

- Discontinuation of Western Retirement Income Fund program.
- Contract with Sun Life Financial Trust/Assurance Company of Canada for the delivery of RIF products, to be made available to retired and retiring members of the pension plans
  - 10 year contract with two five-year term renewal options



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### Western RIF Program

- A service introduced in 2000 as one of the income payment options available to retiring members of the pension plans.
- Not optimal design due to investment, tax and securities regulation constraints
- Improvements not possible since Western not a Financial Institution
- Membership trend to choose external options



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### Request for Proposals

- **Goal: an optimal external solution to compare with our RIF.**
  - Organization currently in the RIF/LIF business
  - High quality investment options
  - Competitive fees
  - Experience with transitions of large plans and able to provide smooth transition for our members
  - Resources and services that meet or exceed existing levels



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### Sun Life

- A nationally recognized financial institution, experienced in working with educational organizations.
- Collaborated with Western in professional and transparent manner throughout two-month clarification period.

### Features

- **Fair fee structure**
  - Fees at equal or lower cost for most RIF members
  - Long-term fee guarantee protects members from future fee increases
    - Same fee structure for all entering in next 10 years
    - Those fees guaranteed for life
  - Fees and guarantees apply to any other assets transferred in, including non-registered
  - Spouse/partner may enter with same fee structure
  - Former members of the Western pension plan and/or RIF may transfer assets to the preferred provider

### Features

- **Quality Investment Opportunities**
  - Substantial replication of most existing and familiar investment choices
  - Addition of some new investment choices that are similar to pension plan options plus new choices specific to decumulation phase
  - Daily valuation and update of member investment accounts
  - On going monitoring and input from Western investment professionals

### Features

- **Quality Client Service for our RIF Members**
  - Dedicated client service from licensed Retirement Consultants with expertise in supporting those in the post-retirement stage.
  - Availability of additional financial advice for managing all family financial decisions
  - One-on-one and group meetings in London, unlimited phone consultations
  - Option for annuity purchases at group prices and with no commission

### Features

- Enhanced on-line technology, education and planning tools
- Detailed investment management reporting: monthly, quarterly and yearly including manager reviews, holdings and comparative analysis
- Optional for members – automatic rebalancing of accounts to ensure investments remain appropriately allocated between bonds and equities

### Features

- **Other benefits**
  - Non-Canadian residents may enter and remain in plan
  - Continued access to Western HR Pension and Benefit Consultants during the transition period

## Ongoing Monitoring and Oversight

- Western will continue to monitor the investment performance and manager updates on quarterly basis.
- Provider has agreed to input from Western investment professionals in the on-going selection and review of quality investment managers and fund selection throughout the contract.
- Western will monitor and provide input on client services, education sessions and other activities.

## Investments and Associated Fees

## Investment Options

Fund Class	Funds	RIF	Pension Plan	Proposed RIF
Equity	Canadian Diversified	✓	✓	✓
	US Hedged - passive	✓	✓	✓
	US Unhedged - passive	✓	✓	✓
	Non-North American	✓	✓	✓
	Socially Responsible	✓	✓	✓
Fixed-income	Canadian Bond – passive	✓	✓	✓
	Long Term Bond – passive	✓	✓	✓
	Target Date Funds <sup>2</sup>	✓	✓	✓
	Money Market	✓	✓	✓
	Liquidating Trust <sup>1</sup>	✓	✓	✓
	Diversified Bond		✓	✓
	GICs		✓	✓
	Asset Allocation	Balanced / Target Risk Income		✓

<sup>1</sup> A Money Market Fund will be offered in place of the Liquidating Trust. Both are similar in terms of risk and return.  
<sup>2</sup> A Target Date Funds solution is being investigated in the clarification stage of the RFP process.

## Investment Fees

Funds	Western Total Embedded Fees <sub>1</sub> (2013 Avg)	Proposed RIF Total Fees (Sept 2014)	Notes:
Canadian Equity	0.32%	0.38%	<sup>1</sup> In addition to these fees, Western RIF members pay an annual administration fee (\$1,250 in 2014)
Diversified Equity	0.54 <sup>5</sup>	0.58	
US Equity Hedged - passive	0.18	0.21	
US Equity Unhedged-passive	0.18	0.15	
Non-North American Equity	0.77	0.77	
Socially Responsible	0.89	0.64	<sup>2</sup> Fee is based on a calculation of 60% of the proposed Money Market Fund plus 40% of the proposed Canadian Bond Fund
Canadian Bond – passive	0.11	0.15	
Long-term Bond – passive	0.11	0.17	<sup>3</sup> Liquidating Trust will not be replicated. Fee is based 100% on the proposed Money Market Fund
Target Date funds x 3	0.08	0.13 <sup>2</sup>	
Money Market	0.07	0.11	<sup>4</sup> Fee range is based on the appropriate combinations of the proposed Diversified Bond Portfolio and the proposed Diversified Equity Portfolio.
Liquidating Trust	0.17	0.11 <sup>3</sup>	
Diversified Bond	0.39	0.26	
GICs		0.00	<sup>5</sup> Fee is based on the 2014 asset mix.
Balanced / Target Risk	0.44-0.45	0.35-0.48 <sup>4</sup>	

## Western RIF – Impact of Flat \$ Fee

	Based on the annual charge of \$1,250	
	Account size	Admin Fee as % of account
• Western RIF members pay flat administration fee on top of the embedded fees	\$2,400,000	0.05%
	1,500,000	0.08
	1,000,000	0.12
• Can be significant for smaller account	750,000	0.16
	500,000	0.24
	200,000	0.60

## Stakeholder Feedback

- 3 information sessions for RIF members and 3 information sessions for Pension Plan member
- 3 meetings with Employee Union/Associations
- Over 300 participated
- Follow-up phone calls – positive response
  - Most say concerns addressed:
    - Fees (will be same or lower)
    - Service levels (addressed in contract and includes London one-on-ones)
    - Need to make confusing investment decisions (funds are substantially replicated)
    - Just like to know Western is looking after my plan (we will continue to monitor funds, managers and performance)

### Implementation Timeline

- New retirees could choose preferred provider as of May 1, 2015, subject to third party negotiations.
- Current RIF members may move May 1, July 1 or December 1, 2015.

### Recommendation

That the Board of Governors approve the discontinuation of the Western Retirement Income Fund program and approval of a contract with a Sun Life Financial Trust and Sun Life Assurance Company of Canada for the delivery of Retirement Income Fund financial products for retired and retiring members and former members of the University Pension Plans, under a 10-year contract, with two 5-year contract renewals at Western's option.

