



Minutes of the Board of Governors Meeting June 12, 2017

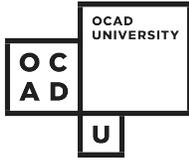
Minutes of the regular meeting of the Board of Governors (Board) of the Ontario College of Art and Design University (OCAD U) held in Room 322, 3rd Floor Boardroom, 230 Richmond Street West at 4:15pm on the 12th day of June, 2017.

Present: Alvaro Araya, Sara Diamond (President)(joined the meeting at item 3), Myrna Francis, Tracy Gordon (joined the meeting via teleconference during item 2), Eric Hanson, David Holland (Vice Chair and Audit, Finance & Risk Committee (AFRC) Chair), Helen Kearns, Ryan Murphy, Charles Reeve, Mark Robert, John Semple (Board Chair), Virginia Trieloff, Jaime Watt, Carol Weinbaum (Physical Resources and Capital Assets Committee (PRCAC) Chair)(all items except 10(2)), and Sylvia Whitton.

In Attendance: Carole Beaulieu, Vice-President, Advancement & Board Secretary (VP A&BS)(all items except 1-3); Nicky Davis, Director, Human Resources (items 1-10 only); Valerie De Souza, Manager, University Governance (all items except 2-3); Peter Fraser (Director of Finance)(items 8-10 only); Robert Luke, Vice-President, Research & Innovation (VP R&I)(items 5-10 only); Gillian (Jill) Siddall, VP, Academic & Provost (VP A&P)(items 5-10 only), Alan Simms, Vice-President, Finance & Administration (VP F&A)(items 5-12 only); OCAD U Student Union Executive: Nicholas Smith, Manager of Finance; Lizz Aston, Director of Operations; Leif Gifford, Director of Campaigns & Advocacy;, Khadija Aziz, Director of Diversity & Equity;, Jaycee Tu, Director of Academic Affairs (items 5-10 only) and, other members of the OCAD U community.

Creative City Campus Architects (CCC Architects) (item 12 only) – Scott Lee, Project Lead/Manager (Morphosis); Chris Radigan, Primary Project Lead/Manager (Teeple); and Stephen Teeple, Primary Principal (Teeple).

Regrets: John Albright, Salah Bachir, Andre DeFreitas, Bob Finlay, Claude Galipeau, Sharifa Khan, Raja Khanna, Lanita Layton, Idris Mootee, Paul Rowan, and Daniel Sawaya.



1. Welcome and Constitution of Meeting

Dr. John Semple, Board Chair, welcomed members to the meeting, which was duly constituted with quorum present.

He acknowledged the ancestral and traditional territories of the Mississaugas of the New Credit, the Haudenosaunee, the Anishnabe and the Huron-Wendat, who are the original owners and custodians of the land on which OCAD U stands.

On motion made by David Holland, seconded by Myrna Francis, and adopted, it was resolved that the Board of Governors take the meeting *in camera* at 4:16pm.

2. 2016/2017 Annual Presidential Performance Review (without the President)

Confidential materials were distributed to Board members in advance of this meeting directly from the HR Director. The Board met with the HR Director and without the President to review the 2016/2017 performance report of the President. The Board Chair, on behalf of the Executive Committee, informed the Board of the general outcomes of the President's performance review for the year, and discussed her performance without the President.

3. 2016/2017 Annual Presidential Performance Review (with the President)

The Board Chair welcomed Dr. Sara Diamond, President to the meeting and led the discussion on the President's performance review providing the President with the Board's feedback.

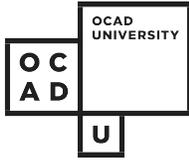
Following the discussion, the Board Secretariat was asked to join the meeting.

4. Academic Matters

A confidential briefing note was distributed at the table.

The President spoke to the process and due diligence conducted to support her recommendation of these matters and then the Board made a decision.

On motion made by Ryan Murphy, seconded by Myrna Francis, and adopted, it was resolved that the Board of Governors take the meeting out of *in camera* at 5:18pm.



5. Chair Remarks for Public Portion of Meeting

The Board welcomed everyone to the public portion of the last Board meeting of fiscal year 2016/2017. He then reported on the results of the recent Board elections noting that at the last Board meeting, the call for nominations was opened for the internal Board positions of Permanent Manager and Permanent Staff, each for a two-year term commencing July 1, 2017. He reported that the incumbents have been acclaimed into their positions for a second term, specifically:

- Andre De Freitas, Manager, Financial Aid & Awards in the Permanent Manager position; and
- Alvaro Araya, Senior Infrastructure Operations Analyst in the Permanent Staff position.

6. Consent Agenda Items

The following consent agenda materials were distributed in advance of the meeting:

Consent Agenda Table of Contents

(1) Summary of pending action items

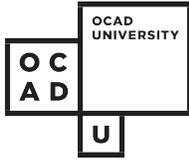
Consent Agenda Decision Items:

- (2) Approval of minutes of May 1, 2017 Board of Governors meeting
- (3) Approval of 115 McCaul Phase 2 tender award contract
- (4) Approval of Bachelor of Fine Arts in Creative Writing Program
- (5) Approval of Board Schedule of Meetings and Governance Workplan for 2017/2018

Consent Agenda Information Items:

- (6) Information report from the President
- (7) Information report from the Vice-President, Academic & Provost
- (8) Information report from the Vice-President, Advancement & Board Secretariat
- (9) Information report from the Vice-President, Finance & Administration
- (10) Information report from the Vice-President, Research & Innovation
- (11) Information report from Senate Chair

On motion made by Myrna Francis, seconded by Ryan Murphy, and adopted, it was resolved that the Board of Governors approve the consent agenda decision items, including the minutes of the May 1, 2017 regular meeting of the Board of Governors, and to accept the consent agenda information reports, as presented.

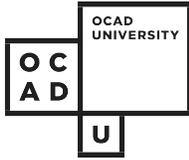


As a result, in addition to the approval of the minutes, Board made the following consent decisions:

- **approval of the award of the contract for renovation of 115 McCaul (Phase 2) to Harbridge and Cross Ltd for \$5,736,000 (exclusive of HST), as recommended by the Audit, Finance and Risk Committee;**
- **approval of the Bachelor of Fine Arts in Creative Writing Program, based on the financial projections as presented, and as recommended by the Audit, Finance and Risk Committee and as approved by Senate as to its academic program and content on May 24, 2017 and further subject to the requisite ministerial approvals; and**
- **approval of the schedule of Board and Committee meetings and the Board governance workplan for 2017/2018, as presented.**

7. Executive Compensation Framework Update

The Board Chair provided an oral update to the Board on the process for the executive compensation framework. He noted that as previously reported to the Board, the Broader Public Sector (BPS) Executive Compensation Framework requires BPS employers (which includes universities) to develop a compensation program for executive positions which contains specific compensation restraint measures, and once the new program is adopted, allows for the lifting of the legislated compensation freeze for executives which has been in place since 2010/11. He noted that OCAD U struck a working group consisting of the Chair and Vice-Chairs of the Board to address this matter, working with consultants, Gallagher McDowall, and the Human Resources Department. He reported that this group has been working actively on this project and will bring its draft plan to the Executive Committee of the Board, and then to the full Board for approval followed by the public posting and consultation period. He stated that the Treasury Board has slowed down the process for public posting and recently announced changes to the framework (more specific restrictions on the salary treatment of incumbents) and a requirement for approval of all plans by the overseeing ministry – the Ministry of Advanced Education & Skills Development (MAESD) in OCAD U's case – by September 29, 2017. He concluded his remarks noting that OCAD U's working group will address the new requirements in its draft executive compensation plan, review it with the Executive Committee of the Board and submit it to MAESD for review and approval by the new deadline and once deemed acceptable by the government, then the draft plan would be brought to the Board for approval followed by public posting.



8. President's Report

(1) Review of 2016/2017 4th Quarter (Q4) Institutional Scorecard Results

The President provided the Board with comments on the items of the institutional scorecard that were marked red or yellow with additional explanatory comments from her Executive Team members as appropriate.

(2) Approval of 2017/2018 Institutional Scorecard

The President noted that she reviewed the details of the 2017/2018 institutional scorecard during her *in camera* item 3 discussion with the Board, but she added some more explanatory comments on some of the annual objectives/goals with members of her Executive Team.

The Board discussed next year's scorecard and asked for an addition of a goal tracking management's response to the student experience.

On motion made by Myrna Francis, seconded by David Holland, and adopted it was resolved that the Board of Governors approve the 2017/2018 institutional scorecard, as presented with the addition of the student experience objective.

(3) Update on Strategic Mandate Agreement

As the Board meeting was behind schedule, no additional information was provided on this matter.

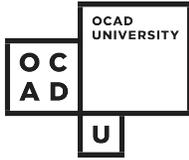
9. Audit, Finance and Risk Committee (AFRC) Report

The AFRC Chair introduced this item noting that AFRC met on June 1, 2017 to review all these matters and that briefing materials were distributed in advance for all these component reports.

Discussion Reports:

(1) Vice-President, Finance & Administration Overview

The VP F&A provided a few opening comments noting that the new debt financing strategy, approved at the last Board meeting, has enabled opportunities for the capital projects to move forward. He also noted that the Remedial Action Plan (RAP) is difficult, but achievable.



He noted that this overview report is a new feature of Board meetings with an opportunity for Board members to speak to the VP F&A in advance of meetings to ask more questions of him or to seek clarification on the materials.

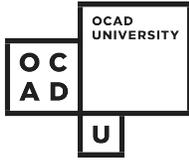
(2) Pilot Project on Interest on Overdue Accounts Report and Policy Approval

The Director of Finance provided the Board with an update of the objectives of the pilot project on interest on overdue accounts policy and noted some highlights of the results report analyzing the data of the pilot project on student receivables and interest on overdue balances. He reviewed the conclusions of the pilot project noting that the objectives were met in improvements to fairness and cashflows.

Leif Gifford, Director of Campaigns & Advocacy, OCAD Student Union (OCADSU), spoke to the Board about the recommendations previously raised by OCADSU in the OCADSU Money Matters Report as well as noting their disappointment that international students are still having increased late/interest fees. She noted that management has informed OCADSU that the Financial Aid & Awards Office has met with some affected students to establish payment plans, but there is not a universal, equitable plan to address all these affected international students. The Director of Finance noted that with the increase in international student fees approved by the Board last year, there was also an approval of a portion of the international fees being set aside for international student bursaries. The Board discussed this matter and then made a decision.

On motion made by David Holland, seconded by Myrna Francis and adopted, it was resolved that the Board of Governors approve, effective Fall 2017 Academic Term, the implementation of an interest on overdue student account balances of 1.25% per month beginning the first month after the applicable term payment deadline and interest to be capped after the end of the each year's winter term, as recommended by the Audit, Finance and Risk Committee.

ACTION: The Board asked management to provide an update on what management is doing to communicate with international students about the payment of their tuition fees and what the student uptake is at a future Board meeting.



(3) Review of 2017/18 Remedial Action Plan

The VP F&A provided the Board with highlights of the 2017/18 RAP with the aid of a PowerPoint presentation for information.

(4) Executive Training Initiative Next Steps

The AFRC Chair introduced this item noting that the ad hoc special committee to be created for this initiative is just an advisory committee and not a decision-making body. The VP F&A and VP R&I provided some comments on the process and plan forward for this initiative.

The Board discussed this matter, including:

- the composition of the ad hoc special committee being comprised of external and internal members and persons with expertise in the area;
- that there is a bright line of the role of the ad hoc special committee so that there is no creep into management's jurisdiction by the board on this initiative; and
- concerns with risk/reward of this initiative and effects on current staff balanced by the need to slow down the progress on this initiative to get more market research and a rigorous development of next steps.

The AFRC Chair noted that OCAD U is in need of additional sources of revenue and the AFRC has reviewed this initiative carefully as well as management's planned next steps and is supportive of this recommendation.

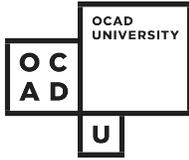
On motion made by David Holland, seconded by Myrna Francis and adopted, it was resolved that the Board of Governors approve:

- (i) the creation of the Ad-Hoc Special Committee on Executive Training initiative reporting to the Board of Governors, as recommended by the Executive Committee on the recommendation of the Audit, Finance and Risk Committee; and,**
- (ii) the allocation of seed funding in the amount of \$500K in accordance with the financing strategy approved in principle at the May 1, 2017 Board of Governors meeting.**

Consent Information Report:

(5) Project Chroma (Enterprise Resource Planning) Update Report

This information report was received without comment.



(6) Statutory Government Remittance Report

This information report was received without comment.

10. Joint AFRC and Physical Resources & Capital Assets Committee (PRCAC) Report

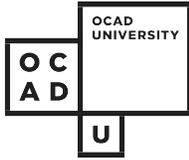
The AFRC Chair, who acted as the Chair of the Joint AFRC/PRCAC Meeting on June 1, 2017, provided a brief introduction of this matter.

(1) Approval of Joint Venture for 205 Richmond St. W.

The VP F&A provided the Board with some highlights of the joint venture transaction for 205 Richmond St. W. with Hullmark Inc. noting the benefits and efficiencies of mirroring the existing joint venture transaction with Hullmark Inc. for the 230/240 Richmond St. W. property. The Board discussed this matter, including the other options considered and the reasons why this is the best option and with the best partner. The AFRC Chair added that this option keeps the university's debt levels at manageable amounts. The PRCAC Chair added that Hullmark Inc. will also be taking over the additional deferred maintenance costs required to improve the functioning of this old building, which is an added benefit. Then the Board made a decision.

On motion made by David Holland, seconded by Myrna Francis and adopted, it was resolved that the Board of Governors approve the conveyance of a 50% joint venture interest in 205 Richmond St. (the "Property") to Hullmark Inc. as presented, and as recommended by the Audit Finance and Risk Committee and the Physical Resources & Capital Assets Committee and specifically:

- 1. the Joint Venture Agreement that effects a 50% conveyance in the Property to Hullmark Inc. for consideration of \$10.9 million and the creation of the 205 Joint Venture;**
- 2. the lease of the Property by the 205 Joint Venture to OCAD U initially at a net base rent of \$11.75 per square foot, for a term of 20 years with options to renew for an additional 30 years; and**
- 3. the Asset Manager and Property Management Agreements pursuant to which Hullmark Inc. would become responsible for addressing issues arising with the Property that are not part of the lease (i.e. exterior elements).**



(2) Approval of Campus for the Connected World (Waterfront) Proposed Acquisition

Carol Weinbaum left the meeting for the discussion of this item as she had previously declared a conflict of interest on the Waterfront property.

The VP F&A provided the Board with highlights of the proposed acquisition of the Waterfront property, which has attracted \$2.5M in funding from the Federal Government's Strategic Investment Fund, including a backup plan for the property.

On motion made by David Holland, seconded by Helen Kearns and adopted, it was resolved that the Board of Governors approve:

(i) the purchase of Unit 401 from Daniels Waterfront Corporation of commercial space on the fourth floor of the Daniels City of the Arts south tower at 130 Queens Quay East (the "subject property"), as presented; and

(ii) the fit-up of the subject property in an amount not exceeding \$4.4M, as presented,

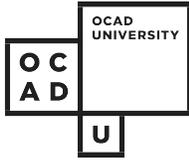
as recommended by the Audit, Finance and Risk Committee and the Physical, Resources & Capital Assets Committee.

11. Other Business

This matter was deferred to the end of the meeting and the next item discussed was item 12.

The Board recognized departing Board members, Tracy Gordon and Ryan Murphy, and thanked them for their service on the Board.

On motion made by Mark Robert, seconded by Eric Hanson and adopted, it was resolved that the meeting be taken *in camera* at 6:40 pm.



12. Approval of Site Strategy for Creative City Campus (CCC)

The VP F&A introduced the CCC Architects and noted the reasons why this matter is being held *in camera* at this time.

Scott Lee, CCC Architects, provided the Board with information on the site strategy for CCC with the aid of a PowerPoint presentation.

The Board discussed this matter and then made a decision.

13. Termination

On motion made by Sara Diamond, seconded by David Holland and adopted, it was resolved that the meeting be taken out of *in camera* and terminated at 7:30 pm.

[Original Signed]

Dr. John Semple, Board Chair

[Original Signed]

Carole Beaulieu,

Vice-President, Advancement & Board
Secretariat and Board Secretary