



Minutes of a meeting of the Board of Governors held on Tuesday, April 29, 2014 at 4:00 pm in room 301 of the James Administration Building, 845 Sherbrooke Street West, Montreal.

PRESENT:

Arezki, Amine

Boychuk, Michael (by phone)

Butts, Gerald (by phone)

Cobbett, Stuart (*Chair*)

Critchley, Ronald

Fazel, Kathy

Fortier, Suzanne

Gagnier Dan (by phone)

Généreux, Claude (*Vice-Chair*)

Halperin, Stephen

Harpp, David Noble

Haynes, Bryan

Hobday, Tina

Johnson, Juliet

Kalant, David

Larson, Katie

Mooney, Jonathan

Panda, Ram

Price, Cynthia

Roy, Mario

Shrier, Alvin

Steinberg, H. Arnold (*Chancellor*)

Turcotte, Martine (by phone)

Vandal, Thierry

Zorychta, Edith

Resource Persons

Aberman, Susan

Di Grappa, Michael

Dyens, Ollivier

Masi, Anthony C.

Marcil, Olivier

Moreau, Pierre

Strople, Stephen

(Secretary-General)

Edyta Rogowska

(Governance Officer)

Kevin Chan (Deputy

Secretary-General)

Regrets: Samuel Minzberg, Peter Coughlin.

Invited Guest: Mr. Joel Raby, Chair, Investment Committee

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.

7. Approval of the Meeting Minutes (Open session) of February 27, 2014

On a motion duly proposed and seconded, the minutes from the meeting held on February 27, 2014, were approved.

8. Principal's Remarks

The Principal began her remarks with an update on government relations. She informed members that the newly elected Quebec Liberal government included members who had a sound understanding of universities and ties to McGill, including the new Premier and three McGill alumni Ministers. She announced the appointment of Mr. Yves Bolduc as Quebec's new Minister of Higher Education, Research and Science and the Minister of Education, Recreation and Sports, and spoke about the government's intention to table a budget in June. In that regard, the Principal stated that government funding remained uncertain as it was unknown whether the previous government's commitment to reinvest nearly \$1.8 billion in universities between 2015 and 2019 would materialize under the current government. The Principal expressed her intention to continue working with the government in an effort to

equip Quebec universities to compete at the global level. Noting the dissolution of CREPUQ, she underscored the importance for university collaboration on joint advocacy initiatives.

The Principal notified members of an upcoming review of McGill's Regulations on the Conduct of Research, which would update the Regulations according to the highest standards and address ethical values in partnership-driven research. The Principal apprised members of a new working group, which had been established in accordance with the Regulations, and which would be meeting with members of the McGill community as part of the review process. She added that the current review was a good example of the community's involvement in launching an important university initiative.

The Principal shared with members some of her reflections arising from a recent meeting of the Association of Universities and Colleges in Canada, which she had attended at the beginning of April. She spoke about the meeting's key themes, which included aboriginal education, the role of universities in preparing students for a changing economy, investments in university research, national and international student mobility and university-college partnerships.

The Principal shared highlights of a recent meeting of the American Association of Universities, which focused on the development of principles for off-shore activities and the role of universities in the area of technology transfer.

The Principal ended her remarks by congratulating members of the McGill community who had been recently recognized for their accomplishments. She acknowledged eight McGill researchers who had been awarded the Canada Research Chair in their respective fields and noted that four of the Chairs currently held by McGill researchers had been renewed.

The Principal informed the Board of the recognition of members of the McGill community by Canada's Public Policy Forum. These included Rhodes Scholar Erin Freeland Ballantyne, who received the Emerging Leader Award, Alumna Sheila Fraser who was recognized for her contributions to the fields of accounting, legislative auditing and public administration, and Principal Emerita Heather Munroe-Blum, who was recognized for her contributions in higher education, science and technology.

The Principal encouraged members to attend the upcoming McGill Alumni Association Awards Banquet, which would honour graduates and friends of McGill for their outstanding contributions to McGill. She noted that this year's award winners included Governor Emerita Lili de Grandpré and former member of the Board Ann Vroom.

The Principal reminded members of upcoming convocation ceremonies, which were starting on May 27, and encouraged all to attend.

With respect to the upcoming revisions to the Regulations on the Conduct of Research, members discussed the importance of building ethical partnerships, and stressed the need for protecting students as they engage in work activities with parties outside McGill.

9. Principal's Vision and Priorities

[GD13-42]

The Principal explained that since assuming her role as Principal, she had met with various stakeholders of the University community to more fully understand their goals, aspirations and challenges. She then described the process of developing her priorities, which included consultations with members of the McGill community. She noted that as part of next steps she would draft action plans, time frames and evaluation measures.

The Principal provided an overview of her five priorities, noting that they intended to reflect the Community's aspirations:

- a. Student life and learning: Committing to a rich, dynamic learning environment for students;
- b. Research: Creativity and curiosity driving excellence to push the frontiers of knowledge;
- c. Community engagement: Becoming a valued collaborator by being more open and responsive;
- d. Increasing efficiency without compromising accountability by streamlining processes and procedures;
- e. Transforming the University's physical and virtual campus.

In closing, the Principal spoke about McGill's unique character and its strong sense of identity and purpose, which had been developed throughout various academic plans and initiatives. She emphasized the need to build on McGill's strong foundations and express its goals in concrete actions that would take into account current local and global contexts.

In reviewing the Principal's priorities, members noted the importance of building partnerships with hospitals and health networks, and other institutions interested in becoming part of the academic milieu.

Members also discussed the University's efforts to further develop opportunities for generating revenue for early stage research initiatives, which could advance the University's efforts in innovation and research. Noting the challenge to obtain government or industry support for high-risk, high-impact research initiatives, members encouraged the University to explore pathways that could lead to generating financial support through partnerships or fundraising initiatives. Members were informed of some of the interdisciplinary approaches used by IPLAI (Institute for the Public Life of Arts and Ideas) in advancing innovation in teaching and research, and efforts made by the McGill Alumni Association to build engagement and support for collaboration and partnerships.

The Principal informed members of the possibility to obtain some support for early stage research from the federal government through the Canada First Research Excellence Fund. She also informed members of the University's efforts to develop processes that increase agility and efficiency and provide for a long-term talent management plan for administrative and support staff. She specified that the plan would be aligned with the university's needs and priorities.

In closing, Board members indicated their support of the Principal's vision and priorities.

10. Report of the Finance Committee: McGill University Budget 2014-15 [GD13-43]

Governor Thierry Vandal, Chair, Finance Committee, introduced the proposed University budget for 2014-15. He indicated that while there remained a number of uncertainties, the work done to prepare the budget was based on reasonable assumptions. He reported that based on current assumptions, the budget contained a \$7 million deficit.

Governor Vandal added that the Finance Committee discussed the University's challenges related to deferred maintenance. He relayed the Finance Committee's recommendation for the University to prepare a plan that would address the deferred maintenance backlog, which would be considered by the Committee in the fall.

10.1 Proposed McGill University Budget 2014-2015

The Provost presented the 2014-2015 budget for approval. He provided a detailed overview of the budget, reiterating that exact funding levels remained unknown for multiple reasons including unknown future enrolment and the uncertainty of provincial funding in the wake of the recent provincial election. He highlighted that the reinvestment in the university system, promised by the previous government, had not been confirmed and as such McGill's anticipated portion of funding (\$24 million), remained uncertain. No allocation of budget amounts to reflect the proposed reinvestment for FY2015 has been made to the responsible ministry. The Provost informed members that the proposed budget included some contingencies in the event that certain funding for the coming fiscal year from the Quebec government did not materialize.

The Provost explained that given expected funding levels, the proposed budget projected revenues of \$768.8M and expenditures of \$775.8M, resulting in a planned deficit of \$7M, which could be higher should revenues be lower than expected. The Provost reiterated that academic renewal remained a priority for the University, noting that in the past few years, the University's compensation of academic staff had fallen near the bottom of research intensive universities. He explained that in order to retain and attract talented academic staff, the proposed budget included academic staff salary increases over the next three years, beginning with a 5.2% increase in FY2015. Professor Masi concluded by reassuring members that the budget aimed to sustain the University's quality, advance its priorities and enhance its research quality.

Members discussed certain elements of the budget book, including planned salary increases for academic staff. Members were told that savings realized through the Voluntary Retirement Program would now be dedicated to salary commitments. Certain members also noted the importance of maintaining low student-faculty ratios.

With respect to the University's borrowing amounts reflected in the budget book, members were told that the provincial government used a particular mechanism to deliver the annual provincial capital grant to universities. In summary, this mechanism involves the universities

borrowing an authorized amount from *Financement-Québec* and presents minimal risk for the University.

It was pointed out that in the *État de traitement*, which contained salary indications for senior administrative staff that were submitted to the provincial government annually, there seemed to be higher than expected salary increases for most senior level administrators. The Provost explained that certain senior administrators had negotiated new contracts at the time of their reappointment, which could have led to salary increases in some cases. He also pointed out that the *État de traitement* contained data for certain positions that had been occupied by two different individuals throughout the year, which might have led to a misrepresentation of actual salary increases that were modest in most cases. The Provost also pointed out that as a result of the University's financial challenges, senior administrators had accepted salary decreases in the recent past.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Finance Committee, approved the 2014-2015 McGill University Budget, subject to possible editorial changes to the Budget Book, as may be determined by the Provost; and

The Board of Governors also resolved that the Finance Committee request the senior administration prepare a plan to address the deferred maintenance backlog setting out options for consideration by the Finance Committee in Fall 2014.

10.2 Maximum Borrowing Resolution for Fiscal Year 2015

Governor Vandal presented the Finance Committee's recommendation to approve a maximum borrowing limit of up to \$300 million, which was consistent with the previous year's limit.

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 \$300 million, for the fiscal year ending April 30, 2015.

11. Other Board Committee Reports

11.1 Nominating, Governance and Ethics Committee

[GD13-44]

The Chair presented a report of the Nominating, Governance and Ethics Committee, arising from the Committee's meeting of April 10, for approval. The report contained a summary of matters reviewed by the Committee as well as a recommendation for the appointment of Dr. H. Arnold Steinberg to the rank of Chancellor Emeritus.

1. Recommendation of Chancellor Emeritus

The Chancellor left the meeting room for the Board's consideration of this item.

The Chair stated that in recognition of the Chancellor's exemplary service and dedication, the Nominating, Governance and Ethics Committee was recommending that Dr. H. Arnold

Steinberg be appointed Chancellor Emeritus effective July 1, 2014. The Board unanimously approved the proposed recommendation.

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Nominating, Governance and Ethics Committee, approved the appointment of Dr. H. Arnold Steinberg to the rank of Chancellor Emeritus, effective July 1, 2014.

Dr. Steinberg rejoined the meeting and received the Board's congratulations [Applause]. He expressed his gratitude and noted that serving as Chancellor was an honour. He indicated his enthusiasm to continue serving the University in other capacities in the future.

2. Appointments to Advisory Committees and Health Care Bodies

The Chair presented the Nominating, Governance and Ethics Committee's recommendations concerning appointments to advisory committees and health care bodies, which were subsequently approved by the Board as follows:

On a motion duly proposed and seconded, the Board of Governors, on the recommendation of the Nominating, Governance and Ethics Committee, approved the following:

- *the appointments of Mr. Claude Généreux, Ms. Lili de Grandpré, Mr. Sam Minzberg and Dr. H. Arnold Steinberg as representatives of the Board of Governors on the Advisory Committee for the Selection of the Provost, and the appointments of Mr. Peter Coughlin and Ms. Kathy Fazel as alternate members.*
- *the appointments of Mr. Gerald Butts and Mr. Ram Panda as representatives of the Board of Governors on the Advisory Committee for the Selection of the Dean, Faculty of Agricultural and Environmental Sciences, and the appointment of Ms. Manon Vennat as an alternate representative.*
- *the appointment of Dr. Mark Trifiro as a representative of McGill University on the Transplant-Quebec Board of Directors for a two-year term, effective June 13, 2014 and ending June 12, 2016.*

The Chair stated that the report contained a note about the upcoming Board of Governors and Committee Evaluation and encouraged all members to complete the evaluation.

The Chair informed members of Governor Daniel Gagnier's decision to step down from the Board at the end of June. He thanked Governor Gagnier for all of his

contributions to the Board throughout the years, and informed members that the Recruitment and Succession Planning Subcommittee was in the process of reviewing candidates for his succession.

In response to a comment made about the importance of maintaining gender parity on the Board of Governors, the Chair stated that while gender balance was an important factor for the Board, other factors such as requisite skills and experience were also important considerations in the recruitment of new members.

11.2 Report of Committee to Advise on Matters of Social Responsibility [GD13-45]

Governor Gerald Butts, Chair, Committee to Advise on Matters of Social Responsibility (CAMSR), presented a report arising from the Committee's meeting of April 15. He informed members that the Committee was in the process of reviewing its terms of reference and it was anticipated that the current review would lead to amendments that would broaden the Committee's mandate with respect to socially responsible investment.

11.3 Executive Committee (Consent item) [GD13-46]

The Chair presented a report of the Executive Committee arising from the Committee's meeting of March 27, 2014, which contained a summary of matters considered and approved by the Executive Committee on behalf of the Board.

11.4 Report of the Investment Committee [GD13-47]

The Chair invited Mr. Joel Raby, Chair of the Investment Committee, to present a report arising from the Investment Committee's conference-call of April 24. The report highlighted the Committee's decision to change the McGill Investment Portfolio's asset mix to decrease the portfolio's equity component and increase the MIP's fixed income allocation. Mr. Raby explained that the MIP was currently underweight in its equity holdings relative to the benchmark established by the Statement of Investment Beliefs, and close to the upper limit permitted by the Statement of Investment Policy. Referring members to the report, Mr. Raby highlighted the Committee's decision to approve a two-step reduction of the MIP's equity component and a corresponding increase to the fixed income allocation.

11.5 Report of the Joint Meeting of Senate Steering and Board Executive Committees [GD13-48]

The Chair presented a report of the joint meeting of the Senate Steering Committee and the Board Executive Committee, arising from a joint meeting the Committees held on March 27. The Chair reported that the Committees chosen topic for the next joint meeting of the Board of Governors and Senate would focus on strengthening current partnership initiatives and developing new

opportunities for McGill. He added that the Provost would be striking a working group to plan the agenda and develop the necessary meeting materials.

12. Report from Senate (Consent item) [GD13-49]

The Principal presented a report arising from Senate’s meeting of April 23. The report contained a series of matters reviewed by Senate, including the proposed 2014-15 University budget, a presentation of Vision 2020 and a progress report on the Quartier de l’Innovation. The Principal informed members that presentations on Vision 2020 and the Quartier de l’Innovation would be presented to the Board at its May meeting.

13. Follow-up to Joint Board-Senate Report on Mental Health [GD13-50]

Professor Ollivier Dyens, Deputy Provost, Student Life and Learning, presented a follow-up report to the joint Board-Senate report on mental health, which had been delivered to the Board on February 27th, and which had arisen from the joint Board-Senate meeting of November 12, 2013.

Noting the importance of mental health for students, the Deputy Provost described efforts to develop a series of activities, initiatives and programs that address mental health situations at McGill. These included surveys and self-assessment tests touching on mental health issues, support groups and increased availability of health professionals. Professor Dyens emphasized the University’s commitment to address mental health issues by putting in place pre-arrival advising and harm reduction programs. He apprised members of the University’s plans to assess the efficiency of tools used to evaluate mental health and wellbeing, noting that the goal was to create a “healthy stressful” environment where students felt equipped to thrive in McGill’s demanding academic environment.

In discussion, members questioned whether some of the mental health services could be extended to communities outside of McGill. It was noted that besides the Employee Assistance Program, mental health services were limited for administrative and support staff, and that it would be preferable to expand these services internally before offering any services to other communities. Members also discussed mental health services offered to other members of the McGill community, including academic staff.

14. Report on the Implementation of McGill University’s Strategic Enrolment Management Plan [GD13-51]

The Deputy Provost presented a report on the implementation of the University’s Strategic Enrolment Management Plan, reminding members that Senate had endorsed the plan’s six strategic imperatives in 2011. He described the main elements of the plan, noting that it contained a comprehensive account of all aspects of the McGill student experience, from the application to the graduation stage and beyond.

Members discussed some of the highlights of the report, including McGill’s efforts to increase the number and percentage of undergraduate students involved directly in research

and scholarship and the development of a McGill Course Equivalency Database, which allowed users to review course equivalency decisions for courses offered at McGill and partner institutions.

15. Other Business

Governor Katie Larson informed members that student associations had sent a letter to the Principal urging the University to develop a policy concerning sexual assault. She explained that there was considerable interest in developing such a policy within the McGill community and encouraged members to participate in any future discussions.

The meeting was adjourned at 6:50 p.m.

SUMMARY OF MATTERS CONSIDERED AT CLOSED SESSIONS OF THE BOARD OF GOVERNORS HELD ON APRIL 29, 2014

1. Update on McGill’s Potential Acquisition of the Royal Victoria Hospital Site

Members received an update on the University’s interest in potentially acquiring the Royal Victoria Hospital Site. Members were informed that while the site presented an opportunity for the University, a number of conditions would have to be met in order for the University to be in a position to undertake such an endeavor.

2. Report on New Appointments

The Board approved a report on new appointments, which contained recommendations to recruit two new academic staff - one in the Faculty of Religious Studies, and the other, in the Faculty of Arts.