



Minutes of the Board of Governors Meeting Monday, December 4, 2023

Minutes of the regular meeting of the Board of Governors (Board) of the Ontario College of Art and Design University (OCAD U or the University) held via videoconference at 5:00 p.m. on the 4th day of December 2023.

Present: Colleen Baldwin (items 1-14 only), David Belous, David Binet (Investment Committee Chair), Elizabeth Dipchand (Governance and Nominating Committee Chair (GNC Chair)), Alea Drain, Jules Goss, Brenda Hogan, Richard Hunt, Abel Juarez, Lanita Layton (Board Chair), Jarret Leaman (Brand and Business Development Committee Chair (BBDC Chair)), Gail Lee (Audit, Finance and Risk Committee Chair (AFRC Chair)), Hillary Marshall (items 6(2)-16 only), Ernesto Ramirez (items 6(1)-16 only), Kevin Reid-Morris, Heather Robson, Ana Serrano (President), Virginia Trieloff, and b.h. Yael.

In Attendance: Tanya Bowes, Board Secretary & Director, Strategic Planning, Deanne Fisher, Vice-President, Students & International (VPSI) (items 1-9 only), Peter Fraser, Director of Finance (items 3-9 only), Caroline Langill, Vice-President, Academic & Provost (items 3-9 only), Ashok Mathur, Vice-President, Research and Dean, Graduate Studies, Julie Nantais, Governance and Information/Privacy Officer (items 1-13 only), Alan Simms, Vice-President, Finance & Administration (VPFA) (items 1-9 and 13 only), and Laura Wood, Executive Director, Institutional Analysis and Budget Planning (EDIABP) (items 1-9 only).

Regrets: Luciana Gomes Da Silva, Dave Forestell, Lalit Guglani, Mark Hanrahan, Roma Khanna, Mohsen Mortada, Lucy Song, and Jaime Watt.

1. Welcome, Constitution of Meeting, and Opening Remarks

Lanita Layton, Board Chair, welcomed members to the second regular meeting of the Board of Governors of the academic year, which was duly constituted with quorum present.

The Board Chair acknowledged the ancestral territories of the Mississaugas of the Credit, the Haudenosaunee, the Anishinaabeg and the Huron-Wendat, who are the original owners and custodians of the land on which we work, stand and create.



2. Declaration of Conflicts of Interest

The Board Chair asked for declarations of conflicts of interest for any public agenda items from Board members. No conflicts were declared.

3. Approval of Board Agenda for December 4, 2023

On motion made by Jules Goss, seconded by Richard Hunt and adopted, it was resolved that the Board of Governors approve the agenda of the December 4, 2023 regular meeting, as presented.

4. Consent Agenda

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

Consent Agenda Table of Contents

1. Summary of pending action items
2. Approval of minutes of October 2, 2023
3. Approval of minutes of October 25, 2023
4. Approval of minutes of October 30, 2023

Consent agenda information items:

5. Information report from the Senate Chair
6. AFRC information reports
 - a. Statutory Remittances Report – September 2023
 - b. Statutory Remittances Report – November 2023
7. Research Ethics Board Annual Report for Academic Year 2022-2023
8. IQAP Final Assessment Report and Implementation Plan

On motion made by Alea Drain, seconded by David Binet and adopted, it was resolved that the Board of Governors approve the minutes of the October 2, 2023 regular meeting, as presented.

On motion made by Gail Lee, seconded by Jules Goss and adopted, it was resolved that the Board of Governors approve the minutes of the October 25, 2023 special meeting, as presented.

On motion made by David Binet, seconded by Gail Lee and adopted, it was resolved that the Board of Governors approve the minutes of the October 30, 2023 special meeting, as presented.



On motion made by David Belous, seconded by Jarret Leaman and adopted, it was resolved that the Board of Governors approve the consent agenda decision items, and to accept the consent agenda information reports, as presented.

5. President's Update

The President provided an oral update to the Board. The President began her update with a review of the second quarter results for the 2023/2024 institutional scorecard. The President provided the Board with comments on those items on the institutional scorecard that were marked yellow (caution). The President then discussed the recent release of the Blue-Ribbon Panel's report to the Ontario government on how to keep the postsecondary education sector financially strong. She concluded her update with a briefing overview of the topics to be covered during the Board's full-day retreat on January 20, 2024.

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

The AFRC Chair provided a report to the Board on the AFRC meeting held on November 24, 2023.

(1) Fiscal Year 2023/24 Financial Review

- a. Operating Budget Variances**
- b. Cash Flow Forecast/Management**

As part of the advanced materials for this meeting, Board members received (i) briefing notes regarding the FY 2023/24 operating budget variances for September 2023 and November 2023 and (ii) briefing notes regarding the University's cash on hand and debt position as of August 31, 2023 and October 31, 2023.

The VPFA presented the University's financial trends for the reporting periods, noting the variances pertaining to the academic compensation that is partially due to the retroactive payment settlement with faculty for the period ending October 31, 2023. The VPFA provided an analysis of the University's cash on hand and debt position as of October 31, 2023. He noted that the University's improved cash financial position in FY2022/23 is projected to continue to improve.

The Board discussed and asked for clarification on the increase in non-academic compensation expenses.

(2) Draft Multi-Year Forecast FYs 2023-24 to 2026-27



As part of the advanced materials for this meeting, Board members received a briefing note regarding the University's multi-year forecast (MYF) for the period FY 2023/2024 to FY 2026/2027, with a summary MYF attached.

With the aid of a PowerPoint presentation, the VPFA informed the Board that the projected deficit of \$2.1M for FY 2023/24 is significantly more than what was projected as part of the 2023/24 operating budget approved by the Board in May 2023. He also noted that the resolution of the retroactive payment issues forms a new higher base compensation in FY 2023/24 for across-the-board increases in subsequent years. The VPFA stated that expenditures will materially exceed revenues without intervening actions.

The EDIABP walked the Board through the seven core underlying assumptions for the base case MYF, as of November 2023, as well as the four MYF scenarios.

The VPFA highlighted the options available to address the increased projected deficit, including government advocacy, net revenue growth and diversification, increased fundraising, and portfolio-based efficiencies. The President added that there is not one single act that will fix the issues with the increased deficit. While the Blue Ribbon Panel report's recommendations are helpful, the University is looking at revenue diversification strategies related to continuing studies, optimization of the real estate at the Waterfront Campus and a few other options.

The Board discussed and asked questions regarding the possibility that, following the Blue Ribbon Panel report, the Ontario government will implement the recommendations as the university sector's situation becomes more dire; when and how management will consider the Blue Ribbon Panel report's recommendations in the University's financial scenario planning; the various 'belt tightening' options available to management on the academic and non-academic side; and the ways in which monetizing OCAD U merchandise, OCAD U CO and the Waterfront Campus could contribute to revenue generation.

(3) Tuition Anomaly Implementation – (Domestic) BDES

As part of the advanced materials for this meeting, Board members received a briefing note regarding the tuition anomaly implementation for the Bachelor of Design (BDES).

The VPFA provided the following recap of the Board's approval of the tuition anomaly for the BDES:

- In March 2023, the Ministry of Colleges and Universities (the Ministry) announced a continuation of the general tuition freeze for domestic undergraduate and graduate programs for 2023/24, but subsequently signaled that it may allow exceptions for what was termed 'tuition anomalies'.



- The University submitted three programs for consideration under the Tuition Fee Anomalies application process: BDES; Bachelor of Fine Arts; and, Bachelor of Arts.
- In May 4, 2023, the Ministry informed the University that its tuition anomaly application for the BDES was approved, but that the University's other program submissions were not.
- Subsequently, the Board approved at its May 2023 meeting a 7.5% increase for new incoming BDES students for 2023/24 with future implementation to be recommended at the November 2023 Audit, Finance and Risk Committee meeting.

With the aid of a PowerPoint presentation, the VPFA then explained that further increases beyond the academic year 2023/24 have been considered by the University with respect to the University financial sustainability measures, funding available for student financial assistance, impact on student recruitment and system implementation issues. He noted that only new admitted students for the academic year FY 2023/24 and beyond in the BDES program would be affected. Domestic students in the BDES program admitted prior to 2023/24 would be exempt. No other programs would be affected at this time.

The VPFA provided the Board with data on comparative tuitions from York University and NSCAD, as well as breakdown of the tuition increase in the BDES program for students who entered the University after FY 2022/23.

On motion made by David Binet, seconded by Jules Goss and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve that domestic tuition for Bachelor of Design programs be increased by 7.5% annually (pursuant to the Ontario Ministry of College and Universities (MCU) policy framework) until the tuition fee for all years of the programs is \$8,565 (or maximum allowable by MCU at the time which maximum excludes any annual Across-the-Board increases for domestic tuition).

(4) Update on Internally Restricted Net Asset Funds

As part of the advanced materials for this meeting, Board members received a briefing note regarding an update on the Financial Sustainability Fund, amendments to the Student Experience Fund Terms of Reference, and information on the newly created Revenue Diversification Seed Fund, with copies of the Student Experience Fund Terms of Reference and the new Revenue Diversification Seed Fund Terms of Reference attached.



The VPFA provided updates on the three funds. He confirmed that there have not been any allocations from the Financial Sustainability Fund since its creation in FY 2020/21. He noted that, based on feedback from the Student Union (SU), the Student Experience Fund Terms of Reference, will be amended to provide for consultation with the SU on allocations from the Fund. The VPFA concluded by noting that the new Revenue Diversification Seed Fund Terms of Reference has been prepared for the Committee's approval.

Regarding the SU's involvement in the consultations on allocations from the Student Experience Fund, the President explained that the SU is very diligent in insuring that the money from this fund is allocated to initiatives that support the student body.

On motion made by Kevin Reid-Morris, seconded by Gail Lee and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve the (i) amended Student Experience Fund Terms of Reference and (ii) new Revenue Diversification Seed Fund Terms of Reference Fund, as presented.

(5) Revised Purchasing Process Guidelines

As part of the advanced materials for this meeting, Board members received a briefing note outlining the proposed amendments to section 4.3 of OCAD U's Purchasing Process Guidelines (the Guidelines), with a copy of the Guidelines and a track changes copy of the Procurement Method & Approval Authority Schedule.

The VPFA informed the Board that the reason for the revisions to section 4.3 of the Guidelines is to incorporate up to date Ontario government tender requirements and best business practices of other Ontario small universities. In particular, the new minimum government regulated public tender threshold has been increased from \$100,000 to \$121,200. He then explained the impact of the proposed amendments to streamline the University's procurement process.

On motion made by Ana Serrano, seconded by Heather Robson and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve revisions to 4.3 of the Purchasing Process Guidelines, as presented.

(6) Revised Travel, Meal and Hospitality Policy

As part of the advanced materials for this meeting, Board members received a briefing note regarding revisions to the University's Travel, Meal and Hospitality Policy (the Policy), including a copy of the Policy with tracked changes.



The VPFA explained the impetus behind the changes to the Policy which are to align with industry standard best practices. He explained the impetus behind the changes to the Policy which are to align with industry standard best practices. He explained that the Ontario Government introduced amended Broader Public Sector (BPS) Directive policies in 2018 that provided guidelines in the areas of eligible meal and alcohol expenses for employees. The guidelines from 2018 resulted in edits to the OCAD U policy in 2020. Subsequent to the amendments to the Policy in 2020, further clarification and development of best business practices by Ontario universities in response to the BPS directive suggests additional policy edits.

With the aid of a PowerPoint presentation, the VPFA provided a high-level overview of the amendments to the Policy in the following areas:

- Working meetings
- Gift Giving
- Tips and Gratuities
- Social Events

The VPFA noted that a more fulsome review of and revisions to the Policy will be coming to the Board in spring 2024 for clarity, among other things, on missing receipts, eligible expenses, and an RFP for a university travel agency. He credited the AFRC Chair and the former Board Chair for their important roles in raising these issues.

ACTION ITEM: The Board asked management to return to the Board with a more robust revisions to the Policy no later than the May 2024 Board of Governors meeting.

On motion made by Alea Drain, seconded by David Belous and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve the revised Travel, Meal and Hospitality Policy, as presented.

(7) Semi-Annual Risk Register Report

As part of the advanced materials for this meeting, Board members received a briefing note regarding the semi-annual risk register for November 2023.

With the aid of a PowerPoint presentation, the VPFA presented the results of the semi-annual risk register and summarized the rating changes to the risk register to the one presented at the Board meeting in May 2023:

- Of the 11 risks, five reflect a moderate/major risk rating:
 - *Not Meeting Key Assumptions Set Out in the Annual Budget and the Current Multi-Year Forecast*
 - *A Successful Cybersecurity Threat/Breach*



- *Major IT Infrastructure Outage and Failure Leading to Significant Data Loss/Corruption*
- *Student Satisfaction with Academic Programs*
- *Not Meeting Enrolment Targets/Assumptions*

The Board discussed and asked questions regarding the academic risks, including how likely the academic risks would be accelerated as a result of the financial strain the University is facing.

(8) External Review Tracking Update

As part of the advanced materials for this meeting, Board members received a briefing note regarding update on the external review recommendations and associated Go Forward actions accomplished by end of FY 2022/2023.

The EDIABP provided an update on the achievements for FY 2022/23 for each of the external review recommendations. The President added that, as demonstrated in the MFY briefing note, the value of reporting on the external review is fading as time and unforeseen circumstances materially impact financial forecasts, and asked for the Board's input on the extent to which management should reference the external review in its financial analysis and reporting to the Board going forward.

The Board discussed and expressed interest in keeping the external review in mind for historical references and using the external review to keep up to date with progress on important institution-wide projects that were initiated as a result of the external review.

7. Investment Committee Report

The Investment Committee Chair provided a report to the Board on the Investment Committee meeting held on October 31, 2023.

(1) Approval of Investment Committee Advisor

As part of the advanced materials for this meeting, Board members received a briefing note with information regarding the recommended appointment of a consultant to the Investment Committee following a Request for Proposals (RFP) process.

The VPFA informed the Board that, as the value of the University's portfolio increases in both value and complexity, additional third party advice to the Investment Committee and management is required, specifically entailing a review of a number of areas, including: Benchmarks measuring the performance of Fund Investment Managers, Asset Mix and Investment Portfolio; Investment strategy and asset mix; Statement of Investment Principles and Guidelines; Investment Manager evaluation



criteria and selection; and Application and/or implementation of ESG and impact investing principles.

The VPFA noted that, although the University has relied on informal advisory arrangements for many years, it is in the best interest of the University to enter into a formal arrangement. The VPFA then briefly explained the RFP process to select Bell Kearns & Associates (Bell Kearns) as the recommended Investment Committee consultant. He confirmed that, if approved, Bell Kearns will serve a one-year term for a trial period, which would begin March 1, 2024.

The Investment Committee Chair added that the Committee's goal was to formalize a relationship with an investment advisor who would provide a professional level of advice to the Committee. He noted that, through the RFP process, the Committee has recommended a firm where the principal, Helen Kearns, served on the OCAD U Board for several years and is a former Chair of the Investment Committee.

The Board discussed and asked questions regarding the proposed advisor's experience in the post-secondary sector.

On motion made by Ana Serrano, seconded by David Binet and adopted, it was resolved that, upon recommendation of the Investment Committee, the Board of Governors approve the appointment of Bell Kearns & Associates to a one-year renewable contract as the Investment Committee consultant with a scope as presented and for a fee not to exceed \$50,000 annually excluding any applicable discounts.

8. Brand and Business Development Committee (BBDC) Report

The BBDC Chair provided a report to the Board on the BBDC meeting held on November 20, 2023.

(1) Advancement Report

As part of the advanced materials for this meeting, Board members received a briefing note with a progress report on the Advancement department's fundraising activities.

With the aid of a PowerPoint presentation, the President reported on the Advancement department's progress towards the FY 2023-24 fundraising goal of \$2.3M goal, noting that the University is close to reaching its goal for this year. She confirmed that the strong results this year is partly attributed to the University's renewal of the RBC partnership to support the Centre for Emerging Artists and Designers at \$1M for another year, as well as donations from Chancellor Jamie Watt and a strong showing from the Project 31 fundraiser. The President noted that,



additionally, the Advancement department currently has donation proposals in progress with six major donors with a combined value of \$2.4M.

The Board Chair congratulated the University on the success of the Project 31 fundraising event.

(2) Enrolment Strategy Update

As part of the advanced materials for this meeting, Board members received a briefing note focused on trends in international enrolment and potential risks ahead.

The VPSI informed the Board that estimates for student enrolment, based on the November 1 count, suggest that total enrolment will exceed the 2023-254 budget projections; however, the balance has shifted from international to domestic. She noted that graduate programs at OCAD U have traditionally had a higher volume of international students than the undergraduate programs. She added that, this year, international graduate enrolment exceeds domestic intake for the first time. Despite this, the international enrolment remains the primary driver of revenue to the University, where approximately 40% of all international applicants are citizens from China.

The VPSI informed the Board of several current risks to international enrolment, including visa processing times, the Ministry of Immigration, Refugees and Canadian Citizenship's proposed "recognized institutions framework", and geopolitical issues involving Iran and India. The VPSI reviewed the mitigation strategies underway to address the risks to international student enrolment.

In response to a request at the October 2, 2023 Board meeting, the VPSI reviewed the conversion rate data for offers of admission between domestic and international applications, noting that, in recent years, the regions with the highest acceptance rates are Iran, Nigeria, South Korea, Vietnam and Taiwan. She explained that the domestic undergraduate offer-to-accept rate is at 49%, and international undergraduate offer-to-accept rate is at 46%.

The Board discussed and asked questions regarding the the application-to-offer rate; whether prospective students could apply to more than one program; and the extent of online programs offerings available to students.

9. Other Business

The President reminded the Board of the full-day Board Retreat to be held on January 20, 2024.



The Board Chair wished the OCAD U community a happy holiday season.

Following the discussion, management left the meeting.

On motion made by Richard Hunt, seconded by Jarret Leaman and adopted, it was resolved that the Board of Governors take the meeting *in camera* at 6:57 p.m.

10. Declaration of Conflicts of Interest

The Board Chair asked for declarations of conflicts of interest for any of the *in camera* agenda items from Board members. No other conflicts were declared.

11. Collective Bargaining Matter

As part of the advanced materials for this meeting, Board members received confidential briefing materials for this item.

The President introduced the item to seek final ratification of the tentative agreement between the University and OPSEU Unit 1.

The Board made some decisions.

12. Nominating Strategy Update

As part of the advanced materials for this meeting, Board members received confidential briefing materials for this item.

The BSDSP provided the Board with an update on upcoming vacancies on the Board, as well as the Board committee assignments.

The Board made some decisions.

13. Strategic Initiative/Partnership Update

In follow up to the special Board meeting on October 30, 2023, the VPFA provided an oral update on the strategic initiative/partnership.

14. *In Camera* Session

The Board met *in camera*.



15. *In Camera* Session without Management

The Board met *in camera* without the President.

On motion made by Alea Drain, seconded by Jules Goss and adopted, it was resolved that the Board of Governors take the meeting out of *in camera* at 7:45 p.m.

16. Termination

On motion made by David Binet, seconded by Jules Goss and adopted, it was resolved that the Board of Governors terminate the meeting at 7:45 p.m.

Next meeting: The Board Retreat is scheduled to be held on Saturday, January 20, 2024 at the Waterfront Campus.

[Original Signed]

Lanita Layton, Board Chair

[Original Signed]

Tanya Bowes, Board Secretary