



## **Minutes of the Board of Governors Meeting Monday, March 4, 2024**

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 4:30 p.m. on the 4<sup>th</sup> day of March 2024.

**Present:** Colleen Baldwin, David Belous, David Binet (Investment Committee Chair), Elizabeth Dipchand (Governance and Nominating Committee Chair (GNC Chair) and Brand and Business Committee Chair Designate (BBDC Chair Designate)), Alea Drain, Dave Forestell, Julian (Jules) Goss, Mark Hanrahan (items 1-8(1) only), Brenda Hogan, Richard Hunt, Abel Juarez, Lanita Layton (Board Chair), Gail Lee (Audit, Finance and Risk Committee Chair (AFRC Chair)), Hillary Marshall, Ernesto Ramirez, Heather Robson, Ana Serrano (President), Lucy Song (items 1-13(1) only), and Virginia Trieloff.

**In Attendance:** Connie Arezes-Reis, Director, People Strategies (DPS) (items 6-11 only), Tanya Bowes, Board Secretary & Director, Strategic Planning, Louise Engelmann, Office of the President (items 1-14 only), Deanne Fisher, Vice-President, Students & International (VPSI) (items 1-11 only), Peter Fraser, Director, Finance (items 1-11 only), Mary Koutsoubos, Executive Director, Advancement (items 6-11 only), Sarita Srivastava, Acting Vice-President, Academic & Provost (items 6-11 only), Alan Simms, Vice-President, Finance & Administration (VPFA) (items 1-11 only), and Laura Wood, Executive Director, Institutional Analysis & Budget Planning (items 1-11 only).

**Regrets:** Luciana Gomes Da Silva, Lalit Guglani, Roma Khanna, Jarret Leaman, Mohsen Mortada, Kevin Reid-Morris, Jaime Watt, and bh Yael.

### **1. Welcome, Constitution of Meeting, and Opening Remarks**

Lanita Layton, Board Chair, welcomed Board members to the third regular Board meeting of the 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 live, work 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 March 4, 2024

**On motion made by Hillary Marshall, seconded by Brenda Hogan and adopted, it was resolved that the Board of Governors approve the agenda of the March 4, 2024 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 December 4, 2023
3. Approval of minutes of January 20, 2024 (special meeting)

### **Consent agenda information items:**

4. Information report from the Senate Chair
5. AFRC information reports
  - a. Statutory Remittances Report
6. IQAP Final Assessment Report and Implementation Plan (ENVR)
7. IQAP Final Assessment Report and Implementation Plan (PHOT)

**On motion made by David Binet, seconded by Heather Robson and adopted, it was resolved that the Board of Governors approve the minutes of the December 4, 2023 regular meeting, as presented.**

**On motion made by Julian Goss, seconded by Gail Lee and adopted, it was resolved that the Board of Governors approve the minutes of the January 20, 2024 special meeting, as presented.**

**On motion made by David Belous, seconded by Elizabeth Dipchand 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. Faculty Spotlight

The Board Chair introduced and welcomed Ian Keteku, Lecturer, Faculty of Arts and Science.

The Board viewed a video showcasing Professor Keteku's work and teaching in creative writing, arts and social change. Following the presentation of the video, Professor Keteku spoke about several other projects he was working on, as well as the development of additional courses in the creative writing program.

The Board thanked Professor Keteku for his presentation. The Board asked questions regarding (i) how OCAD U's creative writing program differs from similar programs at other universities and (ii) the opportunities for creative writing students to engage interdisciplinary learning.

## 6. President's Update

The President provided an oral update to the Board. The President informed the Board that the Ontario government had issued its response to the report and recommendations made by the Blue-Ribbon Panel on Post-secondary Education Financial Sustainability (Blue-Ribbon Panel). She noted that the government's announced funding for the post-secondary education sector fell significantly short of the Blue-Ribbon Panel's recommendation. The President reviewed the key highlights of the new funding announcement, highlighting that \$200M of the announced sustainability fund was earmarked for post-secondary institutions identified as medium and high risk based on the government's new financial metrics. She informed the Board that OCAD U would not be classified as medium or high risk in the current fiscal year. The President explained that it was early in the process to determine how much funding OCAD U would receive from the new sustainability fund and other programs, but management was currently reviewing the opportunities available to apply for additional funding.

The President advised the Board that CTV news had recently covered a story in relation to the Israel-Palestine conflict pertaining to the safety of a Jewish student and messages and graffiti in the yellow staircase at the main campus building at 100 McCaul Street. In response to the statements made in the news story, the President informed the Board that the police were called immediately and the problematic section of the staircase will be painted over.

The Board discussed the news story, noting the highly sensitive nature of the issue, the possible reputational risk to the University, and the importance of an appropriate response from the University to both the Jewish student and the media. The President



advised the Board that members of the University's Israel-Palestine working group has been in touch with the OCAD U's external legal counsel on this matter and that police are still investigating. She noted that the University's administration has been working with the impacted Jewish student on a safety plan and has been in touch with the Jewish Students Association. The President suggested that external legal counsel could attend the next Board meeting to discuss the impact of the Israel-Palestine conflict on OCAD U's campus.

## **7. Audit, Finance and Risk Committee (AFRC) Report**

The AFRC Chair provided a report to the Board on the AFRC meeting held on February 22, 2024.

### **(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 briefing notes regarding the (i) FY2023/24 operating budget variances based on year-to-date financial results for the eight months ended January 31, 2024 and (ii) University's cash on hand and debt position as of January 31, 2024.

The VPFA presented the University's financial trends for the reporting periods and advised that, based on student registration to date, there was no material tuition and miscellaneous fee variance identified. He noted that the court's overturning of Bill 124 had led to an increase in academic compensation costs due to the retroactive payment settlement with faculty. He also highlighted the positive variance for investment income resulting from GIC rate increases approaching 6.5%. He noted that the current projected deficit for FY 2023/24 is \$2.1M, which may be mitigated by the application of the contingency fund if no unexpected expenditures or revenue loss occurs in the remaining four months of the fiscal year.

The VPFA provided an analysis of the University's cash on hand and debt position as of January 31, 2024. He noted that the cash position was projected to decrease from \$28M at the end of the 2022/23 fiscal year to \$24M at the end of the 2023/24 fiscal year due primarily to the payout of retroactive salary settlements to employee groups arising out of recent collective agreement terms.

### **(2) Preliminary FY 2024/25 Operating Budget Assumptions**

As part of the advanced materials for this meeting, Board members received a briefing note outlining the current working assumptions for the FY 2024/25 operating budget.



The VPFA informed the Board that, following the presentation of the multi-year forecast to the Board in December 2023, several assumptions had been revised to reflect recent information. He noted that uncertainty remained in several areas, including enrolment. The VPFA explained that, taking into account reduced enrolment across the sector, as well as a drop in intake-year international student applications, the University's budget deficit was now being projected at \$7M to \$10M for FY 2024/25 with no other ameliorative actions undertaken.

The President added that the University was entering a period of instability, but that work was being undertaken by management to mitigate the risks in the short-term, as well as the medium to long-term.

The Board discussed and asked questions regarding management's approach to the uncertainty regarding student enrolments and whether scenario planning, with clearly identified triggers for action, was underway; whether the University had the right staffing complement, taking into account the impact of retroactive salary settlements on expenses and the provincial government's lack of increased long-term funding following the Blue-Ribbon panel report; and the provincial government's position that post-secondary institutions are responsible to find efficiencies to address any funding shortfalls.

### **(3) Domestic and Ineligible (International) Tuition Fees (Spring/Summer)**

As part of the advanced materials for this meeting, Board members received a briefing note regarding FY 2024/25 Spring/Summer term eligible and ineligible (international) tuition fees.

The VPFA informed the Board that the Ontario government had recently announced the continuation of the freeze for domestic tuition for the next three years. He explained that a 5% increase in undergraduate and graduate international tuition fees—which are set by the Board—has been recommended by management for the 2024/25 Spring/Summer term. He noted the tuition fee increase is aligned with inflation. The VPFA added that a multi-year recommendation for the Fall/Winter term domestic and international tuition fees will be presented at the next meeting of the AFRC.

The Board discussed and asked questions regarding how the University's international tuition fees compare to comparable programs at other universities; the possible impact of the increase in tuition on student applications; the type of financial supports currently being offered to international students and whether the increase in tuition will be accompanied by an increase in financial supports; and how the University will be messaging the increase in tuition in order to retain current students and protect the recruitment of future students.



**On motion made by Elizabeth Dipchand, seconded by Heather Robson and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve the:**

- (i) Spring/Summer undergraduate and graduate eligible Non-BDES domestic tuition fees increase by 0% for the year 2024/25; and**
- (ii) Spring/Summer undergraduate and graduate ineligible international tuition fees increase by 5% for the year 2024/25.**

#### **(4) Facilities Renewal Program – FY 24/25**

As part of the advanced materials for this meeting, Board members received a briefing note with attachment concerning the FY 2024/25 Facilities Renewal Program Project List.

The VPFA began with a brief overview of the facilities renewal program project list. He advised that the project estimates totaled \$3.5M, notwithstanding that the anticipated facilities renewal program grant to be announced by the provincial government in March 2024 would be \$2.5M to \$3M. He explained that this was an accepted part of the government process and provided pivot room in the event of scheduling or supply chain disruptions that might impair the ability to begin or complete a project or projects on the list. He highlighted the changes in the categories from the previous year and provided an overview of some of the major projects planned.

**On motion made by Alea Drain, seconded by Gail Lee and adopted, it was resolved was resolved that, upon recommendation of the Physical Resources and Capital Assets Committee and the Audit, Finance and Risk Committee, the Board of Governors approve the FY 2024/2025 Facilities Renewal Program Projects List, as presented.**

#### **(5) Ministry Financial Accountability Framework**

As part of the advanced materials for this meeting, Board members received a briefing note regarding the implementation by the Ministry of Colleges and Universities (MCU) of new Financial Sustainability Performance Measures and action requirements, including a Financial Health Metrics PowerPoint presentation as an attachment.

The VPFA explained that, as a result of the Laurentian University bankruptcy, the MCU developed a University Financial Accountability Framework, in conjunction with the Ontario auditor general recommendations, to implement tools to assign risk to universities and act proactively to ensure financial sustainability. He explained that one of the requirements of the new framework was that every Ontario university obtain a credit rating. OCAD U recently undertook the rating exercise with Moody's Ratings (Moody's) and should receive a report shortly confirming a rating of 8.1.



The Director of Finance, who was involved in the committee that provided input to the provincial government on the process, explained that eight metrics across four categories were established and that the ratios used were based on a single year's financial results rather than a three-year average, which would smooth out anomalies in a given year or years. He noted that poor performance in any one of the four categories would trigger an action that would result in a qualitative review.

The Board discussed and congratulated the VPFA on the strong credit rating. A Board member asked if the AFRC could see a copy of the Moody's report once it is issued.

## **8. Physical Resources and Capital Assets Committee (PRCAC) Report**

### **(1) Student Housing Update**

As part of the advanced materials for this meeting, Board members received a briefing note outlining the University's progress to develop student housing, with the following attachments:

- Schedule A: RFP to Develop Student Housing for OCADU Students;
- Schedule B: Parkside Residence Master License Agreement;
- Schedule C: 14 Grange Ave Site Details; and
- Schedule D: 14 Grange Ave Preliminary Design Proposal.

The VPFA provided an overview of the following three strategies the University is working on concurrently to advance its student housing objectives: (i) issuing an RFP soliciting interest in development of student housing with or for the University that closes on February 21, 2024; (ii) entering into a master license agreement with Parkside Residence upon the Board's approval in January 2024; and (iii) entering into a non-binding memorandum of understanding (MOU) with Grange Avenue Inc in November 2023 that could lead to the development of up to a 40-bed student residence/apartment at 14 Grange Ave.

The Board discussed the strategies and asked questions regarding the (i) 40-bed student residence/apartment at 14 Grange Ave and whether this property was part of the RFP and (ii) process to work through the nine submissions received in response to the RFP.

## **9. Brand and Business Development Committee (BBDC) Report**

The BBDC Chair Designate provided a report to the Board on the BBDC meeting held on February 22, 2024.

### **(1) Undergraduate and Graduate Enrolment Updates**



As part of the advanced materials for this meeting, the Board members received a briefing note with a preliminary indication of new student intake for 2024-25.

The VPSI explained that applications were down by 10.5% over 2023 for undergraduate intake primarily due to a drop in international applications as a result of several factors, including the federal government cap on the number of student visas. She explained that domestic applications have also declined, but no specific reasons have been identified for the year-over-year volatility. The VPSI advised that graduate program applications had decreased by 14% with the decrease almost exclusively international student applications. She noted that India accounted for the biggest drop in applications. The VPSI added that, despite the numerous uncertainties in enrolment, management was focusing on the items they could control while waiting to hear how many visa attestation letters the University would be granted by the province. She expressed optimism that the University's student housing initiatives would help support enrolment numbers.

The Board discussed and asked questions regarding the (i) possibility of sending conditional offer letters to domestic and international students while awaiting the government's decision on the visa attestation letters and (ii) impact of the delay in issuing offer letters on the pool of applicants for admission to the University.

## **(2) 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.

The EDA reported to the Board that \$2.7M in fundraising monies had been raised to date, exceeding the \$2.3M fundraising goal for 2023/2024.

The EDA advised that funding priorities have been reviewed with the top priorities identified being Scholarships, Awards and Bursaries; the Global Centre for Climate Action/ Sustainability; Events including GradEx for which Advancement were trying to secure additional sponsors and donors; and the Butterfield Park Revitalization funding which is now complete. She added that the Advancement team would begin the planning process for the next fiscal year.

The Board congratulated the EDA and her team on their successful fundraising efforts to date.

The Board also discussed the challenges of choosing what projects to fundraise for, the OCAD U community's perception of the fundraising priorities and projects that receive support, and the importance of communications and messaging to the OCAD U community on celebratory initiatives around fundraising project and difficult conversations regarding the University's finances.





## 10. Investment Committee Report

The Investment Committee Chair provided a report to the Board on the Investment Committee meeting held on January 30, 2024.

### **(1) 2023/24 Endowment Payout Rate Recommendation**

As part of the advanced materials for this meeting, Committee members received a briefing note regarding the recommended 2023/24 endowment payout rate, along with a Survey of University Endowment Fund Payouts.

The VPFA explained that, on an annual basis, the University will recommend a payout of income earned by the Endowment Fund to be used to support the University's endowment commitments for bursaries, scholarships and other programs. He stated that management is recommending a 3.5% payout for FY 2023/24, similar to FY 2022/23, in anticipation of continued market volatility through the upcoming year. The recommended payout rate of 3.5% translates to a \$685,100 payout, which is \$97,000 less than a payout based on a 4% payout rate.

**On motion made by David Binet, seconded by Gail Lee and adopted, it was resolved that, upon recommendation of the Investment Committee, the Board of Governors approve a payout rate of 3.5% of the June 1, 2024 beginning balance of the university's Endowment Fund (the "Fund") in order to meet commitments of donation and gifting agreements under the Fund.**

## 11. Other Business

No other business was discussed.

The Board Chair asked non-Board members to depart the meeting.

**On motion made by Lucy Song, seconded by Brenda Hogan and adopted, it was resolved that the Board of Governors take the meeting *in camera* at 6:15 p.m.**

## 12. 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.

## 13. Executive Committee Report

The Board Chair provided a report to the Board on the Executive Committee meetings held on January 10, 2024 and February 7, 2024.



### **(1) Presidential Leadership, including Presidential Appointment Policy**

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

The Board Chair provided the Board with an update on her conversations with the President regarding the upcoming end to the President's first term as President and Vice-Chancellor of the University on June 30, 2025.

The Board then made some decisions.

### **(2) Academic Administrative Appointment**

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

The Board then made a decision.

## **14. Governance and Nominating Committee (GNC) Report**

The GNC Chair provided a report to the Board on the GNC meeting held on February 28, 2024.

### **(1) 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.

## **15. *In Camera* Session**

The Board met *in camera*.

## **16. *In Camera* Session without Management**

The Board met *in camera* without the President.

**On motion made by Colleen Baldwin, seconded by Julian Goss and adopted, it was resolved that the Board of Governors take the meeting out of *in camera* at 8:00 p.m.**



## 17. Termination

**On motion made by Heather Robson, seconded by Julian Goss and adopted, it was resolved that the Board of Governors terminate the meeting at 8:00 p.m.**

**Next meeting:** Monday, May 13, 2024.

*[Original Signed]*

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Lanita Layton, Board Chair

*[Original Signed]*

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Tanya Bowes, Board Secretary