



Minutes of the Board of Governors Meeting Monday, May 13, 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 in Room 322 (3rd Floor Boardroom), 230 Richmond Street West and via videoconference at 4:30 p.m. on the 13th day of May 2024.

Present: Colleen Baldwin, David Belous (Human Resources Committee Chair), Alea Drain, Dave Forestell, Julian (Jules) Goss (Senate Chair), Mark Hanrahan (items 1-17 only), Brenda Hogan (items 1-17 only), Richard Hunt, Abel Juarez, Roma Khanna (items 1-17 only), Lanita Layton (Board Chair), Gail Lee (Audit, Finance and Risk Committee Chair (AFRC Chair)) (items 5-18 only), Hillary Marshall, Mohsen Mortada (items 1-7(1) only), Ernesto Ramirez, Kevin Reid-Morris, Heather Robson, Ana Serrano (President), Lucy Song, Virginia Trieloff, and bh Yael.

In Attendance: Connie Arezes-Reis, Director, People Strategies (DPS) (items 7(2)-11 only), Tanya Bowes, Board Secretary & Director, Strategic Planning, Louise Engelmann, Office of the President (items 1-15 only), Deanne Fisher, Vice-President, Students & International (VPSI) (items 6-11 only), Peter Fraser, Director, Finance (items 6-11 only), Mary Koutsoubos, Executive Director, Advancement (item 8 only), Caroline Langill, Vice-President, Academic & Provost (items 6-11 and 14(1) only), Ashok Mathur, Vice-President, Research and Dean, Graduate Studies (items 6-11 only), Alan Simms, Vice-President, Finance & Administration (VPFA) (items 6-11 only), and Laura Wood, Executive Director, Institutional Analysis & Budget Planning (items 6-11 only).

Awanish Sinha, Partner, McCarthy Tétrault LLP and Audrey-Anne Delage, Associate, McCarthy Tétrault LLP (items 1-5 only).

Regrets: David Binet, Elizabeth Dipchand, Luciana Gomes Da Silva, Lalit Guglani, Jarret Leaman and Jaime Watt.



1. Welcome, Constitution of Meeting, and Opening Remarks

Lanita Layton, Board Chair, welcomed Board members to the fourth 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 May 13, 2024

On motion made by Brenda Hogan, seconded by Ana Serrano and adopted, it was resolved that the Board of Governors approve the agenda of the May 13, 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 March 4, 2024

Consent agenda information items:

3. Information report from the Senate Chair
4. AFRC information reports
 - a. Statutory Remittances Report

On motion made by Dave Forestell, seconded by Alea Drain and adopted, it was resolved that the Board of Governors approve the minutes of the March 4, 2024 regular meeting, as presented.

On motion made by Mohsen Mortada, seconded by Julian Goss 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.

On motion made by Dave Forestell, seconded by Ana Serrano and adopted, it was resolved that the Board of Governors take the meeting *in camera* at 4:40 p.m.



5. Legal Counsel Presentation

The Board Chair welcomed Awanish Sinha, Partner, McCarthy Tétrault LLP and Audrey-Anne Delage, Associate, McCarthy Tétrault LLP to the Board meeting.

Mr. Sinha delivered a presentation to the Board, which was followed by a discussion.

On motion made by Dave Forestell, seconded by Richard Hunt and adopted, it was resolved that the Board of Governors take the meeting out of *in camera* at 5:33 p.m.

6. President's Update

The President provided an oral update to the Board. The President congratulated everyone involved in making OCAD U's 109th Graduate Exhibition from May 1-5, 2024 a success. She noted that the event had 41,000 visitors.

The Board Chair also extended her congratulations to the OCAD U team on making the event a success, noting the enthusiasm of faculty and students she engaged with during her attendance at the event on the opening night.

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

The AFRC Chair provided a report to the Board on the AFRC meeting held on April 26, 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 (a) FY2023/24 operating budget variances based on year-to-date financial results for the ten months ended March 31, 2024, and (b) University's cash on hand and debt position as of March 31, 2024.

The VPFA presented the University's financial trends for the reporting period and advised that, as the University was entering the last quarter, there was additional clarity in regard to the budget projections. He noted that a small surplus of \$95K was being projected, with projected higher investment income due to higher interest rates. He also noted an increase in compensation expenses due to the overturn of Bill 124 and the resultant payout of retroactive salary settlements for faculty and staff.



The VPFA provided an analysis of the University's cash on hand and debt position as of March 31, 2024, noting that the cash flow was good. He informed the Board that the cash flow was projected to decrease from \$28M at the end of fiscal year 2022/23 to \$24M at the end of fiscal year 2023/24 due to the retroactive salary settlements to faculty and staff.

(2) Tuition and Ancillary Fees

a. Undergraduate Domestic and Ineligible (International) Tuition Fees

As part of the advanced materials for this meeting, Board members received a briefing note regarding recommended increases to undergraduate domestic and ineligible (international) tuition fees for FY2024/25, 2025/26 and 2026/27.

The VPFA presented the recommended tuition fee increases to the Board. He explained that the Ontario Ministry of Colleges and University (MCU) had announced that the freeze on tuition fees for domestic students would continue though to 2026/27. He explained that it is recommended that the Board approve a multi-year increase of 5% over the next three years for international student tuition.

The Board discussed and asked questions regarding (i) the recommended approach of increasing tuition fees when international student numbers were decreasing, (ii) OCAD U's tuition fees relative to comparable programs at other universities, (iii) how OCAD U's programs are priced to meet the University's mission and mandate; (iv) whether the amount charged for ancillary fees could be raised; and (v) the amount reserved for student bursaries. The Board also discussed role of the external third party review of the University's operations in 2020 in helping the University make tough choices regarding financial matters.

On motion made by Dave Forestell, seconded by Colleen Baldwin and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve the following:

- 1. Undergraduate domestic tuition fees increase by 0% for the 2024/25, 2025/26, 2026/27 fiscal years per provincial government directive;**
- 2. Undergraduate Ineligible (International) tuition fees increase by 5% (over the respective previous year) for the each of FY 2024/25, 2025/26, and 2026/27; and**
- 3. The tuition set aside fund for International Student Financial Assistance increase from 1.4% to 1.75% of total international tuition fee revenues as of FY 2024/25.**

b. Graduate Domestic and Ineligible (International) Tuition Fees



As part of the advanced materials for this meeting, Board members received a briefing note regarding recommended increases in graduate domestic and ineligible (international) tuition fees for FY2024/25, FY 2025/26 and FY 2026/27, as well as an increase to the tuition set-aside.

The VPFA presented the recommended tuition fee increases to the Board. He explained that, similar to the domestic undergraduate fees, domestic graduate fees would remain frozen through 2026/27, per the MCU announcement. He explained that the graduate international tuition fees would increase by 5% for 2024/25, and then 5% for each of the following years 2025/26 and 2026/27 in hand with the same multi-year increase for undergraduate international fees for the following programs: Criticism & Curatorial Practice; Interdisciplinary Art, Media & Design; Strategic Foresight & Innovation; and Design for Health. He added that the graduate international tuition fees would increase by 5% for 2024/25 and 8% for each of 2025/26 and 2027/28 for the Digital Futures and Inclusive Design programs.

The Board discussed and asked questions regarding the allowances available for international students in financial need. The Board also discussed the increase in the amount of funds that international students are required to have in-hand when applying for a student visa.

On motion made by Alea Drain, 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 graduate student tuition fee increases and an increase in the tuition set-aside as follows:

- 1. Graduate domestic student tuition fees increase by 0% for 2024/25, 2025/26 and 2026/27 per the Ministry of Colleges and University policy;**
- 2. Graduate international student tuition fees increase by 5% for 2024/25, 2025/26 and 2026/27 for the Criticism & Curatorial Practice, Interdisciplinary Art, Media & Design, Strategic Foresight & Innovation and Design for Health programs;**
- 3. Graduate international student tuition fees increase by 5% for 2024/25 and 8% for each of 2025/26 and 2026/27 for the Digital Futures and Inclusive Design programs; and**
- 4. The tuition set aside for international students in financial need be increased from 1.4% to 1.75% of total international tuition revenues as of 2024/25.**

c. Laptop Program Fees for FY2024-25

As part of the advanced materials for this meeting, Board members received a briefing note regarding annual recommendations on setting Academic Program Laptop fees.



The VPFA reported on the minor increase in costs for certain software that students must have as part of the students' curriculum, the cost of which is part of the Academic Program Laptop fees.

On motion made by Dave Forestell, 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 revised Laptop Program Fees for 2024-25, per Appendix A.

(3) 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 April 2024.

The VPFA presented the results of the semi-annual risk register and summarized the rating changes to the risk register presented at the Board meeting in December 2023:

- Of the 11 risks, one reflects a change in the moderate risk rating (from 6 to 7):
 - *Academic Risk – Student Satisfaction with Academic Programs*

With the aid of slides, the VPFA explained that, as a result of a good discussion at the last AFRC meeting around reputational risk, an additional column for low risk would be included in the risk registry going forward, in addition to further clarifications to the low/medium/high risk assessment and adding sections on litigation risk and brand impairment.

The Board discussed and asked questions regarding the impact of demographics and declining birth rates on the enrolment risks.

(4) External Review Tracking Update

As part of the advanced materials for this meeting, Board members received a briefing note with an update on external review recommendations.

The external review tracking update report was taken as read and there were no questions.

(5) Financial Projections

a. International Enrolment Impact Assessment



As part of the advanced materials for this meeting, Board members received a briefing note with an analysis of the impact on enrolment of recent events affecting international student applications and intake.

The VPSI advised the Board that the one-year impact of the downturn in international undergraduate enrolment is estimated at \$2.7M and was due primarily to the delays and negative messaging caused by the international student visa cap and the new Provincial Attestation Letters (PALs).

The Board discussed and asked questions regarding the number of PALs awarded to OCAD U for international undergraduate students and how the process would work in future years if OCAD U were not to use all of the PALs allocated for 2024-25. The Board also discussed the federal government's proposed Recognized Institution Framework and its potential impact on international enrolment.

b. Fiscal Year 2024-25 Operating Budget

As part of the advanced materials for this meeting, Board members received a briefing note regarding the FY 2024-25 operating budget, including an appendix with updated multi-year forecast assumptions.

The VPFA informed the Board that significant uncertainty and risk continue to make the process of setting the FY 2024-25 operating budget challenging. Some of these issues include the allocation of special funding by the MCU, international enrolments, and the collective agreement negotiations.

With the aid of slides, the VPFA proceeded to provide the following highlights of the budget:

- The FY 2024-25 operating budget projects a \$2.6M deficit on operating revenues of \$90.1M and expenditures of \$92.7M and includes \$2.3M in deficit mitigation measures;
- In comparison, a surplus of \$95K is currently projected for the FY 2023-24 year-end resulting in an unrestricted accumulated surplus of \$834K for FY 2023-24;
- Special Allocations continue to be strategically made and include provision for Furniture, Fixtures & Equipment (FF&E) of \$500K plus an additional \$250K for the Evergreen Program and \$600K for initiatives to support academic and strategic planning;
- When compared to prior year actuals, government funding is now a smaller component of revenue than tuition; and
- Enrolment and tuition rate assumptions are based on current trends and information.



The EDIABP reviewed the specific deficit mitigation strategies which include: unit level budget reductions of over \$600K, ongoing Flow initiative implementation looking to reduce section offerings by 100 sections, and vacancies and hiring deferrals resulting in a savings of approximately \$700K.

The VPFA advised that the multi-year forecast presented to the Board in December 2023 had been updated and now projected a total accumulated deficit of \$11.158M (FY 2024-25 to FY 2026-27). He noted that the path toward financial sustainability would include continued government advocacy, operational reviews and net revenue generation and diversification.

The President commented on the collective efforts of faculty and staff to help with the deficit mitigation strategies in these uncertain and challenging times and thanked everyone for their hard work.

The Board discussed and asked questions regarding the appropriate number of staff in the various University departments; whether the University has maximized the options for hybrid and online learning in order to increase student enrolment; the impact of additional government lobbying on the effort to reduce ongoing University cuts; and the impact of donations, if any, on the operating budget.

On motion made by Ana Serrano, seconded by Ernesto Ramirez and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve the FY 2024/25 annual operating budget, as presented.

(6) Butterfield Park Renovation Contract Award

As part of the advanced materials for this meeting, Board members received a briefing note with information pertaining to the awarding of a construction contract for the renovation to Butterfield Park in summer 2024.

The VPFA informed the Board that work on Butterfield Park was scheduled to begin in late June 2024 and that the renovation project is entirely funded through cash and pledges received through fundraising. He explained that, following a rigorous Request for Proposals process, it is recommended that the Board award the construction contract to Ritestart Limited.

The Board discussed and asked questions regarding how much was raised by the University towards the \$1M budget for the project. The VPFA informed the Board that the University had raised \$1.7M and that some of the money raised would be retained for ongoing maintenance.



On motion made by Kevin Reid-Morris, seconded by Julian Goss and adopted, it was resolved that, upon recommendation of the Audit, Finance and Risk Committee, the Board of Governors approve the award of the Butterfield Park Renovation project construction contract to Ritestart Limited for \$1M (taxes included).

(7) Debt Management Policy

As part of the advanced materials for this meeting, Board members received a briefing note with the background information on the proposed Debt Management Policy (the Policy), with a copy of the draft Policy attached.

The briefing note and Policy were taken as read and there were no questions.

On motion made by Colleen Baldwin, 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 Debt Management Policy, as presented.

(8) AGO Site Development

As part of the advanced materials for this meeting, Board members received a briefing note with information regarding the status and key provisions of the Site Development Agreement between OCAD U and the Art Gallery of Ontario (AGO) with respect to the AGO's prospective construction of additional gallery space adjacent to the north-west corner of the university's 100 McCaul facility.

The VPFA informed the Board that the project was now slated to begin in early May 2024 and would take over two years to complete. The law firm of Borden Ladner Gervais LLP is representing OCAD U and is providing guidance through the process of developing the Site Development Agreement in relation to the impact on shared lands, cost responsibilities and other matters.

8. Brand and Business Development Committee (BBDC) Report

(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.

The EDA reported that \$3.1M has been raised to date, representing 135% of the annual fundraising goal. She advised the Board that fundraising was about building relationships and reviewed some of the initiatives undertaken by the Advancement



department, including targeting alumni outreach, developing corporate sponsorships and planning a major fundraising campaign.

The Board discussed and asked for clarification regarding the reference to close to \$600K in unrestricted donations in the operating budget materials. The Board also discussed the possibility of introducing a phone campaign with alumni to generate donations and how the Advancement department could tap into faculty and the Board on any big ideas for fundraising.

(2) Undergraduate and Graduate Enrolment Updates

As part of the advanced materials for this meeting, Board members received a briefing note with an indication of new student intake for FY 2024-25 and to discuss the enrolment strategy moving forward.

The VPSI reported that, based on current enrolment numbers, the University is on track to meet an overall enrolment target of 4,100 FTE and ratio of 70% domestic/30% international students for FY 2024-25. She also noted that (i) undergraduate applications are down from FY 2023-24, primarily due to the decline in international applications and (ii) graduate intake is predicted to meet or exceed targets set for the FY 2024-24 budget.

9. Human Resources Committee (HRC) Report

(1) 2022/23 Pension Plan Statements

As part of the advanced materials for this meeting, Board members received a briefing note regarding the 2022/2023 Pension Plan Financial Statements with the Financial Statements of the Pension Plan (September 30, 2023) attached.

The VPFA provided the Board with a high-level overview of the Pension Plan financial statements that are audited annually. He explained that there were no issues noted by the University's auditors and that the financial statements of the Pension Plan were presented to and fully endorsed by the OCAD U Pension Committee at its March 11, 2024 meeting.

(2) Revised Vacation Policy for Managers and Confidential Staff

As part of the advanced materials for this meeting, Board members received a briefing note regarding a revised Vacation Policy for Managers & Confidential Staff (the Vacation Policy) with a copy of the revised Policy with track changes attached.

The DPC informed the Board that the University has revised the Vacation Policy to address concerns and challenges related to staff members' chronically high vacation



balances. The DPC reviewed the major change in the Vacation Policy, which consists of reducing the vacation accrual balance from 25 to 10 days. She noted that this change aligns with the maximum vacation accrual noted in the OPSEU Unit 1 collective agreement. She added that the change should encourage employees to take vacation more regularly and reduce the budgeted financial liability associated with accruing significant vacation balances. The DPC noted that the new accrual limit will take effect on June 1, 2025, one year after the approval of the revised Vacation Policy.

The DPC informed the Board that some of the challenges with implementing the revised Vacation Policy would include the current heavy workload of staff, inadequate staffing in some units, and the upcoming hiring deferral. She noted that, to reduce the existing vacation liability and promote a reset under the proposed revised Vacation Policy, management has considered the option of a vacation payout for accrued vacation balances above the 10-day accrual limit.

The Board discussed and asked for clarification around staff taking vacation instead of accruing vacation days. The President explained that there are legal provisions pertaining to accrual of vacation days that the University must follow. The Board also discussed the expected challenges with staff using their allotted vacation days due to staff shortages and the pressures that will fall on Managers as a result.

On motion made by Roma Khanna, seconded by Dave Forestell and adopted, it was resolved that, upon recommendation of the Human Resources Committee, the Board of Governors approve the revised Vacation Policy for Managers & Confidential Staff, as recommended by the Executive Team, and as presented.

10. Governance and Nominating Committee (GNC) Report

(1) First Review – Board By-Law Changes

As part of the advanced materials for this meeting, Board members received a briefing note outlining proposed amendments to the General By-Law No. 1 of the Ontario College of Art & Design University (the “By-Law”) and the following attachments:

- 1) Proposed Amendments to OCAD University General By-Law No. 1 (chart);
- 2) General By-Law No. 1 of the Ontario College of Art & Design University (track changes); and
- 3) Brand and Business Development Committee Terms of Reference.

The BSDSP reviewed the proposed By-Law changes which include: (i) the renaming of the Human Resources Committee, (ii) the winding down of the Brand and Business Development Committee, and (ii) extending the term of the Board Chair beyond the six-year limit in accordance with recent legislative changes to the Ontario College of Art and Design University Act, 2002.



The BSDSP reviewed the process to approve the proposed By-Law changes, noting that the Board was provided with notice of the amendments to the By-Law and the opportunity for a first review of the amendments at today's meeting, followed by a second review by the Committee and Board at their meetings in June 2024.

The Board had no comments.

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 Ernesto Ramirez and adopted, it was resolved that the Board of Governors take the meeting *in camera* at 7:10 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 conflicts were declared.

13. Governance and Nominating Committee (GNC) Report

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

The BSDSP provided an update on upcoming vacancies on the Board, as well as the nominations received for the Alumni-at-Large external position.

The Board then made a decision.

14. Executive Committee Report

The Board Chair provided a report to the Board on the Executive Committee meeting held on April 10, 2024.

(1) Academic Administrative Appointment

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



The President and VPAP presented recommendations for three academic administrative appointments.

The Board then made a decision.

15. Academic Matters from Senate

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

16. *In Camera* Session

The Board met *in camera*.

17. *In Camera* Session without Management

The Board met *in camera* without the President.

On motion made by Heather Robson, seconded by Alea Drain and adopted, it was resolved that the Board of Governors take the meeting out of *in camera* at 7:30 p.m.

18. Termination

On motion made by Heather Robson, seconded by Alea Drain and adopted, it was resolved that the Board of Governors terminate the meeting at 7:30 p.m.

Next meeting: TBD

[Original Signed]

Lanita Layton, Board Chair

[Original Signed]

Tanya Bowes, Board Secretary