



## Minutes of the Board of Governors Meeting Monday, October 7, 2024

Minutes of the regular meeting of the Board of Governors (Board) of the Ontario College of Art & Design University (OCAD U or the University) held via videoconference at 4:30 p.m. on the 7<sup>th</sup> day of October, 2024.

**Present:** Colleen Baldwin (Physical Resources and Capital Assets Committee Chair), David Binet (Investment Committee Chair), Maggie Broda, Aly Damji, Brian Davis, Elizabeth Dipchand (Governance and Nominating Committee Chair (GNC Chair)), Dave Forestell (items 1-12 only), Nadia Galati, Julian (Jules) Goss (items 1-17 only), Lalit Guglani, Stephanie Holko (items 1-12 only), Jugraj (Jug) Khinda, Lanita Layton (Board Chair), Gail Lee (Audit, Finance and Risk Committee Chair (AFRC Chair)), Hillary Marshall (items 1-9(1) only), Neal Prabhu, Heather Robson, Ana Serrano (President), Nancy Snow, Samantha Sykes, and Annie Yan.

**In Attendance:** Connie Arezes-Reis, Executive Director, People and Culture (EDPC) (items 1-12 and items 15-16 only), Tanya Bowes, Board Secretary, Deanne Fisher, Vice-Provost, Students & International (VPSI) (items 1-12 only), Peter Fraser, Director, Finance (items 1-12 only), Mary Koutsoubos, Executive Director, Advancement (EDA) (item 11 only), Ryan Rice, Executive Director + Curator, Indigenous Art at Onsite Gallery (item 8 only), Khellon Roach, Manager, Board Governance and Privacy (items 1-16 only), Alan Simms, Vice-President, Finance & Administration (VPFA) (items 1-12 only), and Adam Wiendels, Executive Director, Marketing & Communications (EDMC) (items 1-12 only).

Bobbi-Jean White, Partner, KPMG LLP (KPMG) (items 1-7 only)

**Regrets:** David Belous, Luciana Gomes Da Silva, Mark Hanrahan, Roma Khanna, and Jaime Watt.

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

Lanita Layton, Board Chair, welcomed members to the first regular Board meeting, which was duly constituted with quorum present.



She 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.

The Board Chair welcomed the following five new Board members: Jugraj (Jug) Khinda, Stephanie Holko, Nancy Snow, Neal Prabhu, and Annie Yan.

The Board Chair reminded Board members that the Board of Governors' training sessions would begin this week, starting with Financial Foundations Training Part I on Wednesday, October 9.

## **2. Declaration of Conflicts of Interest**

The Board Chair asked for declarations of conflicts of interest for any public agenda items from Board members. Gail Lee and Hillary Marshall declared a conflict for item 9(1). The Board Chair also declared a conflict for item 9(1). Ms. Lee, Ms. Marshall, and Ms. Layton departed for that portion of the meeting. No other conflicts were declared.

## **3. Approval of Board Agenda for October 7, 2024**

**On motion made by Hillary Marshall, seconded by Dave Forestell, and adopted, it was resolved that the Board of Governors approve the agenda of the October 7, 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 June 17, 2024
3. Approval of minutes of August 28, 2024 (special meeting)

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

4. AFRC information reports
  - a. Statutory Remittances Report
5. OCAD University Freedom of Expression Annual Report 2024
6. Annual Report on the Policy on Prevention and Response to Sexual and Gender-Based Violence

**On motion made by Ana Serrano, seconded by Elizabeth Dipchand and adopted, it was resolved that the Board of Governors approve the minutes of the June 17, 2024 regular meeting, as presented.**



**On motion made by Dave Forestell, seconded by Julian Goss and adopted, it was resolved that the Board of Governors approve the minutes of the August 28, 2024 special 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 consent agenda decision items, and to accept the consent agenda information reports, as presented.**

## **5. President's Update**

As part of the advanced materials for this meeting, Board members received the 2024/2025 institutional scorecard with the first quarter (Q1) results. The President informed the Board that most of the goals and objectives of the University's Academic and Strategic Plan are on track. The President provided the Board with comments on those items on the institutional scorecard that were marked in yellow and red for Q1.

With the aid of slides, the President then delivered a presentation, entitled *Celebrating our Vibrant Community*, where she highlighted some of the many achievements of the University throughout the 2023/2024 academic year. Some of the highlights included: the welcoming of new faculty and staff, the showcasing teaching and research excellence awards, and the promotion of international collaborations.

Board members commended the President and the OCAD U team for the great work done throughout the last academic year.

**ACTION ITEM:** Management will provide an update on the evaluation process/criteria with respect to the OCAD U/Arts Hub relationship at the next Board meeting.

## **6. Facilities Renewal Program – FY 24/25**

As part of the advanced materials for this meeting, the Board members received a briefing note regarding amendments to the Facilities Renewal Program (FRP) FY 2024-25 FRP Project List, with the amended FRP Project List attached.

The VPFA informed the Board that the FRP Project List that was previously approved by the Board at its March 4, 2024 meeting had been amended as a result of an increase in funding allocated to the University by the Ministry of Colleges and Universities. As such, management was seeking the Board's approval for the increase in projects listed on the FRP Project List.



The Board discussed and asked for clarification on whether there were going to be any additional costs to the University as a result of amendments to the Project List and whether one of the FRP Project descriptions required additional information. The Board also asked questions regarding the ongoing rehabilitation work at Butterfield Park.

**On motion made by Heather Robson, seconded by Dave Forestell and adopted, it was resolved that the Board of Governors approve the amended FY 2024/2025 FRP Project List, as presented.**

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

The AFRC Chair provided a report to the Board on the AFRC meeting held on September 26, 2024.

The AFRC Chair also took the opportunity to acknowledge the presence of OCAD U's auditor from KPMG. She thanked the auditor for being present to evidence the approval of the audited financial statements.

### **(1) Fiscal Year 2024/25 Financial Review** **a. Operating Budget Variances** **b. Cash Flow Forecast/Management**

As part of the advanced materials for this meeting, Board members received a (i) briefing note regarding the FY 2024/25 operating budget variances and (ii) briefing note regarding the University's cash on hand and debt position as of August 31, 2024.

The VPFA presented the University's financial trends for the period of June 1, 2024 to August 31, 2024. He noted that, since the majority of the University's revenues and expenditures are captured after the current reporting period, it was premature to project major revenue and expense variance patterns at this time. The VPFA presented the cash flow update and informed the Board that the University's cash flow and liquidity remains favourable.

### **(2) Approval of Draft FY 2023/24 Audited Financial Statements**

As part of the advanced materials for this meeting, Board members received a briefing note on the 2023/24 audited financial statements with the following attachments:

- Draft FY 2023/24 Audited Financial Statements;
- Management's Supplementary Report on the Financial Operations of OCAD University, including Financial Trends and Ratios; and
- FY 2023/24 Actual vs. Budget Report.



The VPFA provided a high-level review of the draft audited financial statements (balance sheet, statement of operations and unrestricted net assets, and the notes to the financial statements) along with the management financial report. With the aid of slides, he reviewed the motion for approval and highlighted some key items pertaining to this year's audited financial statements including:

- the financial statements for the period June 1, 2023 to May 31, 2024 were audited by KPMG and received their unqualified audit opinion;
- The annual operating or unrestricted net asset surplus for the FY 2023/2024 was \$202K after transfers to/from Internal Net Assets (\$143K FY 2022/23) and the accumulated unrestricted surplus as of May 31, 2024 is \$941K;
- Certain revenue categories increased over FY 2022/23; and
- Compensation expenditure increased by \$6.6M (10.4%) largely due to the impact of the OCADFA Faculty arbitrator's award arising from the overturn of Bill 124 and a retroactive settlement with OPSEU Unit 1.

The VPFA also noted that a net transfer of \$2.6M was made to the Student Experience Fund (SEF) and Financial Sustainability Fund during the reporting period. The VPFA reviewed a summary of the \$1.3M allocations from the SEF for FY 2023/24.

The VPFA concluded with a review of the basic trends and key performance metrics for revenues and expenditures for FY 18/19-23/24; gross revenues and expenditures per student Full-Time Equivalent (FTE) for FY 10/11-22/23; primary reserve ratio from 2020-2024; and Net Income/Net Loss Ratio from 2019-2023.

The Board discussed and asked questions regarding (i) the operating surplus and (ii) OCAD U's net operating revenues ratio when benchmarked against similar small Ontario universities.

**On motion made by Dave Forestell, seconded by Gail Lee and adopted, it was resolved that the Board of Governors approve the following:**

- 1. The FY 2023/24 Draft Audited Financial Statements, as presented;**
- 2. The net increase in the Internally Restricted Net Assets of \$2,611,624 per Note 10 of the FY 2023/24 draft audited statements; and**
- 3. Re-appointment of KPMG LLP as the external auditors for OCAD University for FY 2024/25.**

### **(3) Enrolment Strategy Report**

As part of the advanced materials for this meeting, Board members received a briefing note regarding an Enrolment Strategy Report, which provided preliminary data on new student intake and overall enrolment for the FY 2024/25 year as it relates to the projections associated with the operating budget.



With the aid of slides, the VPSI reviewed the University's enrolment history from 2016-2024, noting a dip in the total FTE numbers for enrolment in 2024-25 and projected into 2025-26, and the financial impact. She explained that the University had worked towards the goal of having a 70% domestic to 30% international student enrolment split. However, after attaining this goal in FY 2021-22, there have been significant disruptions taking place in the international student market, including changes to visa requirements, delays in processing visa applications, a cost of living crisis in Toronto, global events including sanctions with Iran and tensions with India, and reputational damage to Canadian higher education due to several high-profile cases of poor-quality experiences. The VPSI reviewed the University's mitigation strategies to address the negative fallout as a result of a decrease in international student intake; in particular, potentially increasing the number of domestic students in the Bachelor of Design program which carries a higher tuition fee rate.

After the presentation by the VPSI, the President emphasized that the following three major external drivers were having a negative impact on the University's finances: (1) the provincial government's underfunding of post-secondary education; (2) the federal government's immigration policies; and (3) geopolitical issues focused on India and China, which was making Canada a less attractive place destination for international students to study. To this end, the President commented that it was important for the University to think creatively of how to adapt to remain relevant and sustainable in this challenging environment.

The Board discussed and asked questions regarding whether the declining conversation rate from application-to-admit provided any insights into the University's recruitment strategies or whether the decline was more so related to Canada's place in the world; how some of the mitigation strategies the University is putting in place would be implemented, including whether making additional offers to students was a possibility; how the Semi-Annual Risk Register was capturing the risk to the University presented by declining international student enrolment; how the decline in student numbers was impacting the section reductions recommended as part of the 2020 Third Party External Review; whether the enrolment of international students from the K-12 group was impacted by the change to student visas; whether the decline in enrolment was impacting the Financial Sustainability Fund of the University; and the possibility of lobbying the provincial government to remove the tuition freeze that has been in place since 2019.

## **8. Executive Committee Report**

Board Chair provided a report to the Board on the Executive Committee meetings held on July 24, 2024 and September 11, 2024.

### **(1) Collection Committee Membership**



As part of the advanced materials for this meeting, Board members received a briefing note outlining the membership of an Ad Hoc Collection Committee.

The Executive Director and Curator, Indigenous Art informed the Board that the University's Onsite Gallery is in the process of acquiring three pieces of art that require review and approval to be formally accepted into the collection of the University. For this reason, an Ad Hoc Collection Committee would need to be struck. The Executive Director and Curator, Indigenous Art stated he was seeking the Board's approval of the committee's membership.

The Board asked questions regarding the significance of bringing the three pieces of art into the University's collection and whether there was a financial implication to not accepting the art into the collection.

**On motion made by Ana Serrano, seconded by Julian Goss and adopted, it was resolved that the Board of Governors approve the membership of an Ad Hoc Collection Committee as presented.**

## **9. Governance and Nominating Committee (GNC) Report:**

### **(1) Notice of elements of Annual General Meeting and Call for Nominations for Chair and Vice-Chair(s)**

As part of the advanced materials for this meeting, Board members received a briefing note on the nomination and election process for the Board Chair and Vice-Chairs.

Board Chair Designate Elizabeth Dipchand declared open the call for nominations for the positions of Chair and Vice-Chairs of the Board, each for a one-year term beginning at the University's annual general meeting. The Board Secretary explained the nomination and election process, which was detailed in the briefing note, including the proposed slate of candidates.

**On motion made by David Binet, seconded by Heather Robson and adopted, it was resolved that the Board of Governors approve the election of Lanita Layton as Chair nominee, Gail Lee as First Vice-Chair nominee and Hillary Marshall as Second Vice-Chair for the Chair and Vice-Chair elections to take place at the Annual General Meeting on December 2, 2024.**

## **10. Marketing and Communications Update**

As part of the advanced materials for this meeting, Board members received a briefing note summarizing the University's Recruitment Ad Campaign and upcoming launch of





a new OCADU.ca website, with slide decks presenting the Recruitment Ad Campaign and Website Update attached.

The EDMC noted that FY 2024/25 marks the second year of the “One degree equals endless career paths” campaign. With the aid of slides, he presented the key features of the recruitment marketing campaign, which is focused on broadening the target audience and building awareness of the diversity of careers that are possible with an art and design degree. The EDMC noted that, according to data, the perceptions of the employability of OCAD U degrees remains lower than the school’s competitors. He presented the new ad campaign, explaining that it will continue to highlight successful alumni, but will be edgier and will feature more sophisticated taglines.

With the aid of slides, the EDMC briefly discussed the upcoming launch of the University’s revamped website, noting that the revamped website will be launched on November 2024, on time and on budget. He explained that the biggest change is the reframing of the site as a marketing tool, targeting public audiences, with a focus on prospective students and their families, partners, donors and government.

The Board discussed and asked questions on how and where the recruitment ad campaign will be deployed, including whether any ads would be placed in overseas markets; what metrics will be used to measure how well the ads are performing; in what ways the ads are targeted to specific groups such as transfer students or international students; how the ads serve to drive traffic and interest in the University’s website; and whether the ads are used to showcase the myriad of ways an OCAD U degree can be used to gain employment in a variety of fields within and without the creative sector.

## 11. Advancement Report

As part of the advanced materials for this meeting, Board members received a briefing note regarding the Advancement Department’s fundraising activities, with the (1) Advancement Fundraising Report, and (2) OCAD U Gala Sponsorship Package attached.

The EDA informed the Board that the Advancement Department had increased the 2024/2025 fundraising target to \$3M, with 10.6% of the goal raised thus far. The EDA noted that the Advancement Department raised \$3.1M in new gifts and pledges in 2023/2024.

The EDA discussed the plans of the Advancement Department related to OCAD U’s inaugural Fundraising Gala set to take place in May 2025. She noted that OCAD U had hired Burstyn Inc. to assist with event planning and ideation. She also outlined the purpose of the Gala was threefold: (1) to help raise awareness of OCAD U and its scope to new audiences; (2) to help build our donor pipeline and identify new





potential donors and sponsors; and (3) to raise funds for student bursaries. The EDA also noted that a gala committee has been formed and one of their responsibilities is to help identify and solicit potential sponsors and table/ticket buyers.

## 12. Other Business

As part of other business, the Board Chair thanked departing Board members David Binet, Roma Khanna and Alea Drain for their contributions to the University through their service on the Board:

The President also expressed a few words of gratitude to the departing Board members.

The President took the opportunity to extend birthday wishes to the Board Chair.

**On motion made by David Binet, seconded by Heather Robson and adopted, it was resolved that the Board of Governors take the meeting *in camera* at 6:30pm.**

## 13. Declaration of Conflicts

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

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

The GNC Chair provided a report to the Board on the GNC meeting held on September 20, 2024.

### **(1) Nominating Strategy Update**

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

The Board Secretary provided a summary of upcoming vacancies on the Board, as well as Board committee assignments.

The Board then made some decisions.

## 15. Executive Committee Report

### **(1) Collective Bargaining Matter**



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

The EDPC introduced the item to seek final ratification of the tentative agreement between the University and OPSEU Unit 2.

The Board then made a decision.

## 16. Academic Matters

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

The President informed the Board of the academic matter for approval.

The Board made a decision.

## 17. *In Camera* Session

The Board met *in camera*.

## 18. *In Camera* Session without Management

The Board met *in camera* without the President.

**On motion made Julian Goss, seconded by Jugraj Khinda and adopted, it was resolved that the Board of Governors take the meeting out of *in camera* at 7:00pm.**

## 19. Termination

**On motion made by Colleen Baldwin, seconded by Annie Yang and adopted, it was resolved that the Board of Governors terminate the meeting at 7:02 p.m.**

### **Next meeting:**

The next meeting of the Board of Governors is Monday, December 2, 2024.

*[Original Signed]*

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Lanita Layton, Board Chair

*[Original Signed]*

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Tanya Bowes, Board Secretary