



York University Board of Governors Notice of Meeting

**April 27, 2015, 3:00 pm to 6:00 pm
5th Floor, Kaneff Tower, Keele Campus**

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Meeting: Open Session 23 February, 2015 at 3:00 pm
 5th Floor Kaneff Tower, Keele Campus

Present:

Julia Foster, Chair
 Shadiya Aidid
 Angelo Belcastro
 Susan Black
 Darnel Harris
 Ozench Ibrahim
 Zahir Janmohamed
 Vijay Kanwar
 Armand La Barge
 Robert Lewis
 David Leyton-Brown
 David McFadden
 Earle Nestmann
 Rose Reisman
 Mamdouh Shoukri
 Dragan Spasojevic
 Paul Tsaparis
 Tony Viner
 Rick Waugh
 Randy Williamson
 Henry Wu
 Hana Zalzal

Maureen Armstrong, Secretary
 Cheryl Underhill, Assistant Secretary

Regrets:

Bill Boyle
 Bill Hatanaka
 John Hunkin
 Peter Marrone
 Sal Paneduro
 Rose Reisman
 Honey Sherman

Others:

Eman Alashqar
 Noël Badiou
 Lesley Beagrie
 Gary Brewer
 Jorge Cartaya
 Catherine Davidson
 Robert Haché
 Brandon Hart
 Suzanne Killick
 Rhonda Lenton
 Ran Lewin
 Alex Matos
 Ijade Maxwell Rodrigues
 Gayle McFadden
 Janet Morrison
 Jeff O'Hagan
 Alice Pitt
 Bud Purves
 Joanne Rider
 Lorne Sossin
 Leah State
 Liisa Stephenson
 Susan Webb
 Mark Wilcheski
 Elaine MacRae, Board
 Coordinator

II. OPEN SESSION

1. Chair's Items

a. Report on Items Decided in the Closed Session

The Chair reported the extension of Deszö Horváth's term as Dean of the Schulich School of Business for an additional two years, concluding on 30 June 2018.

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Governors were reminded of the upcoming annual *Fisher Fund Wine Tasting and Auction*, which raises funds in support of ongoing research and conservation programs at York's Las Nubes rainforest project in Costa Rica.

2. Executive Committee

Ms. Foster noted the report circulated with the agenda.

a. Sexual Assault Policy

Documentation included in the agenda was noted. Vice-President Brewer spoke to the proposed policy. The issue of sexual assault is of considerable importance to the University, and the policy is a critical component of the measures being taken to enhance campus safety. The policy has been informed by wide and thorough consultation at the University and best practices. It works in concert with related existing policies and collective agreements, and has pan-university support. The Governance & Human Resources Committee reviewed and endorsed the policy at its last meeting. A set of associated Procedures is being developed to support its implementation.

It was duly *agreed*, that **the Board approve the Sexual Assault Awareness, Prevention, and Response Policy.**

3. President's Items

a. Kudo's Report

In addition to report in the agenda, the President spoke to the following matters:

- The 2014 President's Report, distributed at the meeting (and filed with these minutes)
- The annual meeting of Ontario universities' Student Affairs Directors hosted by York on 20 February, which the MTCU Minister attended to participate in the discussion of sexual violence on university campuses
- The COU Change Agent report on Ontario's Universities: Transforming Communities, Transforming Lives
- The status of the Academic and Administrative Program Review (AAPR) initiative, noting that the initial draft of the Strategic Directions document will be prepared and disseminated for consultation likely in April.

b. Mental Health Strategy Presentation

The Board received a presentation from the Vice-Provost Students, Janet Morrison, on Advancing a Mentally Health Campus; a copy of the presentation slides is filed with these minutes. A Mental Health & Wellness Steering Group is overseeing the provision of education, training and services in support of the University's mental health strategy. A set of priorities and activities for 2014-2015 has been established

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and that work is underway. The mental health data on York students reveals the seriousness of the issue. Strategies and services are being informed by best practices and collaborative consultation with Canadian universities.

4. Academic Resources Committee

Mr Wu spoke to the written report of the Joint meeting of the Academic Resources and Finance & Audit Committees. The two committees received briefings on the new SHARP budget model being implemented in 2017-18, and the status of the AAPR exercise.

- a. Establishment of the James and Joanne Love Chair in Environmental Engineering

Documentation circulated in the agenda was noted. It was duly *agreed*, that **the Board approve the establishment of the James and Joanne Love Chair in Environmental Engineering.**

5. Finance and Audit Committee

Referring to the written information report, Ms Ibrahim highlighted the Committee's approval of the External Audit Plan for 2015 and the growing fiscal challenges resulting from declining enrolment pressures.

- a. Capital Projects: New Student Centre Project

Documentation circulated with the agenda was noted. The proposed new facility will provide much needed student space. The initiative has been undertaken in collaboration with students and the York University Student Centre Corporation. Due diligence was conducted by management to develop a financing strategy for the project that limits the University's risk exposure. Drawing on lessons learned from recent capital projects, an external third-party cost consultant was employed to produce reliable project estimates.

Regarding Section 2 and 3 – Design Contract and Construction Contract of the Executed Agreement - management will confirm with legal counsel that the agency contracting arrangement has been correctly articulated. Further, following the increase made to the projected budget after the cost consultant's review, the principal amount of the loan to the YUSC was established as \$46.3M. It was recommended that the specific loan amount be referenced in paragraph c) of the resolution.

With the concurrence of the Committee Chair to the clarifying amendment, it was duly *agreed* that **the Board approve:**

- **The New Student Centre project with a total project budget of \$74 million.**
- **The commencement of the New Student Centre Levy in September 2015 as approved by students in October 2013 at the rate of \$3.60 per credit for all**

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undergraduate students (except Glendon) and of \$36.00 per term for full time graduate students and \$18.00 per term for part-time graduate students, with an annual increase to the levy of 1.6% to be reviewed in 10 years;

- The approval of the Project Financing Strategy per the KPMG report entitled “York University Student Centre”, dated 28 January 2015 based on a 40 year amortization period and a maximum principal loan amount of \$46.3M;
- An adjustment commencing in September 2015 to the existing Student Centre levy from the existing rate of \$5.24 per credit to a new rate of \$1.67 per credit for undergraduate students or \$16.70 per term for full time graduate students and \$8.35 per term for part-time graduate students, with an annual increase to the levy of 5% to be reviewed in 10 years; and
- The requisite structure of legal documents as outlined below, including:
 - Project Management Agreement;
 - Design Contract;
 - Construction Contract;
 - Special Purpose Entity (SPE) Agreement;
 - Site Licence Agreement;
 - Administration Agreement;
 - Direct Agreement;
 - Irrevocable Direction;
 - Loan Agreement;
 - Guarantee
- The delegation of authority to the President to execute the implementing documents #1 to 8 outlined in (e) above; and
- In accordance with the Memorandum of Understanding between the University and the York University Student Centre dated 26 June 2013, the above approvals are contingent on the approval of the Board of the York University Student Centre.

6. Governance and Human Resources Committee

Ms. Black spoke to the Committee’s written report, noting its endorsement of the new Board meeting structure to be adopted next year.

7. Land and Property Committee

Mr. Tsaparis presented the written report of the Committee summarizing developments on the subway extension, Lands for Learning strategy, the Quad student housing project and the Pam Am Games stadium.

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8. Marketing, Communications and Community Affairs Committee

Having succeeded Mr Viner as Chair, Mr. McFadden noted the information report included in the agenda. The Committee recently engaged in discussions with management on the key topics of communication activities in support of the York in York Region proposal, fundraising campaign planning and progress on building alumni engagement.

9. Other Business

There was no other business.

10. *In Camera* Session

An in camera session was held. No further decisions were taken.

Consent Agenda Items

All consent items were deemed to be approved.

Julia Foster, Chair _____

M. Armstrong, Secretary _____

EXECUTIVE COMMITTEE

Report to the Board of Governors

at its meeting of April 27, 2015

Since the last meeting of the Board on February 23, 2015, the Executive Committee met informally five times by teleconference to receive updates and provide advice on the course of negotiations with CUPE 3903.

The Committee held its regular meeting on April 17, 2015 and makes this report to the Board for information.

1. Chair's Items

The Chair thanked the members of the administration present for their excellent work throughout the recent labour disruption. She also expressed appreciation to Executive Committee members for their time and effort to participate in the special teleconference committee meetings throughout the disruption.

2. President's Items

The President expressed gratitude on behalf of the senior leadership team for the support provided by the Committee throughout the labour disruption.

The Provost updated the Committee with respect to intended activities associated with the AAPR initiative. Due to the labour disruption, completion of an institutional strategic directions document has been delayed by approximately two months. The senior management retreat previously scheduled for March will now take place on April 28th. It is anticipated a draft Institutional Integrated Resource Plan will be available by the end of May in time to inform discussions on the 2015/16 budget in June. Plans to obtain community-wide input on the document are still being finalized as are methods of sequencing implementation of this document with the development of a new University Academic Plan. The Committee noted its interest in reviewing the Integrated Resource Plan in preparation for finalization of a budget in June.

3. Committee Chairs: Key Issues

Each of the committee chairs provided an update with respect to issues coming before their committees which are described elsewhere in the Board package.

Julia Foster
Chair

Memo

To: Board of Governors

From: Julia Foster, Chair, Board Executive Committee

Date: April 20, 2015

Subject: **Action taken by the Board Executive Committee on behalf of the Board**

Pursuant to the authority accorded to it under Article VI, 4(e) of the General Bylaw, the Executive Committee addressed 2 items of business arising since the last meeting of the Board of Governors.

1. Decanal and Librarian Appointments

The Committee approved the appointment of Professor Ananya Mukherjee-Reed as Dean of the Faculty of Liberal Arts and Professional Studies and Ms. Joy Kirchner as the University Librarian each for a five year term ending June 30, 2020.

2. Agreement with CUPE 3903, Units 1, 2 and 3

Mr. Brewer reported on April 17th that an agreement had been reached and ratified with CUPE 3903 the bargaining agent representing Teaching Assistants (Unit 1), contract faculty (Unit 2) and Graduate Assistants (Unit 3). On March 9, Unit 2 voted to accept the terms of a new contract with the University. On March 28, Units 1 and 3 also ratified the agreements. The Executive Committee concurred with the negotiated agreements.

YORK UNIVERSITY KUDOS REPORT



FEBRUARY

York received a landmark \$5 million gift from an anonymous donor to provide scholarships for incoming undergraduates, graduate students, and Indigenous students. The gift will be matched by University and government programs, resulting in a total of \$10 million in funding for York students.



York Board of Governors approved a policy on awareness, prevention, and response to sexual assault, affirming the University's ongoing commitment to foster a culture where survivors are supported and perpetrators are held accountable. The policy is the result of the dedicated efforts of students, staff and faculty on the Sexual Assault Prevention & Response Policy Working Group.

York recognized leading researchers for their outstanding achievements at the third annual York U Research Leaders celebration. Faculty of Science professor Sergey Krylov was awarded the President's

Research Excellence Award and Faculty of Health professor Shayna Rosenbaum was awarded the President's Emerging Research Leadership Award.

Third annual Undergraduate Research Fair took place on February 23, with undergraduates delivering presentations on their research. 13 presentations received awards, and a new journal titled *York Online Undergraduate Review (YOUR Review)* will be launched later this year.

A team from the Office of Student Community Relations, along with York staff members Maria Mazzurco, Jayne Greene-Black, Noel Badiou, Alicia Pinter, and David Timmins are this year's recipients of the President's Staff Recognition Awards.



For the ninth straight year, Schulich was ranked among the world's top 25 business schools (19th) and No. 1 in Canada in the annual global MBA survey conducted by CNN Expansi3n.

York Lions men's volleyball team won a bronze medal at the Ontario University Athletics (OUA) final. Team members Josh Henderson, Ray Szeto, and Arthur Swarcz were recognized by the OUA for their outstanding season.



York President Emerita Lorna Marsden's contributions have led to the establishment of the Robarts Centre Visitorship in Canadian Studies at the Robarts Centre for Canadian Studies.

'This is My Time' campaign won bronze in the services category in Canadian Advertising Success Stories (CASSIES).



Schulich professor and Robert Finlayson Chair in International Finance Kee-Hong Bae recently won the best paper prize from the *International Review of Finance* journal along with his co-authors.

York alumnus Christopher Williams (BA '97) was presented with The Honourable Lincoln Alexander '53 Award from the Black Law Students' Association at Osgoode for his work in the field of criminal justice and black marginality.

Faculty of Science professor and Tier 1 York Research Chair Sergey Krylov has received more than \$717,000 over three years from the Natural Sciences and Engineering Research Council of Canada (NSERC).

MARCH

Lions men's and women's track & field teams together won 17 medals and broke or tied three meet records at the OUA championships. Of the 17 medals won, 11 were gold, four were silver and two were bronze.

On March 7 the Faculty of Science hosted #WomenInSTEM, a celebration of York grads working in science, technology, engineering and mathematics (STEM) professions, as part of the Faculty's 50th anniversary.

Two Osgoode Hall Law School teams were honoured with an award at the Willms & Shier Environmental Law Moot Court Competition on March 7 at the Ontario Court of Appeal.

Lassonde School of Engineering invested \$1.5 million in the Lassonde 50:50 Challenge, a campaign to become the first engineering school in Canada to reach a 50:50 gender balance.

Two teams of Schulich MBA students won first and second place in Schulich’s annual Developer’s Den case competition.

- Jamieson Saab (MES ’11)
- Klaudia Olejnik (Spec. Hons. BBA ’09, MBA ’14)
- Adam Camenzuli (Spec. Hons. iBBA ’10)
- Mustafa Nazari (Spec. Hons. BES ’11)
- Afzal Habib (iBBA ’10)

Four students from York’s Master of Public Policy, Administration and Law program placed third at a recent case competition hosted by the Institute of Public Administration of Canada and the Canadian Association of Programs in Public Administration.

Lassonde School of Engineering hosted its inaugural Lassonde Awards at Glendon campus to recognize the diverse accomplishments of faculty, staff, students and supporters.



Faculty of Education student Laina Tsurusaki won first prize in the Open category at the 26th National Japanese Speech Contest that took place at the University of Calgary on March 28.



York Lions track and field team had an outstanding showing at the Canadian Interuniversity Sports (CIS) Championships this year:

- Khamica Bingham broke the women’s CIS 60m record, winning the gold medal.
- CIS Outstanding Female Field Performer of the Year and York athlete Brittany Crew won the gold medal in the women’s weight throw.
- In the 60m men’s competition, Bismark Boateng won the gold medal and Ike Omoruna brought home the bronze.

Both CREATE applications submitted from York were successful. Health and Engineering Professor James Elder and Liberal Arts & Professional Studies Professor Jimmy Huang were awarded \$1.65 million from NSERC for their respective projects.

Five York alumni named to the Corporate Knights’ “Top 30 Under 30 Sustainability Leaders” list of Canadian youth who have a proven track record in sustainable development:

Osgoode Hall Law School honoured 13 recipients of 2015 Dean’s ‘Gold Keys,’ awarded to students graduating from the Juris Doctor (JD) program who made outstanding contributions to the life of the law school: Arielle Lewis, Darcel Bullen, Aneesha Lewis,

Robin Nobleman, Toby Samson, Clinton Green, Jean-Paul Bevilacqua, Laura Wilson, Steven Broadley, Douglas Judson, Anthony Sangiuliano, Jeffrey Hernaez and Allison Williams.

APRIL

York Lions soccer player Jarek Whiteman and track and field athlete Brittany Crew were named the male and female Athletes of the Year at the 47th annual Interuniversity Sport Banquet on April 1.

York student Tanya Elchuk was a Top 25 finalist in the SSHRC Storytellers competition, which challenges postsecondary students from across the country to demonstrate how SSHRC-funded research is making a difference in the lives of Canadians.



Centre for Research on Latin American and Caribbean Research Fellow Judith Marshall was the only Canadian invited to participate in a World Meeting of Popular Movements that brought more than 100 grassroots activists from all around the world to Rome.

York psychologist Ellen Bialystok's dementia research is among top 50 university discoveries named by the Council of Ontario Universities (COU). She discovered

that bilingual people with dementia show symptoms four years later than those who speak just one language.

YorkU Call Centre (Advancement), which employs over 150 students every year, has set a new record for the third straight year, raising \$700,000 already this year, up from \$568,000 last year, \$368,000 in 2013 and \$250,000 in 2012.



Osgoode Professional Development will use a substantial award from the Ministry of Citizenship, Immigration & International Trade to create an innovative online exam preparation course to help internationally trained lawyers who are Ontario newcomers to qualify to practice in the province.

A research paper co-authored by Schulich Professor Douglas Cumming examining rewards-based crowdfunding models named to list of best academic research on crowdfunding on website @Aboutdotcom.

History Professor Adrian Shubert awarded prestigious Killam Research Fellowship--the first in nearly a decade for YorkU--for his research on Spain's Baldomero Espartero.

Academic Resources Committee

Report to the Board of Governors at its meeting of April 27, 2015

The Committee met on April, 10 2015 and makes this report to the Board for information.

1. President's Items

Dr Shoukri reported that the return to normal operations following the strike had proceeded smoothly. Importantly, convocation ceremonies will be held on schedule and all students eligible to graduate this spring will be able to receive their degrees, diplomas and certificates on time. A decision about new university campuses in Ontario has not yet been made, but confidence remains high that York's bid for a site in Markham closely aligns with the government's objectives.

2. Provost's Items

Provost Lenton updated the Committee on a variety of related planning initiatives. The strike has delayed completion of the Institutional Strategic Directions document but work has continued. It is anticipated that a draft will be ready by late May, and that the document will be the subject of consultations in the late summer / early autumn. The Committee will have an opportunity to review the document in draft form. The SHARP budget model will be released to the community shortly and open information sessions are being arranged for the next phase of the roll out.

The full impact of the strike on enrolments for the summer and fall-winter terms is not yet known. Concerted efforts are underway to maximize the conversion of applications into 2015-2016 registrations, and to retain students. Specific initiatives include Faculty open houses, a "transfer connect" portal for college and university students (coupled with earlier and more aggressive admission offers which has already reaped dividends), a digital ad campaign, a new Saturdays at York tour programs, and extension of Student Life scholarships.

York lost some market share in the latest round of secondary school applications and the number of students making the University their first choice fell. Retention continues to be a challenge as well. The Provost described a host of strategic enrolment initiatives – covering the full cycle from recruitment to retention – designed to reverse trends and ensure that enrolment targets are met. Meeting enrolment targets is critical to overall and Faculty-specific budgets, and York, like other Ontario universities, has committed to defined numbers of student in the Strategic Mandate Agreements signed in 2014. Retention strategies are based on "enrolment intelligence" (that is, theoretically informed and

Academic Resources Committee

evidence based knowledge) together with transition-to-university programs, academic advising, and engagement of faculty members.

Because of enrolment shortfalls, it has not yet been possible to move toward the increased GPA of entering students outlined in the Provostial White Paper of 2010 in all Faculties, but cut-offs have not been lowered (analysis shows that the prospects of student success dim below a certain point). Matching enrolment demand with program capacity is a key priority.

3. Vice-President Research and Innovation's Items

Vice-President Haché reported on some recent outstanding successes in competitions for grants from the Social Science and Humanities Research Council (SSHRC) and the Natural Sciences and Engineering Council (NSERC). York researchers have also fared well in the latest Canada Foundation for Innovation results. The number of Canada Research Chairs at York has grown by two, both of them at the senior level. CRCs are finite in number, meaning that the University's share of the national total has grown. York researchers continue to receive impressive funding for large-scale projects, including ones that involve partnerships with colleagues at other universities.

At the same time, overall research intensity (indexed by funding per capita) lags. Indeed, investigator-driven grant applications have trended down and the percentage of research-active faculty members can vary markedly by Faculty. In order to enhance research cultures and boost participation rates in line with the goals of the University Academic Plan and Strategic Research Plan, Vice-President Haché has launched a research intensification initiative. Development of a "Plan for the Intensification & Enhancement of Research" (PIER) is the goal of a community-wide engagement process geared toward

- broad operationalization of the commitment to research to the Unit level (capitalizing on widespread enthusiasm for growing research at York and a strong consensus about the goals of excellence and comprehensiveness)
- improved processes and supports for research
- widespread support for appropriately ambitious research development targets

A working group will conduct wide consultations in the fall with a view to finalizing recommendations in the spring of 2016.

Vice-President Haché also reported on York's plans to take advantage of the federal government's Canada First Research Excellence Fund which launched in December 2014. A total of \$1.5 billion will be available over a ten year period, with criteria aimed at achieving "globally leading research outcomes in areas of long-term economic advantage for Canada." A number of groups signaled interest in a proposal. After vetting and refinement, a single, strong application was submitted in early March. Results are due in July.

Henry Wu, Chair

Memo

To: Julia Foster, Chair, Board of Governors

From: Henry Wu, Chair, Academic Resources Committee

Date: April 10, 2015

Re: **Approval of a Policy on the Establishment and Designation of Research and Teaching Chairs, Professorships and Distinguished Fellowships**

**University
Secretariat**

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York University
4700 Keele Street
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T 416 736 5310
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Motion and Rationale:

The Academic Resources Committee recommends that the Board of Governors approve a Policy on the Establishment and Designation of Research and Teaching Chairs, Professorships and Distinguished Fellowships as set out in Appendix A, and that this Policy replace the current Senate-Board of Governors Policy on Endowed Chairs and Professorships.

This new Policy is intended to replace the current Senate-Board of Governors Policy on Endowed Chairs and Professorships, which dates to the 1980s and a time when they were few funded Chairs and Professorships at the University. The revised Policy was approved by Senate at its meeting of March 26, 2015 and by the Academic Resources Committee on April 10, 2015.

The current Policy refers only to generic Chairs and Professorship. A significant refinement in the new policy titles is the introduction of titles that reflect the special attributes that are recognized -- Research or Teaching. Vice-President Haché, who has played a leading role in modernizing the Policy, has provided a chart depicting the kind and level of funding for each category, the rank and scholarly profile of incumbents in various positions, the enhancements associated with the honorific, terms and teaching expectations. Donors will be provided with information on the minimum dollar amount required to fund positions (either through permanent endowments or defined periods).

The Board's role in the approval of Chairs and Professorships, which is spelled out in the *York Act*, remains unchanged in the new Policy. Chairs and Professorships will continue to be formally approved by the Board following approval by the Academic Policy, Planning and Research Committee of Senate. There are a variety of Fellowships at the University that are not subject to Board approval, including College and postdoctoral fellows and have not been in the past. Distinguished Fellowships described

in the Policy will be formally approved by the Provost, but Senate and the Board will receive reports as incumbents are named. The designation of Distinguished Fellow may be particularly well suited to visiting scholars.

Guidelines and procedures have been drafted to accompany the new Policy, and they are intended to provide clarity about the processes by which incumbents are named and renewed. These are appended for information as are the current Policy on Endowed Chairs and Professorships and its accompanying procedures.

Policy on the Establishment and Designation of Research and Teaching Chairs, Professorships and Distinguished Fellowships

Description: This is a Senate and Board of Governors Policy for which there are associated Guidelines and Procedures. Under the York University Act, the Board of Governors has the authority to establish a Chair or a Professorship.

Policy

Purpose and Aims

In furtherance of its academic goals and out of a desire to recognize and reward faculty members for their achievements, York University may establish Research and Teaching Chairs and Professorships, and Distinguished Fellowships, which may also have the following aims:

- honour meritorious scholars who have demonstrated exceptional teaching and research
- recognize, in the names that may be assigned to these positions, the University's benefactors, supporters, past faculty members and others
- advance strategic plans, build on strengths and support emerging foci
- enhance the University's research and teaching
- attract and retain prestigious faculty members

Notwithstanding the source of funding or type of position, the criteria guiding the establishment of designations under this policy are the recognition of high merit and the advancement of the University's academic mission.

Applicability of the Policy

This policy applies to the establishment of named and / or funded positions, as well as to the appointment, review and renewal of incumbents.

Sources and Nature of Funding

The funding of chairs, professorships and distinguished fellowships covered by this policy may be derived in whole or in part from donations, University or Faculty funds, or financial arrangements with other institutions. Financial support may flow out of a perpetuated bequest or fixed term funding.

Normally, funding will be sufficient to provide for 100 per cent of costs without additional support from the University's operating budget.

Donors

Donors shall not be involved in selection or review processes for any position.

Donors may, however, be expected to take an interest in the activities of the incumbents of the chairs and professorships they have funded. They will receive an annual report on the activities of incumbents and may participate in other forms of engagement and support.

Naming of Chairs and Professorships

Research and Teaching Chairs or Professorships will be distinguished from other chairs by the inclusion of the words “Research” or “Teaching” in their titles. The title may also include the names of donors, or others commemorated such as past York University scholars.

Terms and Conditions

The terms, conditions and expectations of named and funded positions shall be explicitly defined and will include a sustainable financial plan. Financial support shall be commensurate with the research, teaching and educational leadership activities associated with the chair, professorship or distinguished fellowship. Support of positions will be commensurate with the goal of enhancing the capacity of a faculty member to undertake research, teaching and educational leadership activities.

Disestablishment

Disestablishment of chairs, professors and distinguished fellowships shall be provided for at the time of establishment or by mutual agreement of the University and the donor.

Effective Date of the Policy

This Policy shall be take effect from the time it is enacted by Senate and the Board of Governors. It does not apply retroactively to any pre-existing position with the exception that the appointment and renewal procedures described below shall apply provided that they are consistent with the terms under which a pre-existing position was established.

Positions and Designations Not Covered by this Policy

The following positions and designations are not covered by this policy:

- Distinguished Research Professors and University Professors, which are honorary designations under other policies and procedures
- Chairs established by programs created by external bodies, such as Canada Research Chairs and Canada Excellence Research Chairs, Killiam Awards, or NSERC Industrial Research Chairs
- Regularly Named Chairs, which are covered by a separate Policy

Establishment and Designation of Research and Teaching Chairs, Professorships and Distinguished Fellowships:

Guidelines and Procedures

Guidelines

Funding

Research and Teaching Chairs, Professorships and Distinguished Fellowships may be funded through

- an endowment
- fixed term funding from external sources
- a combination of sources including eligible internal funds.

Funding for incumbents shall be commensurate with explicit academic goals and objectives, and shall be sufficient to cover 100 per cent of costs (which will vary with the nature of positions, expectations and areas of scholarship). Minimum amounts and financial terms shall be consistent with those promulgated by the University, which may be expected to be adjusted periodically.

Funding for fixed term Chairs and Professorships shall be for a minimum of five years. In the event that necessary additional funding is secured, a limited term Chair or Professorship may be converted to an Endowed Chair or Professorship without further review or approval. Similarly, should the necessary additional funding be realized, an endowed Professorship may be converted to an endowed Chair, without further review or approval.

Funding for limited term Distinguished Fellowships shall be for a minimum of 3 years. Distinguished Fellowships may only be converted to other Chairs or Professorships upon successful review and approval.

In addition to covering the salary and benefits of the holder, funding for Research and Teaching Chairs and Professorships shall include provide for an appropriate level of scholarly and research support that may include one or more of the following:

- unrestricted or restricted accounts in support of the research and teaching goals
- provisions for a stipend
- funding for the relief of teaching
- provisions for infrastructure requirements of an externally recruited appointee

Teaching Requirement

York University prides itself on being comprehensive in its approach to education and in the contact of all faculty members with undergraduate and graduate students. At the same time appointments may offer a number of means through which research intensity beyond normal expectations can be recognized through provision of teaching release time. Accordingly, Research Chairs and Professorships will be expected to include a teaching load that is not less than 50 per cent of the normal load for full time professors in the applicable discipline, and in

any case not less than a course load of 1.0. Teaching Chairs and Professorships will be expected to maintain course teaching load equivalent to the norm for faculty members in their Faculties.

Leadership and Community Engagement

All appointees will be identified and recognized leaders of scholarship, research, creative activity, and teaching. As such, they shall provide leadership in the overall development of the research and teaching mandate of the University and to be active mentors for their colleagues.

Research and Teaching Chairs

The establishment of a Research and Teaching Chair represents a major commitment by the University to the development of an area of research, scholarship and teaching. The holder of a Chair should be of great distinction and be an exceptionally productive well established scholar normally at the rank of Professor.

The normal appointment as Chair is for a fixed term of five years, renewable up to two times (for a total maximum appointment time of 15 years), contingent upon successful performance review. Upon approval of the Provost, there may also be provision to extend an outgoing appointee by one additional year to facilitate the completion of a body of work or to provide for a smooth transition to a new Chair holder.

Professorships

The establishment of a Research and Teaching Professorship represents a commitment by the University to the development of an area of research, scholarship and teaching. The holder of a Professorship should be of distinction and be a highly productive scholar normally at the rank of Assistant Professor or Associate Professor.

The normal appointment to a Professorship is for a fixed term of five years. A term may be renewed not more than once and renewal is contingent upon a successful performance review. Upon approval of the Provost, there may also be provision to extend an outgoing appointee by one additional year to facilitate completion of a body of work or to provide for a smooth transition to a new Professorship holder.

Distinguished Fellowships

Distinguished Fellowships may be established to assist the University in the development of new academic initiatives or in the further development of established areas of scholarship. They may be awarded to visitors from outside the University as well as to internal faculty members.

The appointment for Distinguished Fellowships shall be for a term of up to three years, and may be extended by up to two additional years upon approval of the Provost.

Reporting and other Expectations

All incumbents shall give a lecture to the University community in the first year of their appointment, and if renewed, the first year of subsequent re-appointments. They also will be expected to participate in activities that promote the University's research and teaching or recognize its donors.

Incumbents will also submit an annual report of their activities to their Department Chairs and Dean/Principal that may be made available to the University Executive and to the donor(s) or their representatives. The format of reports will be determined by the Vice President Advancement in consultation with the Faculties.

Duration of Terms

Individual appointees shall hold their positions

- for the term specified unless renewed according to the specified process
- for the term specified unless it has been determined that they are not fulfilling the general criteria of this Policy and / or the explicit expectations associated with a position must relinquish the position
- until such time as they retire or depart from the University, at which point they shall automatically relinquish the position

Procedures

Establishment of a Research of Teaching Chair or Professorship

In accordance with the York Act, individual and program-based Research and Teaching Chairs and Professorships are formally established by the Board of Governors after consultation with Senate, normally through its Academic Policy, Planning and Research Committee.

The following are the legislative steps to the formal establishment of a new designation:

- The Vice-President Academic and Provost, having determined that a proposal is consistent with York's academic interests and all relevant policies and agreements, shall make a recommendation to the Academic Policy, Planning and Research Committee of Senate seeking its concurrence.
- Upon concurring with a recommendation, the Academic Policy, Planning and Research shall inform Senate of its decision and transmit a record of its action to the Board of Governors.
- The Academic Resources Committee of the Board shall be responsible for making recommendations to approve proposals to the Board.

A change in the name of a Chair or Professorship fellowship shall follow the same pathway.

Establishment of a Distinguished Fellowship

The establishment of a Distinguished Fellowship is approved by the Provost, who must be satisfied that a proposal is wholly consistent with the aims of this Policy, articulates appropriate expectations, and has a sufficiency of resources to ensure its sustainability for the term specified. Senate and the Board of Governors shall be informed of the establishment or disestablishment of Distinguished Fellowships.

Proposals

The Deans/Principal or academic Vice Presidents may propose the establishment of a Research and Teaching Chair, Professorship or Distinguished Fellowship through the Office of the Provost and Vice President Academic.

Proposals shall include

- a rationale for the Chair or Professorship
- a description of the scope of the proposed position
- a description of its alignment with all relevant University and Faculty academic plans

Proposals shall also be accompanied by detailed terms of reference for the position that will include the Faculty / unit of appointment, general requirements and specific expectations, and guidelines for the use of funds.

Proposals must also include a funding plan that demonstrates the presence of funding sufficient to cover 100 per cent of all costs.

Confidentiality Provision

If the University or benefactor(s) wish to maintain the confidentiality of a proposal until a public announcement, the Academic Policy, Planning and Research Committee shall exclude any identifying information from its reports to Senate, and the Board of Governors shall consider proposals under its confidentiality procedures.

Selection, Review and Renewal: Principles

Positions that are fully funded through external sources are expected to be primarily oriented towards external recruitment to enhance York's research and teaching capacity, although highly qualified internal candidates will also be eligible in all instances.

Selection processes must be open, transparent, and respectful of all normal hiring processes for the University when external recruitment is sought. Specific qualifications and expectations must be approved by the Provost prior to engaging in a selection process.

Similarly, review of incumbents in cases where renewal is permitted, must follow a clear, transparent, and collegial process led by the Dean/Principal of the Faculty(ies) in which the position resides.

If at any time during the period, incumbents are not meeting objectives, the Dean/Principal, in consultation with the Provost and unit head, may make a recommendation to the Provost and President to terminate the term of the holder.

Appointment of Research and Teaching Chairs and Professorships

The Dean(s)/Principal shall appoint an appropriate selection committee. In instances where an interdisciplinary focus extends across Faculties, the selection committee will be formed in consultation with the relevant Deans/Principal, and the Provost. For external hires, the

Dean/Principal must submit a detailed description of the qualifications and expectations of the individual to be sought as part of the normal complement planning process. The enhanced expectations for the position also must be clearly articulated in advertising, and throughout the selection process, with approval of all advertisement by the Provost.

Nominations to the Provost by the Dean/Principal must respect in full the criteria of this Policy and the expectations of the position, and shall include a clear and detailed rationale for the recommendation.

Appointment of Distinguished Fellows

The Faculty Dean/Principal will ensure the appointment of an appropriate selection committee.

Nominations to the Provost by the selection committee must respect in full the criteria of this Policy and the expectations of position and shall include a clear and detailed rationale for the recommendation.

Selection of Incumbents: Eligibility and Authorization

Positions that are fully funded through external sources shall be primarily oriented towards external recruitment to enhance York's research and teaching capacity, although highly qualified internal candidates will also be eligible in all instances.

Processes for the selection of honorees must be open, transparent, and fully respect all applicable hiring protocols and procedures for the University when external recruitment is sought. Prior to a search, specific qualifications and expectations for candidates must be approved by the Provost.

The Provost shall be responsible for recommending individuals for the awarding of a designation by the President of the University.

Renewal of Incumbents

If incumbents occupy a position for which renewal is provided for, the process of review and renewal must be clear, transparent, and collegial. Such processes are normally led by the Dean or Principal of the Faculty(ies) to which the position is attached.

Review of Chairs and Professorships

Where the terms of reference allow for renewal of incumbents, the review process for consideration of renewal will commence one year prior to the end of the current appointment.

The Dean(s)/Principal establish an appropriate review committee of the incumbent. In instances where the interdisciplinarity extends across Faculties, the review committee will be formed in consultation with the relevant Deans/Principals and the Provost. For Research Chairs and Professors, the review committee shall include a representative of the Vice President Research and Innovation. The review process shall be open and transparent and shall allow for a response by the incumbent to the findings of the review before a recommendation is finalized.

Recommendations to the Provost based on the outcome of the review must be received at least eight months prior to the expiry of the term of the incumbent

Request for an Extension

Requests for extensions of an appointment must be made in writing to the Provost and Vice President Academic by the holder and must be supported by the relevant Dean(s)/Principal

Termination of an Appointment

The applicable Dean(s) / Principal, finding that an appointee has manifestly not fulfilled the terms of the appointment, may recommend that the Provost terminate incumbency at any time prior to the end of a term or the normal review.

Endowed Chairs and Professorships (Current Policy)

Legislative History: Approved by Senate: 1988/06/23; Approved by the Board of Governors: 1988/07/19; Date Effective: 1988/07/19

Approval Authority: Board of Governors and Senate

Signature: William A. Dimma, Susan Mann

Definitions

The endowment of a Chair or Professorship is an important event in the academic life of a university. It enhances the academic purposes of the university by providing continuing support for an established field of study or by providing the focal point for a new emphasis or area of inquiry. Often, where the endowment is the result of a benefaction, the Chair or Professorship will honour a named individual or organization.

This statement has been developed to make explicit the procedure governing the establishment of an endowed Chair or Professorship.

A Chair is a permanent professorial position having at least the following attributes:

1. an endowment of sufficient magnitude to support in perpetuity or for a considerable period of time an academic position to which an individual of high distinction will be appointed; the appointment may or may not be for a specified period of time: normally, the endowment should also provide an additional measure of scholarly/creative/research support;
2. an acceptable academic orientation or focus;
3. a requirement that the occupant of the Chair will provide an annual report to the Dean of the Faculty in which the Chair is housed, and give one or more public lectures;
4. appointment procedures and other conditions which are acceptable and which are consistent with prevailing University procedures;

A Professorship is a professorial position having at least the following attributes:

1. an endowment of sufficient magnitude to support the appointment of an individual of high distinction;
2. an acceptable academic orientation or focus;
3. a requirement that the occupant of the Professorship will provide an annual report to the Dean of the Faculty in which the Professorship is housed, and give one or more public lectures;
4. appointment procedures and other conditions which are acceptable and which are consistent with prevailing University procedures;

Endowed Chairs and Professorships (Current Procedures)

Procedures

Under the York University Act, it is the Board of Governors which has the authority to establish a Chair or a Professorship. As the existence of a Chair or Professorship can have a major impact on the academic priorities and directions of the University, it is consistent with Senate's responsibilities under the Act that the conditions and focus of a proposed Chair/Professorship should be found to be acceptable to Senate before it is established.

Given this shared responsibility, the following shall be the procedure for establishing a Chair or Professorship at York University:

The Vice-President (Academic) and Provost shall assess each proposal for the establishment of a Chair or Professorship. Where he/she is prepared to make a positive recommendation, he/she shall make that recommendation to the Academic Policy, Planning and Research Committee of Senate (APPRC) and shall provide relevant supporting documentation.

In those cases

1. where the recommendation is that the proposed Chair or Professorship is consistent with an existing Senate approved teaching or research program, and that other terms and conditions are acceptable
2. and where APPRC concurs in this recommendation,

then the recommendation and APPRC statement of concurrence will be forwarded directly to the Board of Governors for action. Senate will be informed of this action.

In all other cases, the Vice-President's recommendation will be considered by Senate's APPRC and the findings of APPRC together with the Vice-President's recommendation shall be forwarded to Senate for consideration. In those cases where Senate expresses support for the establishment of the Chair or Professorship, then a recommendation for establishment of the Chair or Professorship, as the case may be, shall be forwarded to the Board for consideration.

Finance & Audit Committee

Report to the Board of Governors at its meeting of 27 April 2015

The Finance & Audit Committee met on 13 April 2015 and in addition to the items on the agenda, makes this report to the Board for information.

1. Student Association Financial Statements

The Committee received a report from the Vice-Provost Students on the Audited Financial Statements of the student associations at the University. Twenty-three of the University's thirty-three centrally funded student governments and organizations (70%) submitted audited Financial Statements and Letters to Management for fiscal 2014. Twelve of the twenty-three completed audits received qualified opinions from the auditors; however, this was a result of completeness of revenue records, hence the Vice-Provost does not have concern about those results or matters of accountability.

The Division of Students and the Office of Student Community Development continues to support the student groups with assistance and advice to ensure they are meeting their fiduciary responsibilities and mitigating risk

2. Budget Plan Update

The Committee received and discussed in detail a budget planning update, touching on enrolment planning, financial market performance, pension valuation results and the early indications of the labour disruption impact. Vice-President Brewer and Provost Lenton will present an update to the Board at the April meeting.

3. Internal Audit Plan 2015-2016

The Committee reviewed and approved the Internal Audit Plan for 2015-2016. The comprehensive Plan reflects the strategy approved for Internal Audit and is aligned with the University's organizational risks identified in the Enterprise Risk Management Initiative. The focus of this year's Plan is supporting the University's efforts to optimize resources, enhance services and align academic priorities and resources. The staff complement of the department will be four auditors, which is within a reasonable range for large universities.

4. Report of the Internal Audit

The Committee received an Internal Audit Status report covering the period 1 February 2015 to 31 March 2015, as well as a corrective actions status report conveying units' achievement of implementing audit recommendations.

Ozench Ibrahim, Chair

Memo

To: Board of Governors
From: Ozench Ibrahim, Chair, Finance and Audit Committee
Date: April 20, 2015
Subject: **Centrally Collected Student Ancillary Fees 2015-2016**

Recommendation:

The Board Finance and Audit Committee recommends that the Board of Governors approve that for 2015-2016 the centrally collected ancillary fees for undergraduate students and students enrolled in the graduate professional programs (see Appendix 1), be increased by 2.0%:

- For undergraduate students, the increase is forty cents (\$.40) per credit from \$20.10 to \$20.50, thereby increasing the student ancillary fee for full-time students (enrolled in 30 credits) from \$603 to \$615;
- For students in graduate professional programs, the fee increases from \$301.50 to \$307.50 for programs charged on a per-term fee basis. Part-time graduate students pay 50% of the full-time fee.

While the adjusted fees are effective May 1, 2015, students will not be assessed actual increases in their ancillary fees until September 1, 2015.

Background and Rationale:

These ancillary fees provide direct support for the activities and services in Counselling, Cultural and Special Services as well as in Sport & Recreation.

This 2.0% increase in ancillary fees is proposed in accordance with the provisions of the Ancillary Fee Agreement, and is required to address inflationary increases in operating costs for areas supported through ancillary fees. An increase in salaries and benefits costs is expected at 2.0% and while Toronto CPI for 2014 was at a level of 2.3%, a 2.0% increase overall is being requested. Salaries and benefits represent approximately 75% of current operating costs.

Recent increases in ancillary fees were:

- 2.0% in 2014-2015
- 2.0% in 2013-2014
- 2.16% in 2012-2013
- 2.0% in 2011-2012
- 2.17% in 2010-2011
- 3.0% in 2009-2010



A table of adjusted ancillary fees for students enrolled in graduate professional programs is appended.

Appendix 1

Adjusted Ancillary Fees for Graduate Professional Programs:

Fee per term (unless noted otherwise)	2014-2015 Continuing	2014-2015 New	2015-16 (New in 2013-2014 or before)	2015-16 (New in 2014-2015 or after)
MBA/IMBA/MPA Full-Time	301.50	301.50	307.50	307.50
MBA/IMBA/MPA Part-Time	150.75	150.75	153.75	153.75
EMBA*	603.00	603.00	922.50	922.50
MHRM Full-Time	150.75	301.50	153.75	307.50
MHRM Part-Time	75.37	150.75	76.87	153.75
Master of Design Full-Time	201.00	301.50	205.00	307.50
Master of Design Part-Time	100.50	150.75	102.50	153.75
FGS Full-Time	143.50	143.50	143.50	143.50
FGS Part-Time	71.75	71.75	71.75	71.75
FGS Theatre Voice	71.75	71.75	71.75	71.75
LLM PDP	150.75	150.75	153.75	153.75
LLM PDP Accelerated	301.50	301.50	307.50	307.50
LLM PDP Non-Degree Per Credit (36 credits)	25.13	25.13	25.63	25.63
Financial Engineering Part-Time	150.75	150.75	153.75	153.75
MES Full-Time	143.50	143.50	143.50	143.50
MES Part-Time	71.75	71.75	71.75	71.75
MPPAL Part-Time	100.50	150.75	102.50	153.75
Masters of Laws in Business of International Studies*	1,206.00	1,206.00	1,230.00	1,230.00
Master of Financial Accountability (MFAc) Full-Time	150.75	301.50	153.75	307.50
Master of Financial Accountability (MFAc) Part-Time	75.38	150.75	76.87	153.75
Master of Finance Full-Time	301.50	301.50	307.50	307.50
Master of Finance Part-Time	150.75	150.75	153.75	153.75
Master of Conference and Interpreting Full-Time	143.50	143.50	143.50	143.50

*EMBA and Master of Laws in Business of International Studies charges students on an annual, not a term basis. This reflects a four term year, with the base charge per term of \$307.50

Memo

To: Board of Governors
From: Ozench Ibrahim, Chair, Finance and Audit Committee
Date: April 20, 2015
Subject: **Endowment Distribution for 2015**

Recommendation:

The Finance and Audit Committee recommends that the Board of Governors approve that the distribution from the University Endowment for 2015 be based on a Smooth Banded Inflation (SBI) approach at a rate of 3.9%.

Background:

The York University Endowment Fund includes all donations received by the University, including those previously received by the York University Foundation that are restricted for the purposes designated by the donors. The restricted purposes are generally for scholarships and bursaries, research chairs and other special projects. The endowment assets are invested in long-term investments in accordance with the Board-approved Statement of Investment Policies and Procedures.

The responsibility for the investment of the funds resides with the University's Board of Governors, through its Investment Committee. Responsibility for setting of the distribution policy resides with the Board through the Finance and Audit Committee.

The recommendation above was reviewed by the Investment Committee at the March 30, 2015 meeting and was fully endorsed.

The University previously used a distribution spending formula based on a CPI-adjusted book value of the original donations that required the University to maintain a highly cumbersome tracking process for its close to 2,000 individual endowments. In addition, due to the significant volatility in capital markets in recent years, the University was forced to suspend the CPI adjustments for a number of years. This resulted in the erosion of the Fund's ability to achieve its objective to preserve intergenerational equity. Many of York's peer universities had converted away from a book value based spending formula and use a formula based on a moving-average market value.

In the Fall of 2011, the University engaged AON Hewitt to conduct a review of the Endowment Fund Spending Formula and the required administrative efforts to support the Spending Formula.

The primary objective of the study was to determine the most appropriate spending policy for the Endowment by considering two main objectives:

- Preserve a consistent stream of real spending over the long-term
- Preserve the inflation-adjusted value of capital (intergenerational equity)

A secondary objective of the study was to perform a high-level assessment of the expected administrative efforts required to manage a revised spending formula.

The desired characteristics of the new spending policy were:

- Relative simplicity
- Sustainability
- Relative predictability (for budgeting purposes)
- Framework that will govern spending during both normal and extreme market conditions
- Simple and transparent administration

Four potential spending policies were explored in the study:

Market Value Smoothing – The current year’s spending is a fixed percentage of the average market value over a fixed number of year (4 years and 7 years were used in the analysis)

Banded Inflation – The current year’s spending is last year’s spending adjusted for inflation. This is subject to a minimum and maximum percentage of the current market value.

Yale/Hybrid Approach – A Weighted combination of A and B above.

Smoothed Banded Inflation (SBI) approach. This is a hybrid of the Banded Inflation Approach explored in B that takes the current year’s spending and adjusts for inflation. The amount is subject to a minimum and maximum band based on a market value smoothed over 4 years.

Based on the spending formula analysis that was modelled by AON Hewitt, they recommended to the Investment Committee a Smoothed Banded Inflation (SBI) approach for York’s Endowment distributions. This recommendation was accepted by the Investment Committee and the University administration was directed to commence the work to operationalize the recommendation and implement unitization of the Endowment Fund.

The analysis that supported the recommendation included the following:

- The SBI approach provides the most consistent stream of real spending over the long term without materially harming the preservation of intergenerational equity.
- The formula is simple, offers more predictability than other models and defines the parameters that will keep spending in line during extreme market conditions
- Relatively simple inputs are required for accounting: the tracking of market values, spending and inflation
- Very similar spending relative to York's current spending policy except for the banding condition
- The approach is used by 17% of York's Canadian peers having assets in excess of \$200M (U of T and Victoria University)
- The modelling results based on the previous 10 years of performance and the SBI distribution formula concluded that it would produce the highest and most stable distribution pattern (complete with indexation) and good maintenance of capital.

Additional Benefits of the SBI Spending Formula

The implementation of the new SBI Spending Formula will provide the following benefits:

Endowment donations will no longer be required to be invested for at least one full fiscal year prior to initial distribution. The new system and formula now provide for the flexibility to provide partial year distributions or to re-invest the partial distribution.

Donors will see increased distributions annually adjusted for inflation, with potential for further upside due to market value improvements as measured over a smoothed period and triggered by positive relationship to the banded constraints (the opposite is implied by a negative relationship of the smoothed market value to the banded constraints, a protective mechanism for capital in the event of collapsing market values)

Donors will be more familiar with distributions based on the number of units held in an investment pool and their market value than the previous formula based on CPI adjusted book values.

Administrative Review

A subsequent review conducted by AON involved the assessment of the value of implementing the Smoothed Banded Inflation approach from an operational and administrative point of view (i.e., system support and budgeting).

This review concluded that a conversion to a unitized pool, for administering endowment accounts and tracking of distributions, would be ideal and would result in

significant cost savings as well as significant operational efficiencies after implementation.

The University administration commenced a process to select a vendor who could provide the required systems to support the conversion and maintenance of a unitized pool for the close to 2,000 individual endowment accounts on record. The University selected a vendor and commenced the process to convert the systems during the fiscal year 2013-14. The new unitized pool system using CIBC Mellon/BNY Mellon was successfully implemented effective May 1, 2014.

Effective April 30, 2015, the system will have been operational for one full fiscal year and the University will be in a position to make its first distribution using the new Smoothed Banded Inflation Spending Formula methodology.

Establishing the Initial Distribution Rate

The University administration modelled a number of starting rates for the first unitized distribution, in the absence of a four-year unit value history, for the initial application of the SBI formula in 2015. The scenarios modelled attempted to accomplish the following objectives:

- Distribute an annual minimum amount at least equal to the prior year's spending
- Provide for an inflationary adjustment to as many accounts as possible
- Minimize the impact on the University Operating Budget of subsidizing any shortfall
- Establish a rate that would be sustainable in the long term for both preservation of capital and real spending
- Establish a rate that would be straightforward and precise for operationalization. (i.e., the amount of investment earnings to be distributed, as set aside monthly in a reserve, is specified to three decimal points)
- Ensure the rate established was in line with York's university peers who use a market value based distribution formula
- Ensure the rate takes into consideration the Fund assets and liabilities in the context of the most recent asset-liability study, the revised asset mix, and the expectations for long-term real rates of return in the prevailing market environment.

The modelling results concluded that the rate of 3.9% optimized all the required objectives.

The University administration analyzed the impact on each of the individual endowments and the results were as follows:

	# of Accounts
Endowments with equal or larger distributions over the prior year.	1,930
Endowments with lower distributions compared to the prior year for a total estimated shortfall of \$59k*	51
Endowments with special distribution arrangements	12
Total	<u>1,993</u>

*Note: This shortfall will be funded from the University Operating Budget. These endowments are newer endowments which have been invested for less than two years.

The University administration met and reviewed the impact on individual endowment accounts with the VP Advancement and his senior team. Discussions were held regarding the sensitivity for some new donors who may have been anticipating higher distributions in earlier years. It was identified that endowments with shortfalls in distribution, totaling \$52K, may require the University to provide a distribution top-up in the year of conversion.

Projected 2015 Distribution Results

The projected distribution for 2015 based on the new Smoothed Banded Inflation Formula is \$13,924,666 as compared to the distribution based on the previous formula of \$12,558,205 for an increased distribution of \$1,355,761 or 10.8%.

In the year of transition, the University has a potential of up to \$111k (\$59k + \$52k) that it may be required to subsidize until another year of investment performance produces distributions at least equal to the prior year's or the anticipated spending level.

Comparative Distribution Rates

The University Administration compared the proposed 3.9% initial distribution rate with other Ontario universities that use market value based rates. The current rates used by those universities are outlined below:

- UofT 4.0% target rate (may vary slightly)
- Queen's 3.4%
- Ryerson 3.5%
- Western 5.0% (5-year rolling market)
- Waterloo 3.0%

Donor Communications

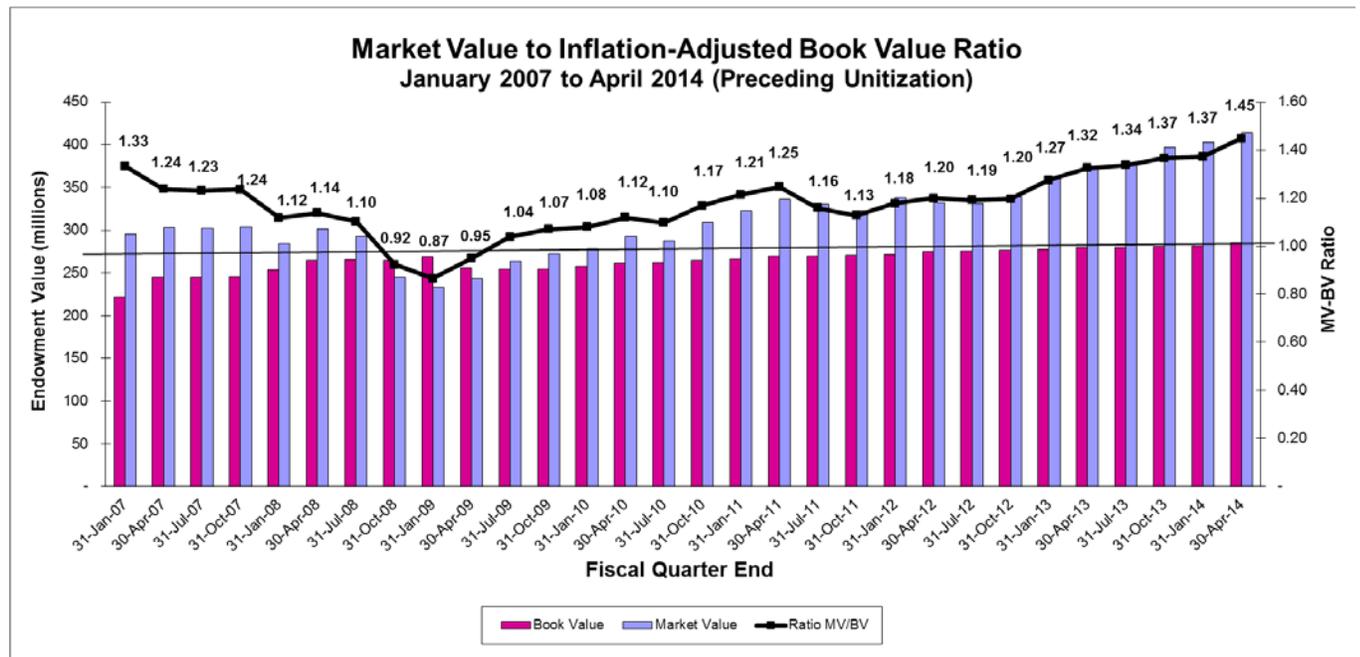
The University Treasurer has been providing assistance to the Advancement Division in redesigning the Donor Endowment Financial Report. A new Report has been designed and Advancement is taking the lead in obtaining input from their donors on the proposed format and content.

Communication and Education Sessions

The University Treasurer has also conducted a number of education sessions for members of the University community who are responsible for the awards to the recipients of these endowments.

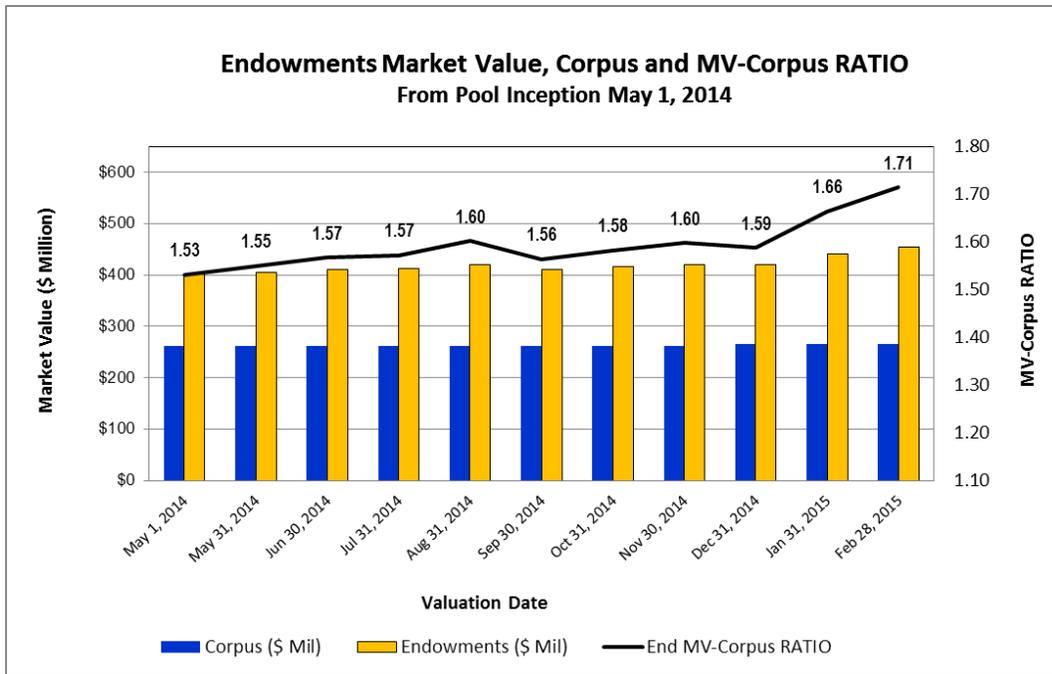
Appendix A

Below is a graph of the Endowed Fund Position to April 30, 2014 based on the CPI adjusted book value versus the market value for the period July 31, 2008 to April 30, 2014. The graph tracks the change in the funded position over time reflecting the impact of investment performance and annual distributions.



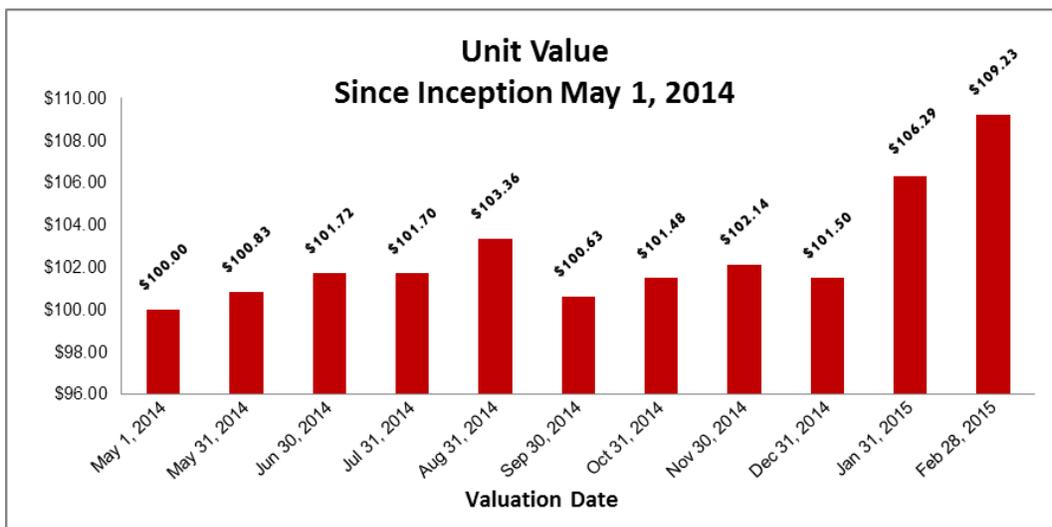
Appendix B

The chart below demonstrates the funded position of the endowment based on tracking the total units of the original corpus (i.e., Donation) and the market value of the total units to the new distribution formula since conversion on May 1, 2014.



Appendix C

The chart below tracks the progression of the value of individual units from the inaugural date of May 1, 2014 when the units were converted at a rate of \$100 per unit to the value at the end of February 28, 2015.



Memo

To: Board of Governors
From: Ozench Ibrahim, Chair, Finance and Audit Committee
Date: April 20, 2015
Subject: **Accelerated Deterioration of Inverted Trench Chilled Water Pipe and Associated Emergency Expenditures**

Recommendation:

The Board Finance and Audit Committee recommends that the Board approve a capital budget of \$3.7 million for the inverted trench chilled water pipe infrastructure remediation.

Background and Rationale

During the period from October 2014 through March 2015, CSBO became increasingly aware and concerned in respect of the advanced state of deterioration of the 20" steel chilled water main installed circa 2002 that provides cooling to the entire Keele campus.

As a result, and recognizing that this steel pipe is critical to campus operations, CSBO initiated emergency repairs, which included replacement of existing pipe sections (along Ian Macdonald Boulevard), as well as installation of new T connections to buildings to mitigate against catastrophic failure of sections of pipe that were inaccessible at the time. The replacement connection to the Schulich Building was upsized in anticipation of potential future building requirements. The repairs necessitated excavating along Ian Macdonald Boulevard and in an area currently under the control of Toronto-York Spadina Subway Extension (TYSSE) (contractor), which complicated the works.

Additional detail is provided in:

- Appendix A which outlines the chronology giving rise to the scope of work;
- Appendix B which outlines the cause of failure;

The following table outlines the costs incurred to date, as well as projected.

The table also outlines the budget funding sources for this work.



Cost Summary Statement (All numbers reflect Net HST)

Cost Incurred to date are as follows:

Engineering Fees:	\$	65,000
Construction Fees:	\$	3,107,850

Anticipated Costs (as yet uninvoiced):

Engineering Fees:		
Construction Fee Estimate:	\$	500,000

Total Anticipated Project Cost:	\$	3,672,850
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Budget From:

CSBO Reserves	\$	910,000
Energy Incentive	\$	584,000
FRP 2014-15	\$	500,000
\$40M Energy Project	\$	381,000

Total Available CSBO Budget	\$	2,375,000
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Additional funding from University capital reserves	\$	1,297,850
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Additional Considerations:

There remain significant additional sections of CW piping considered to be in a similar state of advanced decay; specifically the pipe from VC 40 south to VC 39 (east of the Kaneff Tower), and the pipe from VC 37 west towards VC 35 (along Fine Arts Road); as well as the connection to the Pond Residence. CSBO is preparing the engineering specifications necessary to provide a publicly tendered contract award for this latter connection, which will be funded from the Housing \$70M funding envelope.

The advanced state of deterioration of the piping system is considered to be the result of poor engineering, inadequate oversight during construction, and shoddy construction. As a result, York University has issued a statement of claim to the consultant and construction firms involved. The statement of claim was originally in respect of recurring catastrophic failures of the parallel steam heating piping system, and is being adjusted as the true cost of the damages to the chilled water piping system come into focus. Currently it is considered that the claim amount may be in the vicinity of \$8.5M.

A further capital budget request in respect of the additional works identified above but not addressed by the existing project may be required. A separate specific submission will be developed to this effect on completion of the estimating process.

Appendix A – Chronology

Date	Event
2003	Failure of Steam Piping System at commissioning
2007	Recurrent Failure of Steam Piping System
2011	Recurrent Failure of Steam Piping System
2011	Excavation and Inspection of buried components of the Steam Piping System. Discovery of non-conforming (to design) pipe supports and a catastrophically failed pipe support.
2013	Statement of Claim by York University in respect of Steam Pipe failure, with note of anticipated issues with Chilled Water (CW) piping.
2013	Steam Piping expert consulted. Concerns raised in respect of piping system design flaws. 2007 event consultant's report called into question.
2012-2014	Replacement of a section of Steam/CW Pipe by TYSSE due to subway construction
2013	Emergency Replacement of Valve Chamber Steam Pipe joints
2013	Discovery of severe leakage from CW pipe (VC 37>38). Installation of Isolating Valves in Valve Chambers 37 and 38 (NW and SW of SSB along Ian MacDonald)
2013-2014	High Tech methods deployed to determine location of CW leak, without success.
2014	Low Tech search for CW leak by exploratory excavation ordered
Sept 2014	First Exploratory Excavation reveals deteriorated CW piping insulation.
Oct 2014	Second Exploratory Excavation reveals massive damage to CW piping insulation, and allows sighting of leak (40' further into the tunnel system). Decision is made to excavate to the leak.
Oct 2014	Steam Pipe to Kinsman Building excavated and repaired.
Oct 2014	Leak is uncovered at CW pipe support. Inspection reveals aggressive decay of steel pipe on the external face. Analysis reveals that the cause is anaerobic, acid producing bacteria. Concerns are raised in respect of the type of piping insulation used, the inadequacy of the piping waterproofing, and the inadequacy of the system drains. Evidence of vermin damage to piping insulation is present.
Nov 2014 to Mar 2015	Direction is given to excavate VC 37 to VC 38 and replace pipe with new, install new parallel plastic pipe connections to ACE, SSB, Bennett, Goldfard, and Atkinson/Tel, and to upsize the connection to SSB. During the progressive excavation, severe pipe decay is observed at every pipe support. It was concluded that the entire 400 ft of twin 20" pipes was on the verge of catastrophic failure.
Nov 2014	Exploratory excavations on the pipe section between VC 40 and 39 reveals similar decay. Exploration of the pipe section between VC 37 and 35 reveals similar decay
Feb 2015	Amendments to the York Statement of Claim are proposed and reviewed
Jan to Mar 2015	CSBO prepares RFP for replacement of piping system serving the Pond Road Residence, built to the same design as the aforementioned systems, and found to be decayed during inspection.

Appendix B – Causes of Failure

Steam Piping System

Cause of failure is considered to be a combination of:

- **Poor piping layout:** An articulated steam pipe (not straight), as it expands and contracts, can cause stresses at the sleeve type expansion joints which were specified and installed;
- **Incorrect Spacing of Guides:** The Steam Pipe should employ an alternating series of guides and supports placed every forty feet. Critical to correct operation of the system is the distance of a support from the expansion joint. Inspection revealed that only a guide was placed in proximity to the joint. This guide was discovered to have failed catastrophically in service. It is a matter of conjecture whether this guide failed in 2003, 2007, or 2011;
- **Incorrect type of Guides:** The Guides installed did not conform to the guides specified in the design. No explanation for the change has been offered. It is considered that the installed guides would have been significantly less expensive to procure and install than the designed system. They were also apparently significantly less robust;
- **Incorrect installation of the failed guide:** It is likely from the observed conditions that the failed guide was incorrectly installed, in that the sliding part was clamped to the pipe too far to the south, allowing it to slide out of the fixed guide ring during pipe expansion, and then to destroy the guide ring when the pipe contracted under cooling. The failure of this guide would have created exactly the types of stresses that led to the recurring failures of the steam piping system; and
- **Failure to inspect:** The persons responsible for reviewing and making good the 2003 and 2007 failures of the steam piping system failed to consider the buried (inaccessible) pipe guides. The failure to detect the problems with the guides and to rectify them likely contributed to the subsequent recurring failures.

Chilled Water Piping System

Cause of failure is considered to be a combination of:

- **Failure of the piping insulation:** Piping insulation (fiberglass wool) was observed to be in extremely poor condition. Evidence-based speculation exists that vermin (raccoons), trapped in the inverted trench during construction, contributed to the condition. The exposed, cold pipe would have been conducive to the formation of large amounts of condensed water;
- **Poor selection of pipe support insulation:** The calcium silicate insulation used to support the pipe will trap and retain moisture, and is conducive to the establishment of colonies of anaerobic bacteria. The presence of the acid producing bacteria was conclusively established by laboratory analysis. This type of insulation is generally specified for high temperature systems;
- **Poor waterproofing:** The vapour barrier on the pipe was discovered to be poorly installed, and not installed in many locations; and
- **Poor Drainage:** The weeper drains were discovered to be poorly installed, which raises questions in respect of their effectiveness and their contribution to water in the tunnel system.

Investment Committee

Report to the Board of Governors at its meeting of 27 April 2015

The Investment Committee met on 30 March 2015 and makes this report to the Board for information.

1. Performance Summary Reports

The Committee received and discussed the 2014 calendar year snapshot of investments report for its annual review of endowment fund expenses. There was an 11% increase in expenses over 2013. As the Committee reported to the Board in December on the fee analysis exercise, York's move to a more complex multi-asset specialist investment structure carries higher management fees. Additionally, the growth in the number and size of assets over the past year has contributed to the higher expenses. The performance of the fund in 2014 bears out the investment strategy having achieved a 9.7% 1-year return. Moreover, management was able to slightly reduce the expense costs per dollar for the endowment fund in 2014.

The Committee also received a 2015 calendar year-to-date summary performance report to 28 February 2015. The calendar year-to-date return is positive at 8.16%, marginally behind the benchmark performance of 8.43%. The fiscal year-to-date return is strong at 12.6%, though also trailing the benchmark by 2.73%. As of the end of February the fund total is \$470.2M.

2. Performance Monitoring Report

The Committee received and discussed a detailed performance monitoring report on the endowment fund managers prepared and presented by the University's investment consultant, Aon Hewitt. The detailed analysis provided valuable information for the Committee's oversight role of investment strategy. Individual managers' performance and the overall effectiveness of the asset mix are assessed on a semi-annual basis by the Committee.

3. Endowment Distribution for 2015

A recommendation from the Finance & Audit Committee pertaining to the 2015 endowment distribution is on the agenda for the Board's approval. The proposed changes were brought to the Investment Committee in March; it concurs with the recommendation.

Investment Committee

4. Report of the Treasurer

The Committee received the Treasurer's Report on cash flow and short-medium term investments to 31 January 2015. There are no issues to report.

5. York University Advisory Committee on Responsible Investing

Last year the University established the *York University Advisory Committee on Responsible Investing* (YUACRI). It is an advisory body to the Vice-President Finance & Administration, mandated to provide advice aimed at enhancing the responsible investing process for the Endowment Fund. It includes students, faculty and staff on its membership, and is presently chaired by Professor Irene Henriques of the Schulich School of Business. A brief update was provided to the Committee on its activities.

A panel discussion had been organized for 10 March 2015 entitled "Responsible Investing: A Multi-Perspective Discussion". A forum of three panelists with diverse backgrounds and viewpoints were to consider the complexities and meaning of responsible investing. Due to the labour disruption that commenced in early March, this event was postponed. Through the Vice-President Finance & Administration, the Investment Committee is kept apprised of the work of the Advisory Committee.

Randy Williamson, Chair

MARKETING, COMMUNICATIONS AND COMMUNITY AFFAIRS COMMITTEE

Report to the Board of Governors at its meeting of April 27, 2015

The Marketing, Communications and Community Affairs Committee met on April 17, 2015 and makes this report to the Board for information.

1. Marketing and Communications

a. Labour disruption update

Ms. Webb provided an overview of communications activities associated with the labour disruption. Proactive dialogue between the office of the Vice President Finance & Administration, Faculty Relations and Communications Office facilitated timely, accurate and proactive communications throughout the disruption. The website created to disseminate strike related information received more than 650,000 visits. An analysis of media coverage noted that several key University messages were disseminated.

b. Brand Campaign

Ms. Webb updated the Committee with respect to the development of a revised brand campaign, which included the results of an online survey of York applicants, non-applicants and parents. The survey suggests that the positive impact of “This is My Time” campaign is starting to decline as the campaign is in its third year. There is a requirement to refresh the brand through a revised campaign that will help support enrolment efforts as well as the upcoming major fundraising campaign. Safety remains a critical factor among those surveyed that affects their perception of York. The survey indicated that quality of teaching and graduates getting high quality jobs were the top two factors in establishing the reputation of the university. Revised creative options are currently being developed with a view to launching a refreshed campaign in September.

c. Pan Am/Parapan Am Games

The committee received a presentation on communication and marketing activities planned for the Pan An/Parapan Am Games. A complete presentation will be provided to the Board.

2. Advancement

Mr. O'Hagan provided a report on fundraising to date. As the fiscal year comes to an end, there is considerable activity taking place to finalize as many donor agreements as possible. While the recent labour disruption required the re-scheduling of some fundraising activities, donors are still responding positively. The student call centre took a short pause during the strike but continued their efforts to contact alumni. They succeeded in raising more than \$100,000 during that period.

Board of Governors – Marketing, Communications and Community Affairs

Current donations for the year are above \$34 million with several gifts still arriving. It is therefore, hoped that this year's annual target of \$35 million will be reached by April 30th.

David McFadden, Chair

Memo

To: Board of Governors
From: Ozench Ibramim, Chair, Finance and Audit Committee
Date: April 20, 2015
Subject: Contract Approval: FCm Travel Solutions

Recommendation:

The Finance and Audit Committee recommends that the Board of Governors approve that FCm Travel Solutions be awarded the contract as York's Vendor of Record for travel management.

Background and Rationale:

This recommendation is being advanced in accordance with the University's Procurement Policy and the University's Signing Authority Policy which requires the Board of Governors to approve any contract that spans five years and has the potential to exceed a total value of \$2,000,000.

In 2013, the University, as part of a PRASE initiative, implemented an electronic travel and expense software (Concur) to eliminate a substantially paper-based travel claim process. The new system has resulted in increased productivity and cost savings.

The electronic tool was implemented in 2014 and is currently operating with in excess of 80% adoption by the university community. The second phase of the project is the integration of a travel agency arrangement and a corporate travel card with the Concur electronic travel tool.

The University issued a competitive request for proposals and selected FCm Travel Solutions. Shortly after York completed its RFP Process, The Ontario University Purchasing Managers Association (OUPMA) issued an RFP on behalf of the other Ontario Universities. OUPMA also selected FCm Travel Solutions. York delayed its agreement to enable the University to ensure its agreement reflected the most favourable terms available under both RFP's. The University's legal counsel, the University's Privacy Officer, Chief Information Officer and Director of Risk and Insurance Management have reviewed the contract and are satisfied with the terms.

The contract term is an initial period of 5 years with the option to renew for five additional one year terms. The University may terminate the Agreement, without cause, upon thirty days written notice. There is no minimum requirement for this contract.

The contract requires the University to pay fees for all bookings made through FCm Travel Solutions with rates for online bookings and agent booked reservations. The fees generally are \$8 per transaction for online booking and \$26 per transaction for agent assisted booking.

The additional benefits that will be available to the University from this contract include:

- The negotiation with airlines, hotels and car rentals for rebates
- The integration of transaction data to populate expense claims with the Concur electronic travel claim tool.
- The ability to monitor travel activity through the provision of various types of reports to determine if the most cost effective travel choices are being made
- Ability to assist the University with risk management should employees travel to areas where subsequently travel alerts are issued.