Minutes

BOARD OF TRUSTEES
May 2-3, 2014, 6:30 pm, The Peter Lougheed Room, 340 Richardson Hall


Also present: C. Davis, M. Fraser, A. Harrison, T. Harris, S. Liss, K. Woodhouse

Regrets: D. Bader, D. Pattenden (May 3) E. Speal (May 3)

IN CAMERA SESSION
Trustees met in camera from 6:30 to 6:40 pm.

CLOSED SESSION
Trustees met in Closed Session from 6:40 to 7 pm. The Board received and approved the report of the Governance and Nominating Committee on annual confirmations of the Board Chair and Board Vice-Chair appointments and annual appointments and reappointments to committees and other bodies. Motions are included in the minutes under II, Committee Motions and Updates, 3 b).

I OPEN SESSION
1. Adoption of Agenda
   a) Moved by D. Woolf, seconded by M. Wilson Trider, that the Board adopt the agenda as circulated with the provision that items 2 through 5 in the consent portion of the agenda be approved, or received for information, by consent.

CONSENT
2. Approval of Minutes
   a) March 7-8, 2014 Closed Session (pages 24-27)
      Confidential minutes distributed to trustees only
      That the Board of Trustees approve the Closed Session minutes of March 7-8, 2014, as circulated.
      Carried 14-20
   b) March 7-8, 2014 Open Session (pages 28-38)
      That the Board of Trustees approve the Open Session minutes of March 7-8, 2014, as circulated.
      Carried 14-22

3. Naming Dedications
   a) Naming Dedications (page 39)
      That the Board of Trustees approve the dedication of The Leonard Schein Film Editing Suite in recognition of the gift from Leonard Schein, in support of Queen’s and the Isabel Bader Centre for the Performing Arts.
      Carried 14-23

That the Board of Trustees approve the dedication of The Class of Arts’64 Film Editing Suite in recognition of the pledge from the members of the Class of Arts’64, in support of Queen’s and the
Agenda

Isabel Bader Centre for the Performing Arts.  
Carried 14-24

That the Board of Trustees approve the dedication of The Power Corporation of Canada Studio Theatre in recognition of the gift from the company, in support of Queen’s and the Isabel Bader Centre for the Performing Arts.  
Carried 14-25

4. Senate items requiring Board ratification

a) Britton Smith Chair in Surgery  
That the Board of Trustees ratify the action of the Senate to approve the establishment of the Britton Smith Chair in Surgery in the Department of Surgery, School of Medicine, Faculty of Health Sciences.  
Carried 14-26

b) The Monieson Centre five-year renewal  
That the Board of Trustees ratify the action of the Senate to approve the renewal of the Monieson Centre for a five-year period effective March 12, 2014.  
Carried 14-27

c) The Centre for Law in the Contemporary Workplace  
That the Board of Trustees ratify the action of the Senate to approve centre status for the Centre for Law in the Contemporary Workplace for a period of five years, effective April 10, 2014.  
Carried 14-28

5. Reports

a) Appointments to Professor Emeritus/Emerita (pages 40-45)  
b) Honorary Degrees Report - Spring 2014  
c) Aboriginal Council of Queen’s University 2013 Annual Report (pages 46-50)  
d) Quarterly Financial Update (pages 51-73)  
e) Quarterly Advancement Report (pages 74-77)  
f) Quarterly Communications, Government Relations and Marketing Report (pages 78-83)  
g) Investment Committee Report to the Board (pages 84-88)  
h) Pension Committee Report to the Board (pages 89-93)

REGULAR

6. Chair’s Remarks  
B. Palk welcomed attendees to the May meeting, and conveyed a special welcome to new student leaders Rector M. Young, AMS President A. Williams and her VPs P. Lloyd and J. Reekie and SGPS President K. Wiener. She announced that, in Closed Session, the Board approved the annual confirmations of the Board Chair and Board Vice-Chair appointments and annual appointments and reappointments to committees and other bodies. She congratulated J. MacLeod on his re-election to the Board and D. Tisch on his re-election to University Council. She noted that D. Tisch and C. Lynch were attending their last Board meeting under their current terms as University Council trustees, and wished them success in the September Council elections to the Board, should they stand for re-election.

The Chair paid special tribute to Chancellor D. Dodge who was attending his last meeting as a trustee. She noted that all will miss his experience and wisdom and remarked on his tremendous contributions to the University. On behalf of the Board, she thanked him for providing much-needed guidance during a time of significant change at Queen’s. The Chair recognized retiring trustees, presented gifts and thanked them for their service to Queen’s:

- Daniel Bader (in absentia)
- David Dodge
- Colin Lynch
- Daniel Tisch

7. Principal's Strategic Update
a) Strategic Framework Update
D. Woolf presented a slide of the strategic framework dashboard that was first shown to the Board in December 2013. He drew attention to the fact that data for the metrics are sometimes available on a delayed basis, and in some cases are derived from surveys that are conducted as infrequently as every three years. Multiple data points and an appropriate baseline are required for the dashboard to track trends or movement in the metrics.

Over the summer, medium-term (five-year) goals for the metrics will be identified, along with meaningful, short-term annual targets or milestones where appropriate. He noted that although metrics are identified at the university level, change occurs at all levels including faculties, schools, and departments and service units.

b) Government Relations Update
D. Woolf noted that the 2014 provincial budget presented May 1 by the minority Liberal government had a short life because the NDP chose not support it, triggering a June 12 election. Items of interest included:

- A framework for regulations to enable single employer pension plans such as Queen’s to merge with a jointly sponsored pension plan (JSPP)
- Such transfers could qualify for solvency exemptions, however, these proposals would still require government to bring forward regulations to enable changes
- $250 million for the Ontario Research Fund over three years
- Support of enrolment growth commitments
- Increased funding for facilities renewal

c) Year-end report on 2013-2014 Goals
D. Woolf reported on progress on the goals and priorities identified in his letter to the Board in July 2013:

- Financial sustainability – progress has been made on cost containment and revenue diversification and exploring options to address the solvency deficit in the pension plan
- Fundraising – good progress has been made on making Queen’s a Canadian university fundraising leader. A total of $71.3 million was raised over the past year, eclipsing a $60-million target. This amount does not include the $15 million pledged to the Fields and Stadium campaign
- Research prominence – Queen’s continues to attract research funding, ranking 12th in Canada, while 21st in terms of faculty size
- Internationalization – one of four strategic drivers in the strategic framework. After completion of an external review of the international portfolio, increasing international undergraduate enrolment has been identified as a key priority
- Student learning experience – Queen’s is expanding academic paths and credentials, including a partnership with St. Lawrence College. The Classroom Survey of Student Experience (CLASSE) has shown significant results after blended course redesigns in Arts and Science courses. Queen’s was selected to provide nearly 20 per cent of all courses in the first year of the Ontario Online Initiative

D. Woolf reported on progress on personal goals, including:

- Continuing governance reform, focusing on improving communication and engagement across governing bodies
- Increasing direct engagement with student leaders at the undergraduate and graduate levels
- Increasing focus on internal communications
- Expanding talent management initiatives focused on mid-level and senior administration

D. Woolf is working with the VPs to identify goals and priorities for the 2014-15 academic year, to be brought to the Human Resources Committee of the Board later in May. Progress on goals and priorities
Agenda

will be measured against the metrics in the strategic framework document and will be reported regularly to the Board.

8. **Provost's Operational Update**
   a) Provost’s Operational Report to the Board (pages 94-96)
      A. Harrison reported that Queen’s Strategic Mandate Agreement is now signed and with the Ministry of Training, Colleges and Universities (MTCU).

9. **Campaign Progress Update**
   a) Verbal update
      VP (Advancement) T. Harris told meeting attendees that the Richardson Stadium revitalization project was moving ahead with $15 million raised to date on a total goal of $25 million. Queen’s is grateful to lead donors Stu and Kim Lang who donated $10 million and to the Richardson Foundation for its donation of $5 million. The planning and construction timeline will come to the Board this fall, and will include Fields and Stadium cabinet involvement and neighbourhood consultation. The following points were recorded:
      - A total of $71.1 million was raised during the 2013-14 fiscal year, surpassing the goal of $67 million
      - $413.7 million has been raised to date toward a total goal of $500 million
      - Gifts span all University disciplines, with focus on student assistance, cross-university projects, Richardson Stadium, programming, infrastructure, innovation and mental-health initiatives

10. **Strategic Research Update**
    a) Strategic Research Update (pages 97-99)
       VP (Research) S. Liss highlighted the following:
       - Queen’s Natural Sciences and Engineering Research Council (NSERC) grant success rate of 72-73 per cent and Social Sciences and Humanities Research Council (SSHRC) grant success rate of 24-25 per cent, both above the national average; Canadian Institutes of Health Research (CIHR) results are forthcoming
       - Faculty renewal is moving ahead via the Queen’s National Scholarship (QNS) program and Canada Research Chair (CRC) allocations
       - Five recipients of the annual Queen’s Research Excellence Prize were recently announced, and represent the depth of scholarship across campus.

11. **Senate Report to the Board**
    a) March 25, April 29, 2014 (pages 100-102)
       I. Reeve, who stepped down from Senate on April 30, presented a final report to the Board. On March 25, the Senate:
       - Approved the five-year renewal of the Monieson Centre, ratified by the Board on May 2, 2014
       - Approved the Strategic Enrolment Management Framework, to be used to set annual enrolment targets
       - Heard an update from Board Chair B. Palk on Board activities

       On April 29, the Senate:
       - Approved the Centre for Law in the Contemporary Workplace, ratified by the Board on May 2, 2014, building on the research strengths of the Faculty of Law
       - Received a notice of motion about reforms for Senate committee structures, including the introduction of a consent agenda for Senate business
       - Approved enrolment targets for 2014-15 and 2015-16, which generated constructive debate on goals of growth and funding for shared services, supported by the student senators
       - Approved a Policy on the Closure of Academic Programs
       - Approved an Orientation Policy Manual to help faculties and individuals in planning their orientation activities
Agenda

12. Faculty Report
   a) Engineering and Applied Science
   Dean K. Woodhouse presented an overview of the faculty, focusing on its distinctive learning experience for graduate and undergraduate students, with an emphasis on service and online learning. The following highlights were recorded:
   - Design courses are offered in all four years across all 10 disciplines and involve real projects
   - Queen’s is unique in Canada in offering a common first year where students choose a discipline in their second year; this, however limits the faculty’s capacity to adjust for demand and capacity
   - In 2015-16, the faculty will pilot a targeted direct admissions program in order to utilize capacity in undersubscribed disciplines
   - The faculty features a 91-per-cent graduation rate; those that struggle in their first semester are given a second chance in Section 900; experiential learning is provided through internships, exchanges at all levels of study; world-class research centres are supported
   - Aboriginal access is a priority; Queen’s is the first program to do targeted recruitment and support in this area

   K. Woodhouse noted that attracting domestic PhD students has been challenging. The faculty is working on its international reputation to attract high-calibre international students, which currently number 22 per cent. Professional masters programs are an increasing trend. The faculty’s biggest challenge is to keep up with the competitive environment due to a rapid expansion of engineering faculties in Ontario. Queen’s has expanded minimally, which affects its ability to be innovative. The private sector supports by hiring students and offering internships but are less interested in investing. In answer to a question about how the Board could help, K. Woodhouse noted that it would be helpful to support and recognize the value of a vital engineering faculty at Queen’s. In answer to a question on gender balance, 26.5 per cent of students are female, compared to the national average of 17 per cent.

13. Student Reports
   a) Rector (pages 103-105)
   M. Young thanked his predecessor N. Francis for his contributions and support in his transition. He noted he looked forward to working collaboratively with the Board toward shared goals. His priorities of mental health and equity will guide his contributions. He expressed his concerns about increased enrolment and its potential impact on student services. He thanked Chancellor Dodge for taking the time to meet with him prior to his election and described him as a model of leadership and kindness, and that it was a privilege to share his last convocations later this spring.

   b) AMS (pages 106-108)
   A. Williams discussed the pressure on traditional revenue streams funding higher education, the challenges to attract new kinds of learners – part-time, mature and international students, and the increased focus on training, online learning and learning outcomes.

   c) SGPS (pages 109-110)
   K. Weiner noted concerns about shared services funding and enrolment increases. He asked trustees to consider to what extent shared services funding will be adequate given inflation and student needs.

II Committee Motions and Updates

1. Queen’s University Planning
   a) Major Capital Projects Approval Policy and Process (Built Environment) (pages 111-114)

   Moved by T. Thomas, seconded by J. MacLeod, that the Board of Trustees approve the Major Capital Projects Approval Policy and Process (Built Environment), on the recommendation of the Queen’s University Planning Committee, said recommendation being endorsed by the Capital Assets and Finance Committee.

   Carried 14-29
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Deputy Provost L. Daneshmend noted that the new policy and process ensures alignment of projects with the Campus Master Plan.

2. Capital Assets and Finance

a) Report

E. Speal reported that at its meeting, the committee:

- Reviewed real-estate holdings in relation to the Campus Master plan
- Discussed a review process with administration for ancillary services
- Noted the importance of Audit and Risk Chair K. Brook’s guidance in the Capital Assets and Finance Committee’s upcoming discussion of assigned risks

b) Residence Fees for 2014-2015 and 2015-2016 (pages 115-120)

Moved by E. Speal, seconded by C. Lynch, that the Board of Trustees approve the 2014-2015 and 2015-2016 residences fees as presented, on the recommendation of the Capital Assets and Finance Committee.

Carried 14-30

E. Speal drew attention to a new two-year planning window for setting and approving fees.

c) 2014-15 Student Activity Fees (pages 121-136)

Moved by E. Speal, seconded by J. MacLeod, that the Board of Trustees approve the 2014-2015 Student Activity Fees as outlined in the schedules provided by the Alma Mater Society, the Society for Professional and Graduate Students and the Residence Society, as recommended by the Capital Assets and Finance Committee.

Carried 14-31

E. Speal noted that the fees were recommended by the student organizations.

d) 2014-15 Operating Budget (pages 137-191)

i. Enrolment Targets 2014-15 and 2015-16 and Enrolment Projections 2016-17 for information

ii. Annual Budget Report

Moved by E. Speal, seconded by T. Thomas, that the Board of Trustees approve the 2014-15 operating budget, on the recommendation of the Capital Assets and Finance Committee.

Carried 14-32

E. Speal reported that the preliminary budget, previewed by the Board in March, was within $300,000 of the final budget numbers.

Provost Harrison noted a mistake in the budget report. On page 147 of the agenda materials, under the “Budget Variance” column, under “Draw down of Unit Carry-forward balances,” the figure should be 1.5 and not (6.0).

Secretary’s note: The corrected table and a table determining the allocations for faculties and schools that was distributed at the meeting, is attached to the minutes.

The drawdown at unit level amounts to $7.5 million. Enrolment increases will help to turn this around. While drawing down unit carry forwards will be arrested and reversed and anticipated that the 2015-16 budget would not involve any unit carry forwards.

Discussion ensued. The following points were recorded:

- A new line item, Board priorities and compliance, reflects non-discretionary items that originate at the Board level. The Provost offered to provide a breakdown via the Board Secretary.
- Concerns were expressed about ensuring academic quality while enrolment increases
Agenda

- Increased energy and additional funds spent on student recruitment will help to attract quality students; the university continues to monitor and assess teaching and learning
- Shared services allocations do not appear to have increased because these decisions have yet to be made
- The $4.6 million budget for infrastructure renewal reflects the allocation directed from the University Fund; occupancy charges under the new budget model also includes a fee for deferred maintenance
- The three financial risks for Queen’s are deferred maintenance, pension solvency and increasing operating costs

Budget Increase for Reactor Materials Testing Laboratory (pages 192-194)

Moved by E. Speal, seconded by M. Young, that the Board of Trustees approve an increase to the Reactor Materials Testing Laboratory (RMTL) capital project budget of $860,000, bringing the total approved budget to $18.355 million, on the recommendation of the Capital Assets and Finance Committee.

Carried 14-33

E. Speal explained that the budget increase request was the result of cost overruns, and noted that the new Major Capital Projects Approval Policy and Process would prevent this situation from happening in the future. Additional funding will be provided by the Office of the VP (Research) and the Faculty of Engineering and Applied Science.

3. Governance and Nominating

a) Amendments to By-law Nos. 1, 2 and 3 - K. McKinnon (pages 195-219)

1. By-law No. 1: Duties of Chair
2. By-law No. 2: Update committee terms of reference
3. By-law No. 3: Simplify electronic voting

Moved by K. McKinnon, seconded by R. Burge, that By-law Nos. 1, 2, and 3 be amended as presented in the attached amending by-law, with an effective date of May 2, 2014, as recommended by the Governance and Nominating Committee.

Carried 14-34

b) Report of the Governance and Nominating Committee

The Board of Trustees approved the following recommendations contained in the report presented in the Closed Session. Names of committee members and trustees assigned to bodies are shown in bold text. Names of continuing members are provided for information (in plain text) with the date that current terms end. Membership terms on the Board of Trustees and on Committees of the Board are June 1-May 31, unless otherwise indicated.

a. Appointments
   i. Annual confirmation of Board Chair
      Motion I
      Moved by D. Tisch, seconded by M. Wilson Trider, that Barbara Palk be reappointed as Chair of the Board of Trustees to May 31, 2015.
      Carried 14-35

   ii. Annual confirmation of Board Vice-Chairs
       Motion II
       Moved by D. Tisch, seconded by D. Pattenden, that the Board of Trustees
reappoint Karyn Brooks, David Grace, Kelley McKinnon, and Donald Raymond as Vice-Chairs of the Board of Trustees to May 31, 2015.  
Carried 14-36

iii. Committee Chair, Vice-Chair and membership appointments  
Motion III  
Moved by D. Tisch, seconded by M. Young, that the Board approve the appointment and reappointment to Committees, and other bodies, as indicated in items 1 to 8 of the Report of the Governance and Nominating Committee, May 2, 2014.  
Carried 14-37

1. AUDIT AND RISK

Karyn Brooks as Chair – 2016  
Benita Warmbold as Vice-Chair – 2016

Trustees
Deborah Alexander appoint to 2015
Andrew Aulthouse reappoint to 2015
Stephen Tanner reappoint to 2017
Lewis Tomalty reappoint to 2017
Mary Wilson Trider reappoint to 2016
Karyn Brooks – 2016

External members
Benita Warmbold – 2016

Ex-officio
Barbara Palk
Jim Leech
Daniel Woolf

2. EXTERNAL RELATIONS AND DEVELOPMENT COMMITTEE

Daniel Tisch reappoint as Chair to September 30, 2014
Robert McFarlane appoint as Vice-Chair - 2015

Trustees
Robert McFarlane to reappoint to 2015

External members
Dan Tisch reappoint to September 30, 2014
Lisa Hartley – 2016
Alison Holt – 2016
Alan Rottenberg – 2016
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*Ex-officio*
Barbara Palk  
Jim Leech  
Mike Young  
Daniel Woolf  
Queen’s University Alumni Association President George Jackson

3. **CAPITAL ASSETS & FINANCE**

Ed Speal as Chair – 2016  
**Colin Lynch reappoint as Vice-Chair to September 30, 2014**  
Toby Abramsky as Vice-Chair – 2016

**Trustees**
Deborah Alexander appoint to 2015  
Robert McFarlane appoint to 2015  
Karyn Brooks reappoint to 2016  
David Grace reappoint to 2016  
James MacLeod reappoint to 2016  
Kelley McKinnon reappoint to 2017  
Kent Novakowski reappoint to 2015  
Stephen Tanner reappoint to 2017  
Ed Speal – 2016  
Toby Abramsky - 2016  
Don Raymond – 2016

**External members**
**Colin Lynch reappoint to September 30, 2014**  
Peter Copestake – 2016

*Ex-officio*
Barbara Palk  
Jim Leech  
Mike Young  
Daniel Woolf

4. **GOVERNANCE AND NOMINATING**

Innes van Nostrand as Chair – 2016  
**Kelley McKinnon reappoint as Vice-Chair to 2017**

**Trustees**
**Kelley McKinnon reappoint to 2017**  
Robert Burge reappoint to 2015
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Innes van Nostrand – 2016
Toby Thomas – 2015
David Pattenden – 2015

External members
Not permitted under the Terms of Reference

Ex-officio
Barbara Palk
Jim Leech
Mike Young
Daniel Woolf

5. INVESTMENT

Don Raymond as Chair – 2016
Jim Keohane reappoint as Vice-Chair to 2017

Trustees
Don Raymond – 2016
Ed Speal – 2016

External members
Colin Lynch reappoint to September 30, 2014
Jim Keohane reappoint to 2017
Graham Pugh reappoint to 2017
Gia Steffensen reappoint to 2017
Lea Hansen – 2016
Rod Prat – 2016
William Young – 2015

Ex-officio
Barbara Palk
Jim Leech
Daniel Woolf
Caroline Davis

6. PENSION

David Grace as Chair – 2016
Don Raymond reappoint as Vice-Chair to 2016
James MacKinnon reappoint as Vice-Chair to 2018

Appointments by Trustees (5)
David Grace – 2016
Don Raymond – 2016
Agenda

Kathryn Bush – 2016
Peter Copestake – 2016
Jill Wagman – 2016

Plan Members (4)
James MacKinnon reappoint to 2018
Kelly Sedore appoint to 2017
William Cannon – June 2015
Peg Hauschildt – September 2016

Retirees (2)
John Gordon – September 2016
Alison Morgan – 2017

Ex-officio- non voting
Barbara Palk
Jim Leech
Daniel Woolf
Al Orth
Caroline Davis

7. QUEEN'S UNIVERSITY PLANNING COMMITTEE

Trustees (2)
Toby Abramsky – 2016
Toby Thomas – 2015

Ex-officio
Finance Committee Chair: Ed Speal
Alan Harrison
Daniel Woolf (Chair)
Barbara Palk

Senate (4) appointed by the Senate
Alexander Cavaliere – September 2016
David Detomasi – September 2016
Susan Mumm – September 2018
David Rappaport – September 2017

8. BODIES WITH BOARD APPOINTMENTS

a. Agnes Etherington Art Centre Advisory Board
   Bob Burge reappoint to 2015

b. PARTEQ Innovations
   Daniel Tisch – 2015

Queen's University at Kingston
c. **Queen’s University Engineering Society Services Incorporated (QUESSI) Board of Directors**
   Adam Janikowski appoint to 2016
   TBD

d. **University Council Executive Committee**
   TBD

e. **2014 Joint Board/Senate Retreat Planning Committee**
   
   **Trustees (3)1**
   Andrew Aulthouse
   Kelley McKinnon
   Mike Young

   **Senators (3) appointed by the Senate**
   Catherine Christie
   Janice Hill
   Allison Williams

1 D. Tisch’s Board of Trustees term expires May 31, 2014. He will be appointed as an “external” to the end of September. Governance & Nominating Committee to revisit this appointment following Council Trustee elections in September.

1 C. Lynch’s Board of Trustees term expires May 31, 2014. He will be appointed as an “external” to the end of September. Governance & Nominating Committee to revisit this appointment following Council Trustee elections in September.

1 PARTEQ by-laws do not require that this position be occupied by a Trustee

1 Appointed at the March 7, 2014 Board of Trustees meeting.

4. **Audit and Risk**
   a) **Report**
   K. Brooks reported that the committee received a year-end report from the Student Wellness Health and Safety Working Group (SWHSWG). She reviewed the group’s history and noted that a policy statement on student health and wellness will be brought forward for Board approval in the fall. She noted that VP (Finance and Administration) C. Davis presented for information a statement on acceptable conduct signed by senior administrators, which is a good first step for Queen’s.

   b) **Annual Approval of Policy Statements on Health & Safety and Environmental Management (pages 220-224)**

   **Moved by K. Brooks, seconded by D. Pattenden, that the Board of Trustees approve the Policy Statement on Health & Safety and the Policy Statement on Environmental Management, as recommended by the Audit and Risk Committee.**

   **Carried 14-38**

   K. Brooks noted that annual Board approval of these policies, previously annually reviewed by the former Environmental Health and Safety Committee, is a legislative requirement. R. McFarlane advised that institutional policies should also address reporting requirements for spills. Based on his experience, he noted that education increases reporting but not incident rates. K. Brooks noted that the Audit and Risk Committee would consider the matter further.

III Other Business
IV Recess

Queen's University at Kingston
Agenda

Recess was declared at 8:37 p.m.
SATURDAY, MAY 3, 2014, 9 am

V Reconvene Meeting

OPEN SESSION

1. Investment
   a) Annual report on activities
      D. Raymond reported on the University’s four investment pools, consisting of assets totaling more than $1 billion. Short-term funds consist of $61 million; which can grow or shrink over the course of the year as liquidity is managed. Second largest is the Pooled Investment Fund (PIF) of $200 million; the Sinking Fund has a market value of $47 million consists of zero coupon bonds with long-term maturity; the largest pool is $800 million in endowments. The committee normally meets in Toronto as most members are current and former senior investment professionals. Meeting timing is usually six to seven weeks after the end of each quarter. D. Raymond noted that:

   - Endowments are 80 per cent of assets and have a long-term focus
   - Endowments had a 6-per-cent return at end of March 31, driven by strong equity markets
   - The objective is a four-per-cent real rate of return to provide spending of 3.7 per cent
   - The 10-year real return is 5.1 per cent over inflation, even stronger over longer period – endowment is delivering on its long-term objectives
   - Highlights from the past year include partnering with the Pension Committee to participate in a new asset management by the Ontario Municipal Employees Retirement System (OMERS) private real estate and infrastructure investments, completed January 2, 2014
   - Asset allocation review is ongoing; a major review takes place every three to four years. The committee will report back on the most recent major review this year

2. Pension
   a) Annual report on activities
      D. Grace noted that the committee met four times over the last year, in addition to a special meeting with representatives of the Colleges of Applied Arts and Technology (CAAT) Pension Plan. He spoke about five main themes: membership changes, monitoring investment performance, de-risking the plan, monitoring the financial position of the plan and overall governance. He mentioned that he is the first non-faculty chair in many years. He also noted that:

   - The plan is currently in deficit; the committee looks after approximately $1.7 billion in assets and approximately $2.0 billion in solvency liabilities
   - Last year, the pension plan yielded an excellent return of 18.85 per cent for calendar 2013, net of expenses
   - The committee spends more than half of its time monitoring investment performance
   - The committee used to meet with its 12 investment managers annually; in the future it will meet with them every 18 months and will put them on watch if concerns are raised; there are none on watch at this time
   - De-risking the plan is achieved through investing in less volatile assets such as private real estate and infrastructure; there is less fluctuation with assets that are not publicly traded; these investments are valued annually versus daily
   - These longer-term investments sacrifice some liquidity, however the tradeoff is less volatility
   - The Statement of Investment Policies and Procedures was revised to increase the proportion of international investments and to reduce dependence on fluctuating Canadian commodities markets
   - The CAAT pension plan is solvency exempt; some provinces exempt universities from solvency funding with the understanding that universities are not likely to go under
   - Plan changes made in the last round of collective bargaining reduce pension volatility
   - Pensioners get increases based on excess interest and not cost of living
   - Future mortality losses will reduce excess interest gains
Agenda

- Long term interest discount rates and investment performance are reviewed at all meetings
- Pension valuations are filed every three years and done annually to determine plan status
- The next filing date is August 31, 2014
- The current pension solvency deficit is estimated at $300 million
- Mortality studies are conducted annually; currently over 2,000 pensioners in the plan

Several hundred members attended the December 2013 annual meeting of plan members.

3. Risk Management
   a) Risk Management Update (pages 225-228)

   Moved by K. Brooks, seconded by M. Wilson Trider, that the Board of Trustees approve the revised Strategic Risk Register, as recommended by the Audit and Risk Committee.

   Carried 14-39

C. Davis reminded the Board of the request to integrate the Strategic Framework and the Enterprise Risk Management Framework. The proposed revised set of risks are the result of wide consultation and took place before the alignment exercise. The new top risks are Information Management and Security and Succession Planning. Risks removed are Government Policy and Business Continuity. The upcoming collective bargaining influenced rankings; Employee Relations increased from high to extreme. Due to mitigation activities over the past year, Capital Availability, Pension and Post-Employment Benefits were reduced from extreme to high. The next dashboard will show risk trending; Information Management and Security has been assigned to Audit and Risk, and Business Continuity has been assigned to the Human Resources Committee.

Discussion ensued about the ranking process and the numbers assigned to particular risks. It was explained that the numbers were a guide and that administrators’ judgments would be applied to adjust the numerical results. For example, Research Prominence had been ranked lower, but was moved up because it is a driver in the Strategic Framework. It was suggested that Technology Support is still a risk, however it is best managed at the administration while the Board focuses on strategic-level risks. It was suggested that:

- The AMS Judicial Affairs should present to the Board on their systems and procedures to help understand how the body aids in mitigating the Student Health and Safety Risk.
- Risk management could be approached as being gross risk less mitigation efforts and then evaluated based on residual risk to better identify what can be controlled and what cannot; C. Davis agreed to raise this with the risk owners and Audit and Risk and incorporate it into the dashboard presented to the Board.

4. Alignment of Queen’s Strategic Framework and the Enterprise Risk Management Framework
   a) Alignment of the Strategic Framework and Enterprise Risk Management Framework (pages 229-244)

   Provost A. Harrison and VP (Finance and Administration) C. Davis noted that the two frameworks are closely aligned and that the reinforcement of the two will aid the university’s risk mitigation efforts. Progress on enterprise risk management and the strategic framework will be reported on jointly because of these linkages. The risk dashboard will be updated as progress is made on the strategic framework’s multi-year objectives.

Discussion ensued. The following highlights were recorded:

- Change management is a key risk; non-responsiveness is a potential concern
- Monitoring the effectiveness of the implementation is as important as identifying the actual risk
- The creation of a project portfolio office derives from the University’s experience implementing PeopleSoft, and a recognition that project management is a needed expertise; a project portfolio manager has been in contact with all managers involved in these IT projects
- Audit and Risk receives regular reports on IT project activity
- The development of a professional management group (Salary Grades 10-14) and the need to
Agenda

instill an understanding among group members of the strategic and risk management frameworks
• Cultural change is important and requires monitoring
• Communication strategies should be considered as mitigation factors and need to be considered when implementing change.

CLOSED SESSION

VI In Camera Session
1. Board members with the Principal and the Secretary
2. Board members alone, without the Principal or the Secretary

No record of the In Camera Session was kept.

VII Adjournment

The meeting adjourned at 11:12 am.