

**Wednesday, February 20, 2019**

**2:00 p.m. to 5:00 p.m.**

**North Campus, ERC 3023**

**Toll-Free: 1-877-385-4099 Participant Passcode: 1028954#**

**Members:** Nigel Allen (Chair), Doug Allingham, Stephanie Chow, Dale MacMillan, Steven Murphy, Dietmar Reiner

**Staff:** Robert Bailey, Craig Elliott, Becky Dinwoodie, Cheryl Foy, Justin Gammage, Doug Holdway, Brad Maclsaac, Pamela Onsiong

### AGENDA

No.	Topic	Lead	Allocated Time	Suggested End Time
	<b>PUBLIC SESSION</b>			
<b>1</b>	<b>Call to Order</b>	Chair		
<b>2</b>	<b>Agenda (M)</b>	Chair		
<b>3</b>	<b>Conflict of Interest Declaration</b>	Chair		
<b>4</b>	<b>Chair's Remarks</b>	Chair		2:05 p.m.
<b>5</b>	<b>President's Remarks</b>	S. Murphy	5	2:10 p.m.
<b>6</b>	<b>Finance</b>			
6.1	Third Quarter Financial Reports* (U)	P. Onsiong	10	2:20 p.m.
6.2	2019-2020 Budget* (U)	C. Elliott & R. Bailey	20	2:40 p.m.
6.3	2019-2020 Tuition Fees* (M)	B. Maclsaac	5	2:45 p.m.
6.4	Revised 2019-2020 Ancillary Fees* (M)	B. Maclsaac	5	2:50 p.m.
<b>7</b>	<b>Project Updates</b>		20	3:10 p.m.
7.1	New Building* (U)	B. Maclsaac & C. Elliott		
7.2	Land Exchange (U)	C. Elliott		
7.3	ACE Enhancement* (U)	C. Elliott		
7.4	Campus Recreation & Wellness Centre Expansion* (U)	C. Elliott		
7.5	AVIN* (U)	J. Gammage		
<b>8</b>	<b>Investment Committee Oversight</b>	S. Chow	10	3:20 p.m.
8.1	Quarterly Report			
8.2	Endowment Disbursement Report* (M)			

No.	Topic	Lead	Allocated Time	Suggested End Time
<b>9</b>	<b>Risk, Compliance &amp; Policy</b>			
9.1	<b>Policy:</b>			
	(a) Continuity Policy* (M)	C. Foy	10	3:30 p.m.
	(b) Review of Use of External Auditor for Non-Audit Services Policy* (D)	C. Elliott	5	3:35 p.m.
	(c) Review of Expendable Funds Policy* (D)	C. Elliott	5	3:40 p.m.
9.2	Compliance & Risk Management Update* (U)	C. Foy	5	3:45 p.m.
<b>10</b>	<b>Consent Agenda (M):</b>	Chair	5	3:50 p.m.
10.1	Statement of Investment Policies Amendments*			
10.2	Minutes of Public Session of Meeting of November 19, 2018*			
<b>11</b>	<b>Other Business</b>	Chair		
<b>12</b>	<b>Adjournment (M)</b>	Chair		3:55 p.m.
	<b>BREAK</b>			
	<b>NON-PUBLIC SESSION (material not publicly available)</b>			<b>4:05 p.m.</b>
<b>13</b>	<b>Call to Order</b>	Chair		
<b>14</b>	<b>Conflict of Interest Declaration</b>	Chair		
<b>15</b>	<b>President's Remarks</b>	S. Murphy	15	4:20 p.m.
	• Debenture Update			
<b>16</b>	<b>Finance</b>			
16.1	Confidential Aspects of Finance Report* (U)	C. Elliott & R. Bailey	20	4:40 p.m.
<b>17</b>	<b>Consent Agenda (M):</b>	Chair	5	4:45 p.m.
17.1	Amendments to Asset Class Management Procedures*			
17.2	Minutes of Non-Public Session of Meeting of November 19, 2018*			
<b>18</b>	<b>Other Business</b>			
<b>19</b>	<b>In Camera Session (M)</b>			
<b>20</b>	<b>Termination (M)</b>			5:00 p.m.

Becky Dinwoodie, Secretary



**Financial Update  
Report to the Audit and Finance Committee  
For 9 months ending December 31, 2018**

**February 20, 2019**

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Financial Update – Report to Audit and Finance Committee – February 20, 2019**  
**For 9 months ending December 31, 2018**  
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*Consolidated Financial Statements of*

**UNIVERSITY OF ONTARIO  
INSTITUTE OF TECHNOLOGY**

*For 9 months ending December 31, 2018*

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2018**

	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>	<u>YOY Variance</u>	<u>Mar 31, 2018</u>
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and cash equivalents	\$ 23,811,131	\$ 23,417,949	\$ 393,182	\$ 35,569,460
Short-Term Investments	24,924,456	17,339,483	7,584,973	16,625,200
Grant receivable	8,472,911	6,978,746	1,494,164	7,547,294
Other accounts receivable	40,215,464	40,175,111	40,352	8,157,805
Prepaid expenses and deposits	1,319,745	2,141,935	(822,190)	1,619,047
Inventories	997,845	849,687	148,158	241,633
	<u>99,741,551</u>	<u>90,902,912</u>	<u>8,838,639</u>	<u>69,760,439</u>
INVESTMENTS	25,547,557	25,572,923	(25,365)	25,681,555
CAPITAL ASSETS	389,334,261	401,931,306	(12,597,045)	399,587,698
<b>TOTAL ASSETS</b>	<b>\$ 514,623,369</b>	<b>\$ 518,407,140</b>	<b>\$ (3,783,770)</b>	<b>\$ 495,029,692</b>
<b>LIABILITIES</b>				
<b>CURRENT AND LONG-TERM LIABILITIES</b>				
Accounts payable and accrued liabilities	20,592,737	21,095,659	(502,921)	25,821,233
Deferred revenue	50,875,268	49,711,909	1,163,359	19,579,647
	<u>71,468,006</u>	<u>70,807,568</u>	<u>660,438</u>	<u>45,400,880</u>
LONG TERM DEBT	550,696	691,825	(141,129)	682,736
OBLIGATIONS UNDER CAPITAL LEASE	37,743,559	38,297,915	(554,356)	38,167,349
DEBENTURE DEBT	164,270,308	170,000,002	(5,729,695)	170,061,232
DEFERRED CAPITAL CONTRIBUTIONS	157,304,000	162,834,933	(5,530,932)	162,548,903
	<u>431,336,569</u>	<u>442,632,243</u>	<u>(11,295,674)</u>	<u>416,861,100</u>
<b>Net Assets</b>				
NET ASSETS, excluding current year surplus	57,128,164	41,731,792	15,396,372	41,731,792
ENDOWMENTS	22,296,727	21,230,361	1,066,366	21,040,428
CURRENT YEAR SURPLUS	3,861,909	12,812,744	(8,950,835)	15,396,371
	<u>83,286,800</u>	<u>75,774,897</u>	<u>7,511,903</u>	<u>78,168,591</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 514,623,369</b>	<b>\$ 518,407,140</b>	<b>\$ (3,783,770)</b>	<b>\$ 495,029,692</b>

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Consolidated Statement of Operations**  
**For the 9 months ending December 31, 2018**

	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>	<u>YOY Variance</u>
<b>REVENUE</b>			
Grants - operating & research	\$ 55,290,060	\$ 52,852,987	2,437,073
Grant - debenture	13,500,000	13,500,000	-
Donations - operating & research	649,776	1,428,749	(778,973)
Student tuition fees	54,460,093	53,850,249	609,844
Student ancillary fees	10,407,882	10,765,393	(357,511)
Revenue from purchased services	2,616,129	2,529,886	86,243
Other income	7,386,732	11,836,074	(4,449,342)
Amortization of deferred capital contributions	6,863,533	6,523,282	340,250
Interest revenue	668,262	530,178	138,083
Gain on disposal of assets	157,842	250,022	(92,180)
	<b>152,000,309</b>	<b>154,066,821</b>	<b>(2,066,512)</b>
<b>EXPENSES</b>			
Salaries and benefits	78,993,792	72,426,766	6,567,026
Student aid, financial assistance and awards	7,984,127	7,719,698	264,429
Supplies and expenses	21,209,601	21,072,685	136,916
Purchased Services	9,844,105	9,481,649	362,455
Professional fees	1,134,717	2,975,423	(1,840,706)
Interest expense - Current Obligations	101,557	114,319	(12,763)
Interest expense - Long Term Debt	10,360,674	10,680,639	(319,965)
Amortization of capital assets	17,411,463	17,066,135	345,328
Unrealized loss/(gain) on investments	1,098,365	(283,239)	1,381,604
	<b>148,138,400</b>	<b>141,254,076</b>	<b>6,884,324</b>
<b>Excess of revenue over expenses</b>	<b>\$ 3,861,909</b>	<b>\$ 12,812,744</b>	<b>\$ (8,950,836)</b>

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Consolidated Statement of Cash Flows**  
**As at December 31, 2018**

	<u>Dec 31, 2018</u>	<u>Dec 31, 2017</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Excess of revenue over expenses	3,861,909	12,812,744
Items not affecting cash:		
Amortization of capital assets	17,411,463	17,066,135
Amortization of deferred capital contributions	(6,863,533)	(6,523,282)
Gain on disposal of assets	(157,842)	(250,022)
Unrealized loss/(gain) on investments	1,098,365	(283,239)
	<u>15,350,363</u>	<u>22,822,336</u>
Working Capital		
Grant and other accounts receivable	(32,983,276)	(33,377,227)
Prepaid expenses and deposits	299,303	(452,065)
Inventories	(756,212)	(677,173)
Accounts payable and accrued liabilities	(5,228,495)	(13,538,290)
Deferred revenue	31,295,621	28,833,190
	<u>7,977,303</u>	<u>3,610,771</u>
<b>INVESTING</b>		
Purchase of capital assets	(7,000,185)	(18,807,794)
Investments	(9,263,623)	(12,996,358)
Endowment contributions	1,256,299	1,613,641
	<u>(15,007,508)</u>	<u>(30,190,509)</u>
<b>FINANCING</b>		
Repayment of long term debt	(5,922,964)	(11,199,396)
Repayment of obligations under capital leases	(423,790)	(374,847)
Deferred capital contributions	1,618,630	4,776,391
	<u>(4,728,124)</u>	<u>(6,797,853)</u>
<b>NET CASH (OUTFLOW)</b>	<b>(11,758,329)</b>	<b>(33,377,590)</b>
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<b>35,569,460</b>	<b>56,795,539</b>
<b>CASH BALANCE, END OF PERIOD</b>	<b>\$ 23,811,131</b>	<b>\$ 23,417,949</b>



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## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

### **Assets**

Cash and short-term investments increased \$8.0m and includes prior year planned reserves of \$3.5m and a net \$3.1m one-time sales tax rebates that was unspent at the end of the last fiscal year, offset by other increases / decreases relating to normal operating activities in the current year.

Grant receivable balance of \$8.5m includes \$6.1m Collaborative Nursing (CN) grant funded on a slip-year basis (PY bal. \$2.4m receivable in CY, and CY bal. \$3.7m receivable in next FY) and \$2.4m of external research grants all of which are current.

Grant receivable increase of \$1.5m includes \$1.0m increase in research grants, of which \$0.4m relates to the new AVIN project, and \$0.5m increase in CN grant associated with YOY growth.

Other accounts receivable includes student and trade receivables. Balance of \$40.2m includes \$37.2m of student A/R (\$1.0m for fall 2018 and prior, and \$36.2m for the future winter 2019 semester for which payment is due in Jan 2019), other current receivables comprising \$0.8m ACE, and other balances, none exceeding \$0.5m.

Prepaid expenses and deposits decrease of \$0.8m is attributable to the delay in receipt of invoices for Curie insurance (\$0.4m) and IT Blackboard licenses (\$0.6m) in the current year. These invoices were received in December in the prior year, and the prepaid amounts recognized accordingly.

Investment balance of \$25.5m relates solely to endowed funds held at PH&N. The year-over-year change is immaterial, but does include new in-year donations of \$0.9m, net investment income \$0.7m, offset by M2M unrealized loss of \$1.1m and bursary disbursements of \$0.5m.

Capital assets decrease of \$12.6m includes net additions of \$9.8m, offset by accumulated amortization of \$22.4m in the last 12 months.

Additions comprise \$4.0m of major equipment, \$2.2m of laptop purchases offset by laptop disposal of 1.8m as a result of the “Bring Your Own Device” program for 3 faculties in the prior year, \$2.4m of FF&E (of which \$1.7m pertains to the new SIRC building), \$2.1m of computer equipment and servers, and \$0.9m in building renovations.

### **Liabilities**

Accounts payable and accrued liabilities balance of \$20.6m includes \$3.8m of ancillary fees held in trust for students, \$3.7m of student ancillary fees billed on behalf of third parties and payable when due (e.g. Durham Region Transit for U-PASS, Student Union), \$2.2m interest payable on our debenture debt, \$2.1m of accounts payable to third parties, \$2.0m of vacation accruals and other accruals none of which exceeds \$1.0m.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Liabilities (Continued)

Deferred Revenue relate to revenues deferred to subsequent periods as these have not yet been earned at the end of the reporting quarter or will be recognized as revenue in the period in which related expenses are incurred.

Balance of \$50.9m includes \$35.9m deferred tuition which represents all of winter term fees not earned at the end of the quarter, and \$15.0m of revenues received and not yet spent at the end of the quarter (\$5.4m of externally funded research revenues, \$3.8m of expendable donations, \$3.3m student ancillary fees, and \$2.5m of miscellaneous deferred revenues).

The increase of \$1.2m in deferred revenues includes \$0.7m increase in deferred tuition due to the positive impact of the average 3% YOY increase in domestic tuition fees offset by decrease in international enrolment.

Decrease in obligations under capital lease represents the principal lease repayments for 61 Charles and 55 Bond in the last 12 months.

Decrease in long-term debenture debt of \$5.7m relates to the principal repayment and resulting drawdown of the debt in the last 12 months. This debt is fully payable in October 2034.

Decrease in deferred capital contributions of \$5.5m includes new capital grants and donations of \$3.8m received in the last 12 months, offset by \$9.3m amortization into revenues of capital grants and donations received since inception of the University.

New grants and donations received include \$1.1m remaining SIF grant for SIRC construction received in Jan 2018, \$0.9m for the Moving Ground Plane, \$1.0m for campus retrofit projects to reduce the University's gas emission, and \$0.8m donation received for SIRC and various capital projects.

## CONSOLIDATED STATEMENT OF OPERATIONS

### Revenue

Total Revenue decreased \$2.1m (-1.3%) over the prior year. Significant variances include:

- 1) Grants increase of \$2.4m includes \$2.0m due to the timing of receipt of the performance grants from MTCU (this grant is received in instalments on a bi-weekly basis in the CY and was received in the last quarter of the year in the PY), and \$0.4m increase in external research grants.

This increase is offset by,

- 2) Other income decrease of \$4.4m as the prior year included a one-time receipt in July 2017 of \$4.9m of retail sales tax rebates on construction costs for the period January 2003 to December 2005 (**see Note (3) under Expenses below for associated consulting costs**).

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**CONSOLIDATED STATEMENT OF OPERATIONS (continued)**

**Expenses**

Total Expenses increased \$6.9m (4.9%) over the prior year. Significant increases include:

- 1) Salaries & Benefits increase of \$6.6m includes \$2.6m for faculty and staff salary increases, \$2.0m for net new hires and promotions, \$1.0m increase in limited term contracts (of which \$0.6m pertains to sessional contracts required to cover the reduced course load of the teaching faculty), \$0.7m reversal of accrued administrative leave in the prior year as these were not paid out and \$0.3m increase in accrued vacation.
- 2) Unrealized loss on investments pertains to the mark-to-market loss on the endowed funds held at PH&N. The loss to-date of \$1.1m is attributable to the decline in the equity portfolio.

The above increases are offset by,

- 3) Professional fees decrease of \$1.8m as the prior year included \$1.7m of consulting fees with respect to the one-time receipt in July 2017 of \$4.9m of retail sales tax rebates on construction costs (**see Note (2) under Revenue above**)

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## II. FINANCIAL METRICS

The Ministry has adopted 5 financial metrics to assist with assessing university financial health and sustainability.

The table below shows UOIT’s forecast metrics for fiscal year 2018 – 19 and the actuals for the 2 fiscal years 2017 – 18 and 2016 - 17. Also included are the average comparator and average sector metrics for fiscal year 2016 - 2017 (latest published data). The average comparator includes the data for what are considered as “small” universities based on student FTE (“Full-time equivalents”), and includes seven universities: Algoma, Lakehead, Laurentian, Nipissing, OCADU, Trent and UOIT.

Financial Metrics	Forecast	Actual	Actual	Average comparator	Average sector
	2018 - 19	2017 - 18	2016 - 17	2016 - 17	2016 - 17
Net Income/Loss Ratio (1)	2.0%	7.2%	6.2%	0.9%	5.2%
Net Operating Revenues Ratio (2)	4.3%	8.3%	18.1%	6.7%	9.0%
Primary Reserve Ratio (days) (3)	52	53	40	24	106
Interest Burden Ratio (4)	7.5%	8.2%	8.9%	3.2%	2.2%
<b>(b) IBR w MTCU funding</b>	<b>1.7%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>n/a</b>	<b>n/a</b>
Viability Ratio (5)	14.9%	14.1%	10.0%	11.2%	277.8%

### Financial Metrics Analysis

1. **Net Income / Loss** ratio - tracks the trend in UOIT’s net earnings.

Based on the current projection of a net operating surplus of \$4.6m (see Section III “2018-19 Operating Forecast Summary” on Pages 10 - 13), it is forecast that UOIT’s net earnings ratio will be positive in the current fiscal year. The current forecast is less favourable than in the prior year as the prior year operating surplus was higher due to revenue upsides (one-time sales tax rebate, tuition growth and additional final adjustment to core operating grant) that we are not experiencing this year.

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## **II. FINANCIAL METRICS (continued)**

**2. Net Operating Revenues** ratio – indicates the extent to which UOIT is generating positive cash flows in the long-run to be financially sustainable.

With stable revenues projected for the current year, UOIT continues to experience positive operating and working capital and, therefore, a stable net operating revenues ratio.

Similar to the net income / loss ratio, the net operating revenues ratio is lower than in the prior year due to the relatively higher surplus in the prior year.

**3. Primary Reserve** ratio – indicates UOIT’s financial strength and flexibility by determining the number of days UOIT could function using its resources that are can be expended without restrictions.

Primary reserve ratio will remain stable if the reserves are replenished at the end of the fiscal year with actual operating surplus arising from the planned capital reserves.

**4. Interest Burden** ratio (“IBR”) – indicates UOIT debt affordability and the cost of servicing debt

UOIT’s interest burden continues to improve as it pays back its long-term debt obligations without entering into any new debt. The cost of servicing UOIT’s debt is above the comparator due to its much higher debt obligations.

**4b. Interest Burden with MTCU funding** ratio – the “IBR” has been re-stated to reflect an annual “institution-specific” grant of \$13.5m from the Ministry to fund the University’s debenture debt. Therefore, interest expense on the debenture has been removed from the total interest expense, used in the calculation of “IBR”.

Including the impact of the Ministry funding, UOIT’s interest burden ratio is more in line with the average comparator and average sector ratios.

**5. Viability** ratio - determines UOIT’s financial health, as it indicates the funds on hand to settle its long-term obligations.

This ratio is stable due to operating planned surplus (resulting in improved expendable net assets), and reduced debt obligations.

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**II. FINANCIAL METRICS (continued)**

**(1) Net Income/Loss Ratio**

$$\frac{\text{Total Revenues less Total Expenses}}{\text{Total Revenues}}$$

*Measures the percentage of UOIT's revenues that contribute to its net assets. The objective is to track trends in UOIT's net earnings*

**(4) Interest Burden Ratio**

$$\frac{\text{Interest Expense}}{\text{Total Expenses - Depreciation}}$$

*Indicates debt affordability as it examines the percentage of total expenses used to cover UOIT's cost of servicing debt*

**(2) Net Operating Revenues Ratio**

$$\frac{\text{Cash flow from Operating Activities}}{\text{Total Revenues}}$$

*Indicates the extent to which UOIT is generating positive cash flow in the long-run to be financially sustainable.*

**(5) Viability Ratio**

$$\frac{\text{Expendable Net Assets}}{\text{Long-Term Debt}}$$

*Determines UOIT's financial health as it indicates the funds on hand to settle its long-term obligations. Long-Term Debt is total external long-term debt, excluding the current portion of debt.*

**(3) Primary Reserve Ratio**

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}} \times 365 \text{ days}$$

*Indicates UOIT's financial strength and flexibility by determining the number of days UOIT can function using only its resources that can be expended without restrictions. Expendable net assets include: Unrestricted surplus (deficit), internally restricted net assets and endowments.*

## University of Ontario Institute of Technology

### III. 2018 - 19 Operating Forecast Summary (in '000 s) For the year ending March 31, 2019

The table below shows the variance of the year-end forecast vs the 2018 - 19 approved budget

April 1, 2018 - March 31, 2019					
Budget, excluding Carryforward	Carryforward/Internal Restrictions	Total Annual Budget	Y/E Forecast	Fav. (Unfav.) Budget vs. Forecast \$ / %	
<b>Revenue</b>					
Grants	80,486	80,486	82,245	1,759	2%
Tuition	83,993	83,993	82,495	(1,498)	-2%
Student Ancillary	12,163	12,163	12,981	818	7%
Other	17,613	17,613	18,076	463	3%
<b>Total Revenue</b>	<b>\$ 194,254</b>	<b>\$ -</b>	<b>\$ 194,254</b>	<b>\$ 195,796</b>	<b>\$ 1,542 1%</b>
<b>Expenditures</b>					
Academic/ACRU	74,789	1,237	76,026	74,900	1,126 1%
Academic Support	37,074		37,074	38,098	(1,024) -3%
Administrative	32,914		32,914	29,174	3,741 11%
<b>Sub-total</b>	<b>\$ 144,777</b>	<b>\$ 1,237</b>	<b>\$ 146,014</b>	<b>\$ 142,172</b>	<b>\$ 3,842 3%</b>
<b>Purchased Services</b>	<b>13,272</b>		<b>13,272</b>	<b>12,617</b>	<b>654 5%</b>
<b>Total Ancillary/Commercial</b>	<b>10,292</b>		<b>10,292</b>	<b>9,941</b>	<b>351 3%</b>
<b>Debt Interest Expense</b>	<b>10,541</b>		<b>10,541</b>	<b>10,541</b>	<b>- 0%</b>
<b>Total Expenses</b>	<b>\$ 178,882</b>	<b>\$ 1,237</b>	<b>\$ 180,119</b>	<b>\$ 175,271</b>	<b>\$ 4,848 3%</b>
<b>Operating Contribution</b>	<b>\$ 15,372</b>	<b>\$ (1,237)</b>	<b>\$ 14,135</b>	<b>\$ 20,525</b>	<b>\$ 6,389 45%</b>
<b>Expenses disclosed on the Balance Sheet</b>					
Capital Expenses	7,464	141	7,605	10,300	(2,695) -35%
Principal Repayments - debenture/leases	6,531	0	6,531	6,531	0 0%
<b>Net Operating Surplus</b>	<b>\$ 1,378</b>	<b>\$ (1,378)</b>	<b>\$ 0</b>	<b>\$ 3,695</b>	<b>\$ 3,695 N/A</b>
<b>Add. Savings post Q3 forecast submission - OPEX</b>				<b>\$ 800</b>	<b>\$ 800 N1.</b>
- Capital				<b>\$ 200</b>	<b>\$ 200 N1.</b>
<b>Revised Operating Surplus</b>				<b>\$ 4,695</b>	<b>\$ 4,695</b>
<b>Other disclosure - Funded by restricted reserves</b>					
Fundraising campaign	\$ -	\$ -	\$ 1,312	\$ 1,077	\$ 235 18%
New GASB Building	\$ -	\$ -	\$ -	\$ 945	\$ (945) N/A
<b>Reconciliation to Y/E forecast GAAP FS:</b>					
<b>Net forecast contribution from Operations</b>				<b>\$ 20,525</b>	
<b>Add. Savings post Q3 forecast submission - OPEX</b>				<b>800</b>	
<b>Items not budgeted:</b>					
Externally funded research donations and revenues				<b>9,800</b>	
Externally funded research expenses				<b>(8,850)</b>	
<b>Non-cash transactions:</b>					
Amortization of capital assets				<b>(23,216)</b>	
Amortization of deferred capital contributions				<b>9,118</b>	
Unrealized loss on investments				<b>(1,100)</b>	
<b>Capital revenues accounted as Deferred Capital Contributions on the balance sheet</b>				<b>(2,410)</b>	
<b>Excess revenues over expenses - as per GAAP Financial Statements</b>				<b>\$ 4,667</b>	

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### III. 2018 – 19 Operating Forecast Summary

Based on the Feb 1, 2019 preliminary enrolment data, the operating budget, after capital expenses and principal debenture and lease repayments, shows a net operating surplus of \$4.7m at the end of the fiscal year.

The variances of the year-end forecast vs the approved budget are explained below.

#### Enrolment

<b>FTE's</b>	<b>2018 - 19 Approved Budget</b>	<b>Feb 1 Preliminary Count</b>	<b>Variance to Approved Budget</b>
<b>Undergraduate</b>			
Domestic	7,834	7,933	99
International	468	408	-60
<b>Graduate</b>			
Domestic	379	430	51
International	172	148	-24
<b>Total FTE's</b>	<b>8,853</b>	<b>8,919</b>	<b>66</b>

Feb 1 preliminary enrolment count shows a positive net variance of 66 FTE against an original budget of 8,853 FTE. Current eligible domestic undergraduate and graduate enrolment projection is within the + / - 3% of UOIT's corridor midpoint.

Domestic undergraduate and graduate increased 150 FTE resulting in additional tuition of \$0.6m. International undergraduate and graduate decreased 84 FTE with associated tuition decrease of \$2.0m, mostly attributable to the Saudi impact. The overall result is a net \$1.4m decrease in forecast tuition revenue.

Core Operating Grant remains flat as under the new funding formula implemented by the Ministry in 2017-18, the funding for domestic students for the current year remains at the 2016 – 17 level.



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### **III. 2018 – 19 Operating Forecast Summary (continued)**

#### **Revenues**

Grants are favourable to budget \$1.8m and include \$1.1m of unbudgeted grant for the Greenhouse Gas Campus Retrofit Program (see offsetting Capital Expenses under **Expenses** section below), \$0.5m higher than budgeted Career Ready Fund grant, and other immaterial variances.

Tuition fees for the year are unfavourable \$1.4m against an original budget of \$84.0m due to the shortfall in international graduate and undergraduate students.

Student Ancillary fees are favourable \$0.8m and is due to the accounting recognition of prior year deferred revenues to fund for the renovations of the soccer field (see offsetting Capital Expenses under **Expenses** section below).

#### **Expenses**

Academic/ACRU units are showing a positive variance of \$1.1m. This includes \$3.9m of full-time labour savings from open positions across all faculties, offset by \$1.6m increase in definite term contracts to back-fill the full-time open positions, and \$1.2m increase in operating expenses, funded by faculty carry forward funds. The increase in operating expenses includes start-up and professional funds and relocation costs for new faculty hires and investment in new instructional software.

Academic Support units are unfavorable to budget \$1.0m. This includes an additional \$0.6m of higher than expected entrance scholarships and student access guarantee (“SAG”) funding as mandated by the Ministry and other variances none exceeding \$0.5m.

Administrative units are showing a favourable variance to budget of \$3.7m. This includes \$3.5m release of planned operational and building reserves, \$0.8m electricity rebate for the prior year resulting from the introduction of The Fair Hydro Act 2017 on June 1, 2017, and \$0.5m labour savings to reflect open IT positions and the impact of Bill 148 repeal. These favourable variances are offset by \$0.7m additional investment in university branding initiatives, \$0.6m higher than anticipated legal fees and other immaterial variances.

Purchased Services is favourable to budget \$0.7m primarily due to lower utilities rates in the current year as a result of The Fair Hydro Act 2017.

Capital Expenses funded from Operations are unfavourable \$2.7m to budget, and includes \$1.1m of campus projects to reduce the University’s greenhouse gas emission, fully funded by the Campus Retrofit Grant (see Grants under **Revenue** section above), \$0.8m investment in artificial turf for the soccer field (see Student Ancillary fees under **Revenue** section above) and other projects none exceeding \$0.5m.

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### **III. 2018 – 19 Operating Forecast Summary (continued)**

#### **Conclusion**

Our current forecast is showing an operating surplus of \$4.7m. This surplus includes the planned building and operational reserves of \$3.5m that are in the 2018 – 19 budget.

The forecast surplus on a GAAP (generally accepted accounting principle) basis, after adjusting for non-cash transactions and for items that are not included in the budget, is \$4.7m.

#### **Operating Forecast Update**

On January 17, 2019, the Ontario Ministry of Training, Colleges and Universities (MTCU) announced its new tuition fee framework, which includes a 10% decrease in tuition for 2019 – 20 and with a freeze in the following year 2020 – 21. Budget holders have been advised by the Chief Financial Officer and the Provost to exercise restraint in operating spending throughout the remainder of the current budget year, and the University has implemented a hiring and travel freeze until further notice.

The above operating summary includes the Q3 forecasts submitted by all budget holders on Dec 14, 2018 **AND** the additional savings identified by budget holders subsequent to the announcement by MTCU, the CFO and the Provost.

Additional savings identified by budget holders, over and above the Q3 forecast submission, are approximately \$1.0m, of which \$0.2m relates to Capital Expenditure (**see N1. on the Operating Forecast Summary sheet**).

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#### **IV. CAPITAL**

This section provides an overview of capital projects over \$1.0m.

##### **A. Moving Ground Plane (“MGP”)**

In June 2016, UOIT’s Board of Governors approved the completion of an agreement of purchase and sale with the Old Dominion University (“ODU”) for the acquisition of a moving ground plane (“MGP”) at a cost of no more than \$2.5m in accordance with the terms of a grant of \$2.5m funded by the Ministry of Economic Development and Growth (“MEDG”).

The Moving Ground Plane is a giant belt that acts as a road moving under a vehicle, simulating the aerodynamic forces against moving vehicles and measuring the physical characteristics in real-world conditions. It will give the university’s students the tools to train and conduct research in a high-tech environment, preparing them for the careers of the future. It will also help companies and researchers create new energy-efficient products and reduce carbon emissions in the automotive industry.

On February 12, 2018, the Minister of Research, Innovation and Science (MRIS) announced that the Province is investing an additional \$1.5m to enhance the University’s one-of-a-kind ACE facility by adding a Moving Ground Plane. This is matched by cash contributions of \$1.0m by Magna International and \$0.5m by the University. In addition, Multimatic is also providing engineering services from a team of highly talented automotive engineers to help develop the Moving Ground Plane.

On August 31, 2018, the Prime Minister of Canada announced up to \$9.46m in funding to the University to enhance its ACE facility, and to create new research and development jobs in the automotive industry. This funding will support the integration of the MGP into the ACE facility.

##### **MGP Progress Update**

- The University has paid ODU USD 2.0m in settlement for the equipment in September 2016, and has received funding of CAD 2.5m from the Ministry of Economic Development and Growth to cover for the purchase of the equipment.
- In May 2018, the University received a first instalment of \$0.6m from the additional provincial funding of \$1.5m announced in February 2018.
- The construction of the building modifications began in November 2018. The installation of the MGP and its integration at the ACE facility will be completed in spring 2020 and become operational in September 2020.
- Management is currently finalizing collaboration agreements with Magna International Inc. and Multimatic Inc. for the provision of financial and in-kind support to the University in respect of the Project.

As at Dec 2018, we have incurred \$0.6m on this project and forecast to spend \$3.6m in the current fiscal year

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**IV. CAPITAL (continued)**

**B. New Building – General Academics and Student Building (GASB)**

In November 2018, a proposal was presented to the Board to construct a \$48.0m building as part of the University's plan to cultivate a dynamic learning environment for students. At that meeting, the Board passed a motion to

- 1) Authorize the University to proceed with the preparatory work for the new building construction, up to a maximum cost of \$1.5m.
- 2) Direct the University to present the final negotiated guaranteed maximum price (GMP) agreement for approval at the Feb 28, 2019 Board meeting.

**GASB Progress Update**

- The preliminary design stage of the project is completed, with design drawings at the 70% stage.
- Pre-construction drawings are in the process of being developed
- Audio-visual and furniture design coordination is ongoing
- Value engineering exercise is in progress

As at Dec 2018, we have incurred \$0.4m on this project and forecast to spend \$1.0m in the current fiscal year.

**C. Autonomous Vehicle Innovation Network (AVIN)**

UOIT'S leading-edge research and development (R&D) infrastructure will play a vital role in the future testing of autonomous vehicles (AV) in Ontario.

Ontario Centres of Excellence (OCE) is investing \$5.0m through a third party, Spark Centre, to establish a Regional Technology Development Site (RTDS) for controlled-environment driverless vehicle testing inside UOIT's ACE Climatic Wind Tunnel. The RTDS provides an environment where AV development companies and engineers will evaluate and validate AV prototypes.

Approximately half of the OCE funding is being used to fund for the purchase of equipment and engineering services, and the other half is being used for resources required to manage and develop the project.

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**IV. CAPITAL (continued)**

**AVIN Progress Update**

- The AVIN Project started in February 2018, and is expected to be completed by March 2022 at which time the site will be operational.
- There are no expected delays to the project.

As at Dec 2018, we have incurred \$0.4m on this project and forecast to spend \$2.1m in the current fiscal year.

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## V. CASH FLOW

The University administration uses a cash management forecasting model to manage its operating cash balances and operating short-term investment portfolios.

University cash balances are cyclical in nature with higher operating balances in September – November and January - March due to tuition fee collection from the fall and winter semester registration, and lower balances in December and during the early summer months.

The University has the following credit facilities:

- A revolving operating LOC of up to \$17.0m, bearing interest at prime plus 0.25% with a Canadian chartered bank.
- A revolving operating LOC up to \$5.0m, bearing interest at prime plus 0.25% with IBM.

### Cash Flow Update

- UOIT has not utilized its available line of credit as at the end of the reporting quarter.
- The University currently holds \$24.9m of its operating cash surplus in short-term investments. In anticipation of the upcoming construction projects at the University (including the integration of the Moving Ground Plane into the ACE facility and the new General Academic and Student Building), \$16.9m of the short-term investments have been invested in 30 day cashable GIC's with the remaining \$8.0m in annual GIC's at BMO Nesbitt Burns.
- **Operating cash balance**, including short-term investments of \$24.9m, is projected at **\$42.3m** at the end of the fiscal year.
- **Externally and internally restricted cash balances** (including Research, Advancement, Campus Childcare, Regent Theatre, and ACE) is projected at **\$11.3m** at the end of the fiscal year.

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**Cash Flow Forecast Summary for the year ended March 31, 2019**

	Actual			Forecast			Total Forecast	
	Apr - Jun 2018	Jul - Sep 2018	Oct - Dec 2018	Jan 2019	Feb 2019	Mar 2019	FY 2018-19	
	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	
Operating Beginning Cash Balance	A	24,570	4,617	28,803	11,385	29,630	25,952	24,570
Total Operating Inflows	B	38,467	67,781	33,283	34,393	10,797	7,904	192,625
Total Operating Outflows	C	(50,420)	(44,774)	(50,409)	(16,022)	(14,325)	(16,252)	(192,202)
Net Operating Cash Flows	D=B+C	(11,953)	23,007	(17,126)	18,371	(3,528)	(8,348)	423
Total Operating Cash Available	E=A+D	12,617	27,624	11,677	29,756	26,102	17,604	24,993
New Building Outflows	F	0	0	(292)	(126)	(150)	(198)	(766)
Transfer (to) / from Short-term investments	G	(8,000)	1,179					(6,821)
Operating Ending Cash Balance after New Building and transfer to STI	H=E+F+G	4,617	28,803	11,385	29,630	25,952	17,406	17,406
Total Internally and Externally Restricted Cash	I	11,831	10,828	12,041	10,860	11,075	11,307	11,307
<b>Total Consolidated Cash Position</b>	<b>J=H+I</b>	<b>16,448</b>	<b>39,631</b>	<b>23,426</b>	<b>40,490</b>	<b>37,027</b>	<b>28,713</b>	<b>28,713</b>

**Total Cash Forecast as at MAR 31, 2019**

Total Operating Cash after new building	17,406
Add: Short-term investments in GIC's	24,925
<b>Total Operating Cash and ST investments</b>	<b>\$ 42,331</b>

<b>Total Restricted Cash</b>	<b>\$ 11,307</b>
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## **VI. LONG-TERM FORECAST**

In April 2018, and as part of the annual budget presentation to the Audit and Finance Committee, a long-term forecast was presented for the budget years 2018 – 19 to 2027 – 2028 inclusive. This forecast was based on 2017 -18 Feb 1 count enrolment numbers.

In the attached, only the 2018 -19 forecast has been updated to account for the financial impact of the preliminary Feb 1, 2019 enrolment count. All other years are held as at the same level as of April 2018.

On January 17, 2019, the Ontario Ministry of Training, Colleges and Universities (MTCU) announced its new tuition fee framework, which includes a 10% decrease in tuition for 2019 – 20 and with a freeze in the following year 2020 – 21.

The long-term forecast will be updated to take into a/c this new tuition framework and its impact on enrolment projections and expenses. This will be presented to the Committee as part of the 2019 – 20 annual budget presentation in April 2019.

### **Assumptions on the current forecast model**

1. Grant funding as per the new funding formula implemented in 2017 – 18 year
  - Funding held at 2016 – 17 level for the period of SMA 2 (2017-18 to 2019-20 inclusive)
  - Currently, there is no indication from MAESD that there will be funding above growth; therefore, the model includes an “*uncertainty in growth funding*”
2. Growth in undergraduate domestic (mostly engineering and nursing), coupled with growth in undergraduate international (mostly engineering)
3. Tuition YOY average domestic increase is at the current approved rate of 3.0%. Tuition increase for international students is at 4% in the first 5 years, and 2% increase for the next 5 years
4. Retention rate held at current rate of 80.3%
5. Salary increases as per the current job evaluation system and as per faculty collective agreements
6. New faculty hires to maintain current student to faculty ratio
7. New administrative hires at 2:1 for every new faculty hire
8. Faculty headcount annual attrition \$0.5m
9. TELE transformation to a full “BYOD” model by FY 2019 – 20
10. Operational reserves \$1.0m + planned capital and deferred maintenance reserves \$2.5m for a total of \$3.5m
11. University Priority Fund (UPF) at \$1.6m
12. 3% YOY increase in utilities
13. 2% YOY increase in purchased services cost from Durham College

The operating long-term forecast currently shows a net surplus of \$19.9m over the 10-year period. This excludes the capital costs of any current and future planned construction projects.



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**VI. LONG-TERM FORECAST - FY19 to FY28 inclusive (in ' 000s)**

10-year Forecast (in ' 000s)												
SMA 2			SMA 3			SMA 4			SMA 5			
FY 19 Approved Budget		FY 19 Fcst	FY 20 Fcst	FY 21 Fcst	FY 22 Fcst	FY 23 Fcst	FY 24 Fcst	FY 25 Fcst	FY 26 Fcst	FY 27 Fcst	FY 28 Fcst	Total 10-year Forecast
<b>REVENUES</b>												
Core Operating Grant, excluding CN grant <i>Uncertainty in Growth Funding</i>	52,181	52,326	52,051	51,525	51,469	51,425	52,782 (731)	52,769 (717)	52,753 (702)	54,864 (2,812)	54,849 (2,798)	526,813 (7,760)
CN grant	4,637	4,722	5,379	5,426	5,755	5,788	5,807	5,832	5,861	5,891	5,921	56,382
Debenture Grant	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	135,000
Other Grants	9,668	11,697	9,856	9,658	9,658	9,658	9,658	9,658	9,658	9,658	9,658	98,816
Student Tuition Fees	83,992	82,495	89,174	94,169	100,062	105,848	110,320	114,419	119,275	123,671	129,618	1,069,052
Student Ancillary Fees	12,163	12,981	8,620	8,801	9,002	9,204	9,318	9,547	9,770	9,988	10,194	97,426
Revenues from Ancillary Operations	3,832	3,697	3,832	3,832	3,832	3,832	3,832	3,832	3,832	3,832	3,832	38,187
Donations*	726	1,001	726	726	726	726	726	726	726	726	726	7,531
Other Revenues	13,555	13,377	14,724	14,037	14,107	14,178	14,231	14,311	14,392	14,473	14,563	142,394
<b>Total Revenues</b>	<b>\$ 194,254</b>	<b>\$ 195,796</b>	<b>\$ 197,862</b>	<b>\$ 201,674</b>	<b>\$ 208,111</b>	<b>\$ 214,158</b>	<b>\$ 219,443</b>	<b>\$ 223,877</b>	<b>\$ 229,066</b>	<b>\$ 233,789</b>	<b>\$ 240,063</b>	<b>\$ 2,163,839</b>
<b>EXPENDITURES</b>												
FT Labour	(94,739)	(89,123)	(99,337)	(103,311)	(107,894)	(112,557)	(116,733)	(120,907)	(125,191)	(129,310)	(133,960)	(1,138,322)
PT Labour	(18,090)	(20,826)	(16,955)	(17,209)	(17,592)	(18,141)	(18,900)	(19,576)	(20,425)	(21,240)	(22,014)	(192,878)
Operating Expenses	(74,113)	(71,052)	(74,091)	(74,052)	(74,706)	(75,672)	(76,268)	(76,353)	(76,857)	(77,364)	(77,871)	(754,285)
Capital Expenses	(7,312)	(10,100)	(5,610)	(5,515)	(5,506)	(5,220)	(5,307)	(5,307)	(5,307)	(5,307)	(5,307)	(58,485)
<b>Approved Expenditures</b>	<b>\$ (194,254)</b>	<b>\$ (191,101)</b>	<b>\$ (195,993)</b>	<b>\$ (200,087)</b>	<b>\$ (205,698)</b>	<b>\$ (211,590)</b>	<b>\$ (217,208)</b>	<b>\$ (222,142)</b>	<b>\$ (227,780)</b>	<b>\$ (233,220)</b>	<b>\$ (239,152)</b>	<b>\$ (2,338,225)</b>
<b>Budget Surplus</b>	<b>\$ (0)</b>	<b>\$ 4,695</b>	<b>\$ 1,869</b>	<b>\$ 1,587</b>	<b>\$ 2,413</b>	<b>\$ 2,568</b>	<b>\$ 2,235</b>	<b>\$ 1,735</b>	<b>\$ 1,286</b>	<b>\$ 569</b>	<b>\$ 911</b>	<b>\$ 19,868</b>



# **Budget Update**

## **Audit and Finance Committee - Public**

**Presented By Craig Elliott, CFO & Robert Bailey, Provost & VP Academic**

### **February 20, 2019**



# Agenda

- 1. Priorities & Values**
- 2. Updated Budget Assumptions**
- 3. Current Status**
- 4. Next Steps**
- 5. Questions/Comments**

# Priorities & Values

- **Strategic Priorities** - Maintain our focus on high-value learning opportunities and high-impact research.
- **Core Values & Principles in Developing the Budget**
  - **Students:** We are committed to providing an excellent learning environment and student experience.
  - **Faculty:** Build an innovation ecosystem that fosters high-impact research.
  - **Employees:** We are committed to minimizing the impact of budget challenges on people by finding efficiencies and doing things differently.
  - **Access:** We are committed to maintaining and enhancing a diverse and inclusive campus community.
  - **Communication:** We are committed to communicating regularly with our campus community about the budget process as it progresses.

# Updated 2019-20 Assumptions



# Significant Budget Assumptions

- Enrolment levels as forecasted – we are updating our enrolment forecast based on Feb. 1 count, and strategy to increase International
- Grant funding from the Province set at 2016/17 levels
- Tuition increase of 3% (weighted average) – revised to 10% reduction in 2019/20, and a freeze in 2020/21
- Compensation increases and other fixed cost estimates as forecast – adjusted based on budget reduction plan
- Maintain current university ratios (ie) student/faculty & support/faculty – adjusted based on budget reduction plan
- Contingency included in the budget:
  - \$2.5M for new building/capital renewal – maintain as a strategic priority
  - \$1.0M general contingency for operations – maintain contingency to balance budget
  - \$1.0M UPF for strategic initiatives - removed
- Focus on OTO vs Base budget ASKS – each unit was asked to submit proposals for potential 5% reduction for 2019/20, and an incremental 3% in 2020/21. We are now reviewing these proposals and other revenue/efficiency suggestions, in light of our mission/values/priorities, to develop a balanced budget that puts the university in a position to take advantage of future opportunities.

# Current Status of 2019-20 Budget



# 2019-20 Draft Budget

- The Province announced a 10% reduction to tuition in 2019/20, and a freeze on tuition for 2020/21. The impact on the university budget is \$9.5M and \$12.1M respectively, or approximately 5% of variable costs in 19/20 and 8% in 20/21.
- This message was communicated to the university community, and stakeholders were asked to submit revised budgets along with a summary of any proposed service changes, risks and mitigation strategies, and innovative ideas for efficiencies or revenue generation by Feb. 1, 2019
- The Budget Working Group (BWG) has been working with the President and Senior Leadership Team (SLT) to review the revised budget submissions and take into consideration the integrated operational plan, university priorities, and our core mission and values.
- Budget changes will be strategic, rather than across-the-board, so not all units will be impacted in the same fashion.



# Next Steps



# Revised Budget Schedule

<b>2019-20 Budget Calendar</b>	
15-Feb-2019	DC confirms final shared service OPEX/ capital requirements
20-Feb-2019	High level presentation to A&F
21-Feb-2019	President message to university community - written and video
25-Feb-2019	BWG draft budget for discussion to SLT
26-Feb-2019	Update on decisions & presentation at AC
Mar 4 - Mar 29/2019	Preparation of budget presentation files for A&F/Board
1-Apr-2019	Budget package sent to SLT for review
8-Apr-2019	Final budget package for distribution to A&F
15-Apr-2019	Presentation of proposed budget to A&F
24-Apr-2019	Presentation of proposed budget to Board for approval
28-May-2019	Presentation of Board approved budget to Academic Council

# Question or Comments



## COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

**TO:** Audit & Finance Committee

**DATE:** Feb 20, 2019

**PRESENTED BY:** Brad Maclsaac

**SUBJECT:** 2019-20 Tuition Fees

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**COMMITTEE/BOARD MANDATE:**

The committee is responsible for overseeing the financial affairs of the university including guiding the tuition fees set. Leadership is looking for approval on the 2019-2020 tuition fees.

**BACKGROUND/CONTEXT & RATIONALE:**

Our original tuition approval for 2019-20 passed Board of Governors May 9, 2019. This was based on previous ministry framework staying consistent. With the new framework being verbally presented to universities earlier this year a revised submission is enclosed for approval.

The verbal framework is based on the principle that tuition fees for the 2019-20 academic year are to decrease by 10% from the 2018-19 rates for all ministry eligible funded students. International tuition and cost recovery programs are not included in the limits imposed by the provincial framework.

**RESOURCES REQUIRED:**

N/A

**IMPLICATIONS:**

The decreases proposed in this document have been made to remain compliant with the provincial government’s tuition framework. This will create less revenue than originally planned for and the university is in the process of reviewing the budget to compensate for this loss.

**ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

The fees recommended will allow UOIT to continue to provide superior undergraduate and graduate programs.

**ALTERNATIVES CONSIDERED:**

Various options were considered for international students. The fees presented below allow UOIT to remain at or below system median fees for all programs and levels.

**CONSULTATION:**

After a comparative review of fees charged by competing programs offered by universities in Ontario, we recommend increases as permitted by the latest framework in all programs as outlined in the accompanying appendix table. The previous 2019-20 fees were set after consultations with Administrative Leadership Team and Academic Council.

**COMPLIANCE WITH POLICY/LEGISLATION:**

The current fees are in compliance with the existing tuition fee framework.

**NEXT STEPS:**

Update tuition within UOITs student information system and website.

**MOTION FOR CONSIDERATION:**

That the Audit & Finance Committee hereby recommends the 2019-2020 tuition fees, as presented, for approval by the Board of Governors.

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**SUPPORTING REFERENCE MATERIALS:**

- Appendix 1: Recommendations for UOIT 2019-20 tuition fees

**Appendix 1: Recommendations for UOIT 2019-2020 tuition fees****Undergraduate Domestic**

			Rate of Increase
	2018-2019	2019-2020	18/19 to 19/20
<b>BA, BAsC, BEd, BHSc, BSc &amp; Mgt</b>			
First Year	\$6,647.56	\$5,982.80	-10.0%
Second Year	\$6,618.22	\$5,982.80	-10.0%
Third Year	\$6,585.14	\$5,956.38	-10.0%
Fourth Year	\$6,578.64	\$5,926.62	-10.0%
Fifth Year	\$6,572.22	\$5,920.76	-10.0%
<b>BCom</b>			
First Year	\$8,986.98	\$8,088.28	-10.0%
Second Year	\$8,944.18	\$8,088.28	-10.0%
Third Year	\$8,901.60	\$8,049.76	-10.0%
Fourth Year	\$8,892.82	\$8,011.44	-10.0%
<b>BIT</b>			
First Year	\$10,034.66	\$9,031.18	-10.0%
Second Year	\$10,024.92	\$9,031.18	-10.0%
Third Year	\$10,015.20	\$9,022.42	-10.0%
Fourth Year	\$9,990.88	\$9,013.68	-10.0%
<b>BEng, BEng &amp; Mgmt, BTech</b>			
First Year	\$10,433.54	\$9,390.18	-10.0%
Second Year	\$10,423.60	\$9,390.18	-10.0%
Third Year	\$10,413.68	\$9,381.24	-10.0%
Fourth Year	\$10,314.50	\$9,372.30	-10.0%
Fifth Year	\$10,176.96	\$9,283.04	-10.0%
<b>BSc, Computer Science</b>			
First Year	\$7,044.34	\$6,339.90	-10.0%
Second Year	\$7,037.62	\$6,339.90	-10.0%
Third Year	\$7,030.94	\$6,333.84	-10.0%
Fourth Year	\$7,024.22	\$6,327.84	-10.0%
Fifth Year	\$7,024.06	\$6,321.78	-10.0%
<b>BScN</b>			
First Year	\$6,778.54	\$6,100.68	-10.0%
Second Year	\$6,771.96	\$6,100.68	-10.0%
Third Year	\$6,765.38	\$6,094.76	-10.0%
Fourth Year	\$6,758.82	\$6,088.84	-10.0%
Fifth Year	\$6,758.78	\$6,082.92	-10.0%

## Undergraduate International

			Rate of Increase
	2018-2019	2019-2020	18/19 to 19/20
<b>BA, BAsC, BEd, BHSc, BSc &amp; Mgt</b>			
First Year	\$19,940.96	\$21,935.04	10.0%
Second Year	\$19,853.00	\$20,938.00	5.0%
Third Year	\$19,753.72	\$20,845.64	5.0%
Fourth Year	\$19,734.26	\$20,741.40	5.0%
Fifth Year	\$19,734.52	\$20,720.96	5.0%
<b>BCom</b>			
First Year	\$22,118.62	\$24,330.48	10.0%
Second Year	\$22,013.30	\$23,224.54	5.0%
Third Year	\$21,929.44	\$23,113.96	5.0%
Fourth Year	\$21,907.82	\$23,025.90	5.0%
<b>BIT</b>			
First Year	\$23,091.20	\$25,400.32	10.0%
Second Year	\$23,068.80	\$24,245.76	5.0%
Third Year	\$23,046.40	\$24,222.24	5.0%
Fourth Year	\$22,990.46	\$24,198.72	5.0%
<b>BEng, BEng &amp; Mgmt, BTech</b>			
First Year	\$26,007.42	\$28,608.16	10.0%
Second Year	\$25,982.66	\$27,307.78	5.0%
Third Year	\$25,957.92	\$27,281.78	5.0%
Fourth Year	\$25,710.68	\$27,255.80	5.0%
Fifth Year	\$25,367.88	\$26,996.20	5.0%
<b>BSc, Computer Science</b>			
First Year	\$21,131.22	\$23,244.34	10.0%
Second Year	\$21,111.10	\$22,187.78	5.0%
Third Year	\$21,091.00	\$22,166.64	5.0%
Fourth Year	\$21,070.88	\$22,145.54	5.0%
Fifth Year	\$21,070.46	\$22,124.42	5.0%
<b>BScN</b>			
First Year	\$20,333.88	\$22,367.26	10.0%
Second Year	\$20,314.14	\$21,350.56	5.0%
Third Year	\$20,294.42	\$21,329.84	5.0%
Fourth Year	\$20,274.70	\$21,309.14	5.0%
Fifth Year	\$20,274.66	\$21,288.42	5.0%

**Graduate Domestic**

Program Based

			Rate of Increase
	2018-2019	2019-2020	18/19 to 19/20
<b>MA (SSH), MHSc, MSc, PhD</b>			
First Year	\$7,504.26	\$6,753.82	-10.0%
Upper Year	\$7,504.26	\$6,753.82	-10.0%
<b>MASc, MEng, MEngM</b>			
First Year	\$9,844.38	\$8,859.94	-10.0%
Upper Year	\$9,844.38	\$8,859.94	-10.0%
<b>Graduate Diploma</b>			
Diploma in Accounting	\$7,000.00	\$7,350.00	5.0%
Diploma in Nuclear Technology	\$6,562.92	\$5,906.62	-10.0%
Diploma in Nuclear Design Engineering	\$6,562.92	\$5,906.62	-10.0%
Diploma in Engineering Management	\$6,562.92	\$5,906.62	-10.0%

Credit Based (per 3-credit course)

			Rate of Increase
	2018-2019	2019-2020	18/19 to 19/20
<b>MBA</b>			
All Years	\$2,024.51	\$2,065.00	2.0%
<b>MEd, MA in Education</b>			
All Years	\$1,751.63	\$1,576.47	-10.0%
<b>Graduate Diploma</b>			
Education & Digital Technology	\$1,751.63	\$1,576.47	-10.0%
Work Disability Prevention	\$1,751.63	\$1,576.47	-10.0%
<b>MITS</b>			
First Year	\$1,397.25	\$1,257.52	-10.0%
Upper Year	\$1,397.25	\$1,257.52	-10.0%



**Graduate International**

Program Based

			Rate of Increase
	2018-2019	2019-2020	18/19 to 19/20
<b>MA (SSH), MHSc, MSc, PhD</b>			
First Year	\$18,421.78	\$18,790.20	2.0%
Upper Year	\$18,421.78	\$18,790.20	2.0%
<b>MASc, MEng, MEngM</b>			
First Year	\$21,709.26	\$22,794.72	5.0%
Upper Year	\$21,709.26	\$22,794.72	5.0%
<b>Graduate Diploma</b>			
Diploma in Nuclear Technology	\$14,472.82	\$15,196.46	5.0%
Diploma in Nuclear Design Engineering	\$14,472.82	\$15,196.46	5.0%
Diploma in Engineering Management	\$14,472.82	\$15,196.46	5.0%

Credit Based (per 3-credit course)

			Rate of Increase
	2018-2019	2019-2020	18/19 to 19/20
<b>MBA</b>			
All Years	\$3,462.29	\$3,808.52	10.0%
<b>MEd, MA in Education</b>			
All Years	\$1,833.61	\$2,016.97	10.0%
<b>Graduate Diploma</b>			
Education & Digital Technology	\$1,833.61	\$2,016.97	10.0%
Work Disability Prevention	\$1,833.61	\$2,016.97	10.0%
<b>MITS</b>			
First Year	\$2,981.53	\$3,130.60	5.0%
Upper Year	\$2,981.53	\$3,130.60	5.0%



## COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

**TO:** Audit & Finance Committee

**DATE:** Feb 20, 2019

**PRESENTED BY:** Brad Maclsaac

**SUBJECT:** 2019-2020 Ancillary Fees

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**COMMITTEE/BOARD MANDATE:**

The committee is responsible for overseeing the financial affairs of the university including guiding the student related fees set. Leadership is looking for approval on the proposed 2019-2020 ancillary fees.

**BACKGROUND/CONTEXT & RATIONALE:**

This document replaces all other motions related to 2019-20 ancillary fees.

Provincial policy requires that a negotiated Compulsory Ancillary Fees protocol exists between the board of governors of each university and their student association. The committee consists of three student and three administrative representatives. Under the terms of the current UOIT protocol, signed in June 2018 fees may be increased up to two percent or, if higher, the Bank of Canada, Consumer Price Index average of 12 months without committee approval. This year' CPI is 2.0%.

While our tuition and ancillary fee is below the Ontario average (see appendix a) the committee takes great care in reviewing any additions. The largest differentiator to other institutions is our commitment to providing a Technology Enhanced Learning Environment to our students rather than having them go out and buy software independently. After years of no fee increases, the committee is recommending an inflation increase for 2019-20.

The ministry has verbally released new requirements on mandatory and optional ancillary fees. Based on the technical briefings to date we believe all of our administrative fees are to be classified as mandatory and we anticipate most of the fees we collect on behalf of the UOIT Student Union will be mandatory. Going forward, institutions will be required to follow the framework below with respect to the non-tuition fees levied to students.

**Essential** – May be charged on a mandatory basis. All fees not included below are non-essential and must be optional:

- Athletics and recreation
- Career services
- Student buildings
- Health and counselling
- Academic support
- Student ID cards
- Transcripts, convocation, etc.
- Financial aid offices
- Walk safe programs
- Transit passes
- Health and dental plans ( can be charged on a mandatory basis but must allow students to opt-out if they provide proof of pre-existing coverage)

In addition to the framework, the ancillary fee guidelines will specify that institutions are expected to ensure that:

- **Opt-outs are provided up-front.** Students should be able to learn about their fees and make their opt-out choices as early as possible (e.g. upon initial billing). The option for institutions to charge for all non-essential fees up-front and then provide a refund is not permitted
- All opt-outs can occur **online**; and
- Fees are **itemized individually** for maximum transparency and specificity by choice. Institutions should not bill for fee bundles that encompass multiple services (e.g., “student activity fees”).

**RESOURCES REQUIRED:**

While no additional resources are being requested these changes and moving to an opt out option will place work on the registrar’s office and IT. We are in the process of projecting scoping and are confident we will have the system in place for September.

**IMPLICATIONS:**

Altering the fees will alter our ability to provide specific services.

**ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

The fees recommended will allow UOIT to continue to provide high quality undergraduate and graduate services and experiences to its students. Many of the internal changes being made to service delivery will enhance student engagement to encourage students to stick around.

**ALTERNATIVES CONSIDERED:**

Each fee change was reviewed by the Ancillary fee Committee.

**CONSULTATION:**

A request for fees was sent out to all unit leads and UOIT Student Union in December. The committee met two times to evaluate and decide on changes. Sessions are continuing with the UOIT Student Union to look at the mandatory verses optional fees and greater definitions for the supports.

**COMPLIANCE WITH POLICY/LEGISLATION:**

The increases are compliant with provincial policy and UOIT’s ancillary fee protocol.

**NEXT STEPS:**

Update ancillary fees within UOIT's student information system and website. As noted above we are working with a taskforce to review fees and classifications. The item presented to the Board are the maximum fees requested. As the review continues we will be breaking out some bundles into more descriptive sub-sections. We will bring back a full description to Audit and Finance for information.

**MOTION FOR CONSIDERATION:**

*That the Audit and Finance Committee recommend the 2019-20 ancillary fees, as presented, for approval by the Board of Governors.*

**Compulsory Ancillary Fees**

	2018-2019	2019-2020	% Inc
<b>Fees Paid on Per CH basis Charged to FT &amp; PT</b>			
Student Life <b>USSL</b>	251.55	256.58	2.0%
Health and Wellness <b>UHLW</b>	61.72	62.96	2.0%
Campus Health Centre <b>UHC</b>	35.75	36.47	2.0%
Infrastructure & Service Enhancements <b>UISE</b>	173.49	176.96	2.0%
Campus Access & Safety <b>UCAS</b>	139.97	142.77	2.0%
<b>Flat Fee Paid once per yr. Charged to FT &amp; PT</b>			
Technology-enriched Learning (FT) Gaming <b>ULAF</b>	853.87	478.00	-44.0%
Technology-enriched Learning (FT) FEAS <b>ULAF – first year</b>	729.79	231.00	-68.3%
Technology-enriched Learning (FT) FEAS <b>ULAF – upper year</b>	729.79	766.28	5.0%
Technology-enriched Learning (FT) FESNS <b>ULAF</b>	729.79	221.00	-69.7%
Technology-enriched Learning FSCI (FT) <b>ULSF</b>	180.13	180.13	0.0%
Technology-enriched Learning FHSc (FT) <b>ULSF</b>	156.3	157.86	1.0%
Technology-enriched Learning FBIT (FT) <b>ULSF</b>	146.67	151.07	3.0%
Technology-enriched Learning (FT) FSSH <b>ULSF</b>	126.88	130.69	3.0%
Technology-enriched Learning (FT) FEDU <b>ULSF</b>	189.2	194.88	3.0%
<b>Flat Fees Paid once per yr. (Fall or as admitted). FT only.</b>			
Health & Dental <b>UHTH</b>	213.06	250.32	17.5%
<b>Flat Fees Paid half Fall and half Winter. FT only</b>			
Athletics Complex Membership <b>UACM</b>	36.69	37.35	1.8%
Intramurals <b>UITN</b>	10.36	10.55	1.8%
Campus Recreation and Wellness <b>UEXP</b>	172.23	174.12	1.1%
Student Org. Fees <b>USOF</b>	169.36	172.75	2.0%
Varsity Fee <b>UVAR</b>	119.14	121.52	2.0%
Instructional Resource <b>UTIR</b>	112.96	115.22	2.0%
WUSC Student Sponsorship <b>UWUF</b>	2.70	2.70	
U-Pass <b>UUPS</b>	135.00	139.00	3.0%
<b>Summary (not including TELE or program fees)</b>	<b>1633.98</b>	<b>1668.60</b>	<b>2.1%</b>

**Appendix A: 2017-18 Comparison (sorted by total tuition & ancillary)**

<b>UG Engineering</b>	Tuition Fees	Total Ancillary	Tuition & Ancillary	Ancillary w/o Tele
Toronto	\$14,300	\$1,546	\$15,846	\$1,546
Waterloo	\$14,080	\$932	\$15,012	\$932
McMaster	\$12,544	\$1,379	\$13,922	\$1,379
Western	\$12,392	\$1,350	\$13,742	\$1,350
Guelph	\$11,820	\$1,706	\$13,527	\$1,706
Queen's	\$12,264	\$1,236	\$13,500	\$1,236
York	\$12,155	\$1,178	\$13,333	\$1,178
UOIT <sup>2</sup>	\$9,464	\$2,461	\$11,924	\$1,753
Carleton	\$10,606	\$1,178	\$11,784	\$1,178
Ryerson	\$10,269	\$1,177	\$11,446	\$1,177
Windsor	\$9,584	\$1,103	\$10,686	\$1,103
Ottawa	\$9,495	\$1,175	\$10,670	\$1,175
Laurentian	\$8,132	\$1,011	\$9,143	\$1,011
Lakehead	\$7,762	\$1,090	\$8,852	\$1,090
Mean			\$12,385	\$1,272
Median			\$12,629	\$1,178



## COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

**TO:** Audit & Finance Committee

**DATE:** February 20, 2019

**FROM:** Craig Elliott, CFO and Brad MacIsaac, Assistant Vice-President, Planning and Analysis

**SUBJECT:** New Building Update

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**COMMITTEE/BOARD MANDATE:**

The committee is responsible for overseeing the financial affairs of the university including providing financial oversight for major capital projects. For this reason, the Board has delegated to the Committee the review and recommendation of campus master planning and the implementation of new structures.

Leadership is requesting the committee’s recommendation to proceed with a new building and enter into a GMP contract with Eastern, provided the total project cost does not exceed \$48M

**BACKGROUND/CONTEXT & RATIONALE:**

At the Nov 19, 2018 meeting, the Board approved proceeding with preparatory work for the new building, up to a maximum of \$1.5M. The board also directed the presentation of the final negotiated GMP at the Feb 28 Board meeting.

We have now completed the preliminary design phase, with design drawings at the 70% stage. Pre-construction drawings are being developed. Site services have now been completed to the west side of F2 parking lot where the portables will be relocated. The RFP for the portable move has been issues Feb 8, 2019. We have also completed the Design-Build Stipulated Price Contract with Eastern, using the DDCD14 as the basis for the agreement with Supplemental Conditions to address areas of risk for the university.

Eastern has given us preliminary costing for the GMP portion of the project which, when added to our FFE portion, results in a total cost above our initial target of \$48M. We have completed an extensive value engineering exercise with Eastern. The next step is for Eastern to engage vendors in the value engineering exercise by creating Design-Assist tender packages, with performance specifications, that would be sent to Eastern and UOIT preferred vendors. Tender packages would be prepared for electrical, mechanical, formwork, curtain wall, and precast

concrete. We anticipate the vendors will provide alternatives that meet our specifications and yield cost savings. Bids would be reviewed by the University and Eastern to ensure performance specifications are being met. The Design-Assist packages were issued by Eastern on Feb 12, 2019 with a 45 day turnaround time line. The bids would then we evaluated, and we would be able to have final costs prepared by the end of April, 2019

**RESOURCES REQUIRED:**

See business case attached. Total cost \$48M

**IMPLICATIONS:**

The reliance on fundraising and potential borrowing as outlined in the Business Case

**ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

The new building is part of our plan to cultivate a dynamic learning environment for students by promoting social engagement, fostering critical thinking and integrating experiences inside and outside the classroom. We want to enhance the learning environment for our students and build the space we need to accommodate the growth we plan in the future. The new building will help develop a “sticky campus” that our students will thrive in. Getting our students out of portables and into purpose-built space is critical to creating the kind of innovative campus experience we envision for our students.

**ALTERNATIVES CONSIDERED:**

Different options have been outlined in the Business Case.

**CONSULTATION:**

In addition to focused consultations with the user groups (Student Life, UOIT Student Union, and Health Sciences) there have been technical sessions with campus leaders (IT, Communications, Events, Registrar’s Office, and Facilities) to get detailed needs and renderings.

UOIT also hosted three open town hall sessions. In June 2017 the president lead a session challenging the current space norms and collecting input about the space of the future. Using the feedback from this session to create the vision of the new building sessions were held in September at the north location to highlight the building design features. Another session was held at the downtown location to expand on how this building fit with the long-term plan.

**COMPLIANCE WITH POLICY/LEGISLATION:**

- Consistent with the Signing Authority Registry & Approval Procedures

**NEXT STEPS:**

- Design-Assist bids received back by end of March, 2019
- Bids reviewed, and Eastern final cost developed mid-April, 2019.
- Negotiate final GMP end of April, 2019

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**SUPPORTING REFERENCE MATERIALS:**

- New Building Business Case 2018



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# **Business Case Model: New Building**

## **Report & Recommendations to the Board of Governors**

19 November 2018: Audit & Finance Committee

29 November 2018: Board of Governors



Brad Maclsaac – Assistant Vice-President Planning & Analysis

Craig Elliott - CFO

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## Section

## 1

# Executive Summary

Historically, a 'learning environment' was a physical space – a classroom or a library. Today, in our interconnected and technology-driven world, a learning environment is an infinitely more dynamic concept; this is particularly true because physical space could be, theoretically, entirely removed from the discussion. As we look to the future of our physical assets we begin to think of 21st century learning environments as the support systems that organize the condition in which our stakeholders best learn. Learning environments are the structures, tools, and communities that inspire students and educators to attain the knowledge and skills the 21st century demands of us. Thus, while the March 2018 discussion paper focused on the need for space, this paper will outline the physical spaces; but more importantly the space design and funding options for how those resources support the positive human relationships that matter most to learning.

Building on the goals of the University of Ontario Institute of Technology's (the "university") founding capital plan, this proposal relies on economical approaches in the utilization of facilities. While the space standards have changed, as we look to grow from 9,000 to 12,000 students and further engage our local community, there is a need for high-quality space to support the university's core mission of teaching and research. Further, and maybe more fundamental, almost a third of current space is either temporary or leased, compared to the Ontario university average of under 2%. The quantity and quality of our space significantly affects the recruitment and retention of our students, faculty and staff. In the absence of further investment in new facilities, it will be increasingly difficult to fulfill our mission of providing students with inspiring learning environments that prepare them for their future career.

The Board of Governors approved issuing a Request for Proposal for a five-storey building not to exceed \$40M with a review of a potential additional shelled floor in June 2018. After reviewing the goals and options, the **senior leadership team is recommending the construction of a six -storey, \$48M building connected to the Energy Research Centre**. The additional shelled floor provides the opportunity to greatly enhance our engagement space, is designed for construction eligible for the federal grant and is a great value as the anticipated additional students it serves would lead to less than a three year payback period. This structure will increase the quantity of purpose-built, permanent space on campus as well as significantly enhance the learning environment of our university.

## **Strategic Alignment**

*“We need to engage our students in their world, while showing them ours can be kind of cool. We must build a ‘sticky’ campus, a place that students want to ‘stick around’. This will involve some real work around creating inviting spaces, a new coffee shop and pub, the addition of men’s and women’s varsity basketball, and intramurals, and more job opportunities on our campus. The student experience drives EVERYTHING I DO. I want to integrate technology throughout our campus and reexamine our processes to see how we can best serve our students.” (Dr. Steven Murphy, Installation Speech, May 8, 2018)*

In his inaugural, formal, installation address to the university, and in statements, interviews, and town halls since then, our President has articulated five strategic priorities for the university which are inspired by and significantly add to our current 2017-2022 Strategic Plan’s goals.

- **Creating a Sticky Campus**

What can we do that will make our university a place where students, faculty and staff feel like they are part of a vibrant community where they want to both physically and virtually engage and ‘stick around’?

- **Tech University**

What can we do that will differentiate us as a tech university? In everything from the teaching tools that help our students have a deeper, lasting learning experience, to the tech knowledge and experience that is an integral part of virtually all of our programs, to the enterprise tools we use to operate the university more efficiently and effectively, how can we do better?

- **Nurturing an Intra- & Entre-preneurial Culture**

What can we do to foster an entrepreneurial culture among our students, faculty and staff? In everything from delivering a short continuing education workshop to a thesis-based PhD program, from helping a student fully engage in work-integrated learning to implementing programs and practices that will make equity a recognized part of our culture, we need to encourage and reward creative thinking about how to do things differently and better.

- **A New Definition of Partnership**

Government (e.g. tri-council) and industry (e.g. contract research) ‘partnerships’ have mostly been one-sided with respect to activities and content - external partners provide the resources and we provide the knowledge. What can we do to create more true research partnerships that directly and deeply engage our principle investigators and their students? How do we increase triple helix partnerships, true collaborations among government, industry (including NGOs and

not-for-profits), and academia at the university? In addition to our great partnership with Durham College, how do we continue and enhance building mutually beneficial partnerships with other post-secondary educational institutions regionally, provincially, nationally, and globally?

- **Sharing Our Story**

There was a lot of great things happening at the university when President Murphy arrived on campus in March 2018, and there's much more to come! How do we as a university raise awareness about who we are and what we are doing...it starts regionally, in Oshawa, all of Durham Region and Northumberland County. But we also have a great story to tell provincially, nationally, and globally that will help us build our reputation and enable us to achieve our priority goals over the next five to ten years.

This building will be a major step in addressing these strategic priorities as we embark on the transformation of university education and research, not just here at the University of Ontario Institute of Technology, but as leaders provincially, nationally and around the world.

## Section

# 3

## **Background**

Building new physical infrastructure at our universities has always been challenging, but perhaps never more than in today's funding regime. However, we must confront this challenge if we are to make progress on transforming university education and research. We need to challenge ourselves to integrate new pedagogy, enhanced technology and flexible educational styles into learning and be a pioneer in both content and delivery. An active, open, and dynamic learning environment is usurping the sage on the stage. Multi-user research space is replacing dedicated labs. This building will be foundational in the transformation of our university – an opportunity to see how we could better meet the needs of our students, faculty and staff.

### **3.1 Definitions**

There are two ways that we count the number of students at the university. **Headcount**, is the number of students registered regardless of the number of courses they are enrolled in. **Full-time equivalent (FTE)** factors in the number of courses each student is taking. For example, four students each taking 25% of a

full-time course load would correspond to 1 FTE. In 2018, we have a headcount of about 10,400 students, which translates to just under 9,000 FTEs if we factor in the number of courses each student is enrolled in.

When we quantify the size of a building, we need to distinguish **gross square metres (GSMs)** and **net assignable square metres (NASMs)**. **GSMs** include all of the floor space in a building, including parts that cannot be assigned such as elevators, hallways, mechanical rooms and atria. **NASMs** include the assignable areas. This paper focuses on **NASMs** – the space that contributes directly to achieving our mission.

The university has created its space principles based on the [Council of Ontario University standards](#). As part of the [Framework & Action Plan for Growing UOIT & downtown Oshawa](#) (2011) and the [Campus Master Plan](#) (CMP, 2015), a goal of 5.1 NASMs/FTE (about 60% of COU standards) for teaching, research, and learning support was established. With the creation of the Software & Informatics Research Centre in 2017, the university reached 4.7 NASMs/FTE.

### 3.1 Consultations



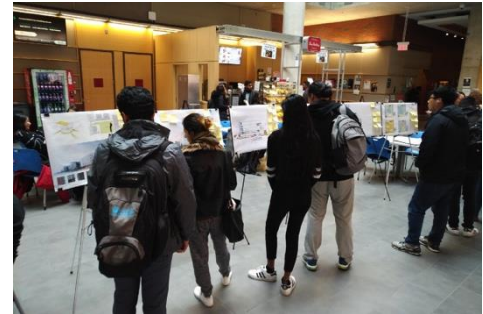
*Design Team Member discussing aspects of the design with students. ERC atrium, September 27*

The university engaged in an inclusive and comprehensive consultation process. This process began immediately on project initiation with a kick off meeting on July 3, which was quickly followed by a series of stakeholder visioning sessions.

The visioning sessions were instrumental in establishing key planning principles that included notions of the Sticky Campus, Expanding on the notion of Pedagogy and Technology, as well as Wellness. Though all three elements have and continue to inform the design process, Wellness emerged as a critical springboard in the overall building organization and design. Influenced through discussions with indigenous stakeholders who appealed to the team to introduce non-linear and curved spaces, the concept of flow has led to an overall building arrangement that promotes unfettered movement and engagement. This is accomplished through a series of continuous circulation corridors and curved openings on lower floors to promote penetration of light into the building as well as visual connections. Also critical in influencing these planning decisions were conversations with accessibility champions who expanded on the concept of flow, leading to operable doors on all classrooms, which significantly goes above and beyond current building code requirements. This has led to the creation of the project visioning paper that has served as a

foundation document throughout the Preliminary Phase Schematic Design process (PPSD). With the establishment of the visioning document, several rounds of targeted stakeholder consultations have also occurred between July and October.

In addition to direct stakeholder consultations, to date there have been two ‘pop-up’ sessions where the design team has created temporary presentation centres adjacent to food services areas in UA and ERC. Here the design team displayed project graphics aimed at engaging and informing the university community and were available to answer questions and solicit feedback both through conversation and by encouraging people to write comments on sticky notes. Interestingly, comments tended to focus on campus experience fundamentals such as need for more varied and better food options, need for more and greater variety of study spaces, as well as quality of light. Many of these elements are touchstones in the building design as details evolve.



*Design graphics for review, along food service line up. UA, October 18*

## Section

# 4

## **Project Description; Cost/Benefit Analysis**

The purpose of the project is to construct a building that respects the 2015 Campus Master Plan and addresses the need for high quality space to provide enhanced student success, quality learning and innovative research. The proposed project has three aims:

- Enhance the quality of learning and research space for the present population of students, faculty and staff;
- Provide new space for our recently established Student Union;
- Grow the amount of space to provide more opportunities for learning and research (increase NASMs/FTE);

The Board of Governors approved proceeding with the Request for Proposal (RFP) process for the design and construction of the proposed New Building at its March 2018 meeting. At the June Board of Governors meeting, the RFP method was described including the announcement of Eastern as the successful proponent. At that time, a five-storey \$40M dollar building was proposed. During the design phase the senior team reviewed options and is now recommending the construction of a six-storey, \$48M building connected to the Energy Research Centre as outlined in the alternatives section.

## 4.1 Project Vision



*Rendering of the proposed building's main stair - designed to offer a number of light-filled social spaces.*

A visioning session took place at the university in July 2018 using probing questions and resources such as the long-term Campus Master Plan and the President's strategic priorities to identify important goals for the project. The results of these conversations led to three overarching themes: sticky campus, pedagogy/technology and sustainability/wellness. These themes are used as overarching objectives for guidance through the design process.

**Sticky Campus:** A new and progressive notion in university planning; strives to create campuses that make students, faculty and staff want to 'stick around' because they want to be there.

### Student Hub/ Inclusivity

- **Bring People Together:** A university contains various types and scales of communities. The Student Hub should be a place for students, faculty and staff to mix and form a broader community. Daylight, views, access to nature, food and beverages, and the ability to stream sporting events can contribute to attracting people.
- **Make Everyone Feel Welcome/ Promote a Culture of Sharing:** Accessibility is not just about codes and standards; it's about making everyone feel welcome. Flexible washroom types (gender-neutral) are important, but so are considerations such as flexible seating options and providing lighter doors. The needs of everyone should be met; including, students, faculty, those with varying abilities and identities. The design should dispel the perception of space being claimed. Spaces should be inviting and support communal use and collaboration.

### A Sense of Ownership and Place

- **Support the University and University Student Union Identities:** Referencing brand elements like colour can serve as opportunities to promote pride and contribute to community morale. The new building should also reinforce the Student Union as a separate entity, ideally with a dedicated building entrance.
- **Create a New Identity:** While the collective and existing identity of the campus and institution should be reflected, the creation of a new building provides an opportunity to create a new, distinct identity. New narratives could be explored in the design, such as indigenous culture or the history of the Windfields Farm.



*View of the new build from Polonsky Commons.*

**Pedagogy and Technology:** Are rapidly evolving elements. The building must support current cutting-edge pedagogy and technology, but also have the ability to adapt to future innovations.

### Expansion of the Model of Teaching and Learning/Promote Flexibility and Adaptability

- **Support Diverse Pedagogy:** It is important that a wide range of learning modes be facilitated in the new building. Types of desirable classroom configurations include technology-focused and peer learning (student-to-student). This will be facilitated by various furniture solutions, such as separate tables and chairs and also large tables for classes to divide into groups.
- **Generic Classrooms:** Given the wide range and future evolution of pedagogy, classrooms should be designed as generic shells, able to be easily fit-out and modified with specific furniture solutions.

### Learning Outside of Classrooms/Divergent Thinking and Risk Taking

- **Foster a Learning Culture:** While classrooms are an important part of learning, it is not the only way that people learn. It is important to create other environments that can foster learning through social interaction/ group work, such as outdoor spaces and social spaces.
- **Promote a Culture of Risk Taking:** The new building should have spaces that allow for students to collaborate and network with industry partners, facilitate entrepreneurship and experiential learning. The design of the new building should encourage students to take risks, for example, by showcasing student work in semi-public areas to build confidence.

**Sustainability and Wellness:** The university is deeply committed to sustainability. It is paramount to the success of this project that the design of the new building supports our sustainable campus.

### Energy and Resources

- **Use Renewable Energy/Conserve Energy:** Striving towards Net Zero Carbon, building should draw from the existing geothermal grid and the design should reduce overall energy demand including optimizing solar orientation and low glazing ration.

- **Make Sustainability Visible:** Sustainability features are often invisible, yet students have an inherent curiosity and interest in seeing and experiencing sustainability in action. The building should function as a 'Living Lab' where building systems are exposed and part of the experience.
- **Building Longevity:** Due to the constant evolution of higher education the design and build should be inherently flexible to accommodate future changes. Use materials and finishes that will allow the building to last longer, limit maintenance and prevent future renovations.

### Wellness

- **Support Occupant Comfort:** Providing for occupant comfort should be guided by the WELL categories: air, water, nourishment, light, fitness, comfort and mind. Important design considerations include providing access to daylight and views, operable windows for cross-ventilation, access to healthy food options, and emphasizing stairs to promote physical activity.
- **Allow for the Engagement of Nature:** The design of the new building should support the desire of building occupants to interact with nature. This may be accommodated by creating an outdoor social space, upper level terrace/garden and access to a green roof/garden. Also consider opportunities to create indoor microclimate conditions, such as a winter garden.

## 4.2 Project Structure

- Six-storey (shelled floor) building on a footprint of approximately 1,800 square metres
- Building that is supportive of a technologically enriched based university
- Low Carbon Building and equivalent to LEED's silver best practice
- Move U5/U6 portables to F2 parking lot. Construct 125 parking spaces north of Ice Centre

## 4.3 Financial Cost

The amount indicated below is based on design and will be updated March 2019.

Budgetary cost	Amount
Building cost	\$ 34,800,000
Shelled Top Floor	\$ 3,400,000
Soft cost (Consultants, permits, etc.)	\$ 2,100,000
Furnishing, fit-out & equipment (FF&E)	\$ 3,000,000
New Parking & Portable relocation	\$ 2,400,000
Contingencies	\$ 2,300,000
<b>Total Project Budgetary Amount</b>	<b>\$ 48,000,000</b>



The March 2018 discussion paper presented to the BoG focused on the location, size and programming alternatives to go into the building. We will summarize those below in addition to looking at building an additional floor and how to finance the project.

### **5.1 What to Construct**

The options to be considered and evaluated of what to construct were classified into three groups ranging from minimal impact of renovating space, to leasing more space, to a brand new build.

**Option 1: Renovate existing space.** This would be the least expensive option; however, the university has already implemented most space-saving measures. Portables would still be used, which would make this space less attractive for students to want to hang out in; thus going against the sticky campus strategy.

**Option 2: Leasing space** has been explored along with the 2011 and 2015 capital plans. Superficially, leases appear to be better than a build; but, when the cost to retrofit the space and the increased costs over time are factored in, the annual expenses outstrip building costs well before any new building life-cycle is complete. Additionally, the current space needs at the university are at the north location where no leasable space available. Finally, the university has 32% leased/temporary space compared to the sector average of 2%; thus, the trend should be to reduce rather than increase our exposure to short-term solutions.

**Option 3: New Building** will help us reach our strategic goals of improving quality of space and creating a sticky campus. There are different building variations and locations to analyze considering our needs and available budget. Variations to consider would be how many floors the building would be. The location needs to be evaluated as well; how it would fit into our existing campus.

Of the three options, only a new build meets the required needs of the university's strategy. The university needs to create a structure that satisfies our strategies at a cost that the university can manage.

## 5.2 Location

The Campus Master Plan identifies a set of criteria to evaluate potential locations as we look to build out the campus. We looked at five locations using twelve criteria (a summary can be found in Appendix A). There were two main options: the extension of ERC or northwest corner of Founders 2 parking lot. The two have a number of similar pros and cons and so it came down to the following:

Founders 2: Provides the opportunity to leave the current portable until the building is complete and move only once. However, it is not creating our gateway north, not completing the current quad and would displace parking.

Energy Research Centre Extension: Provides the ability to finish off the initial quad and has room for expansion (similar to SILC rendering). However, we will need to find a place to move Student Life during the build.

SLT recommended the ERC extension as finishing the original design of the quad is essential

## 5.3 Size

As stated previously, the university is in need of more space. Two factors constraining the size of our next building are the available land footprint and the cost of the building. Based on the selection of the ERC extension location, the new building is on land that supports a building footprint of approximately 1,800 square metres. We believe we can build five floors (9,000 square metres) and are looking into the potential of a sixth floor (10,800 square metres). The actual NASM is dependent on design. While there is a potential to build larger by extending a connection into the library, the total costs are prohibitive at this time.

## 5.4 Programming

In the fall of 2017, Educational Consulting Services and Architectural Counsel Inc. were engaged to study the university space needs. This document presented a number of scenarios for a new building at the university's north location. Common elements in all scenarios include Office of Student Life; UOIT Student Union; continuing education facilities and assembly spaces. Consultation and functional space programming exercises estimate a common space allocation of ~2,900 NASMs, leaving ~2,600 NASMs for further allocation. A few of the options reviewed included:

- a) Project space & research laboratories
- b) Health Sciences consolidation
- c) Vacating lease/temporary space
- d) Consolidating administrative & learning support functions

There are many ideas as to how the space in the new building could be allocated to significantly increase the *quality* of campus space devoted to innovative teaching and research. To this end, we reviewed a mixture of all scenarios outlined and recommended moving the functionality of the portables into permanent space as this would both improve that functionality and expedite moving the portables in preparation for the next phase of building. Additionally, the move of Health Sciences from UA faculties can expand to meet the ambitious goals articulated in their Academic Plans.

### 5.5 Option of building five or six storeys

There are different building variations to analyze considering our needs and available budget. For configuration, we reviewed a five-storey building or a six-storey building (five upper floors and a basement). Estimates for an additional floor to this building will cost ~\$3.4M.

- to add this additional space later, as its own separate building, the cost would be ~\$7.8M. Or to add this space on a building five years out it would cost an additional 500K at 3% inflation.
- Looking at revenue, the floor provides ~1,000NASM that would allow growth of ~200 FTEs and capture ~ \$1.5M in tuition per year, given current corridor caps.

Not only does this additional floor satisfy the immediate goal of higher quality space but also moves us to allow for additional growth of the university. Within three years additional revenue could offset the expense.

### 5.6 Funding of the building

Through financial reserves, partnership with the UOIT Student Union, and planned set asides, we have estimated we can secure \$30.1M of the scheduled \$48M required to complete the full project.

Source of Funds	(\$M)	Comment
Building Reserve FY18	\$13.2	
Planned Reserve to FY22	\$11.9	Includes annual planned building reserves of \$3.5M (3.4 years * \$3.5M = \$11.9)
USU Portion	\$5.0	USU has reserve of ~\$1M in FY18 and will secure a loan
TOTAL	\$30.1	
Current Shortfall	\$17.9	

The \$17.9M would be funded from (or a combination of) the following options:

- 1) Partner with local/provincial/federal governments
- 2) Fundraise through the Capital Campaign
- 3) Use, temporarily, working capital reserve
- 4) Borrow from a financial institution

**Option 1 of Working with all levels of government** to partner in funding for the building. In the summer of 2015, the Government of Canada announced a major investment in a new Centre for Advanced Research, Innovation and Entrepreneurship at the university. The \$26.9M Government of Canada commitment supports the university's mandate to be a regional hub of market-driven teaching and research, and to drive new university partnerships with industry and the community. The university will continue to seek additional partners and supporters to facilitate construction of the Centre as the federal funds require two-thirds matching. The current design estimates an eligible area that may access ~\$8M of the federal funds.

**Option 2 of Fundraising** to assist in closing the funding gap. The university has initiated Brave The Future, a multi-million dollar campaign to develop the space and opportunities necessary to create transformational change. One of the four key campaign priorities is design and invest in high-tech facilities and collaboration spaces. This includes SIRC, Moving Ground Plane and the Centre. The imminent construction of this new build creates a sense of urgency that will continue to attract key volunteer leaders, donors and industry partners to help reimagine higher learning through the lens of technology and deliver an education experience that meets students in the world where they live today, and prepares them for the world they will create tomorrow. This new build will benefit from philanthropic support, as well as provide a tangible vision to excite and engage more donors for the next building phase.



**Option 3 of eliminating working capital reserve** of \$6M. The reserve was set up and required when the university was establishing itself. Given a solid cash flow forecasting practice and an improved financial position, the university's credit rating has improved. We could ask the provincial government for permission to liquidate this reserve.

**Option 4 of Borrowing from a financial institution** is a reliable option for having money available to the university for when it will be required. We could use our existing line of credit or we could enter into a new mortgage agreement. The university has a \$17M line of credit with BMO (prime + 0.25%) and we have a \$5M line of credit with IBM (prime + 0.25%). Currently we are not using either of these lines of credit. We could also enter into a new financial arrangement, if we are able to negotiate better rates than our existing line of credit. The estimated cost of borrowing \$17.9M at an interest rate: 3.95% (prime + 0.25% October 19, 2018) over 20 years would mean an annual payment of \$1.3M. Total interest payments of \$8M.

We would initially explore the first two options that come at no costs and no risks and then we will look at a mixture of the other options to minimize borrowing. Loan agreements would be funded through operating budgets or philanthropic commitments.

## Section

# 6

## **Project Risk Assessment**

At the May 2018 Board of Governors retreat, a key element of the working session was to change the focus of risk from negative to positive. As such, the Senior Leadership Team agreed on a basic philosophy: Strategic analysis of risk drives enhanced performance.

With this in mind, the team weighed both the strategic opportunities and threats of undertaking this new capital project. Considering the risks of *not* proceeding with a project include risks associated with complacency and the *status quo*. With that framing, there are opportunities to significantly enhance our learning environment to increase student, faculty and staff engagement.

At the outset of the project, the university worked with the build team to identify the risks, estimate their potential time/cost impact and contemplate their likelihood to materialize. A Project Risk Register that includes foreseeable possibilities that could occur throughout the lifecycle of the project has been developed (Appendix B). The majority of these risks have existing controls to prevent occurrence or minimize impact.

The Register shall be continuously monitored to ensure that risks are controlled. A dedicated Project Manager is in place to review and approve the construction schedule. The Project Manager meets weekly

with the contractor to review the three-week look-ahead schedule, discuss constructability issues, and table alterations to the risk registry.

The Project Manager reports to the project sponsors (CFO and AVP Planning) bi-weekly. The sponsors are responsible for oversight of project funding, clarifying scope, monitoring progress and influencing stakeholders (internal and external). The project sponsors will critically review final designs and any change orders. The change order system provides a means for the Owner to evaluate changes using hard data from a cost and time perspective. Sponsors will provide the senior team with a monthly update, or as the risk registrar alters, to ensure all are well informed of the project.

## Section

# 7

## **Conclusions & Recommendations**

As we begin to transform the traditional model of university education and research at the University of Ontario Institute of Technology, this new building will be the foundation for further advancing the university's mission as articulated in the President's strategic priorities. The original plan for the building was a five-storey structure, but through the design process the significant benefits relative to cost of an additional floor became apparent. We weighed the opportunity of significantly enhancing our learning environment against the potential risk of borrowing ~\$18M. After critical review of goals, options, and risk associated with constructing this new building, the **President and his Senior Leadership Team recommend the construction of a six-storey, \$48M building connected to the Energy Research Centre.** This structure will significantly enhance the learning environment of our university and increase the quantity of purpose-built, permanent space on campus.



## Appendix A – Location Alternatives

Five different locations were considered and evaluated as possible sites for the new build. The criteria was set during the creation of the Campus Master Plan. The matrix below is the result of the evaluation:

Evaluation Criteria	critical issues	manageable	good		
CRITERIA	Founders 2	SIRC	U5	Library Flip	North of CIC
<b>Land Area</b> Can the location accommodate the building footprint required?	Land area is sufficient	Land area is too small	Land area is sufficient	Land area is too small	Land area is greater
<b>Integration</b> How well does the location integrate with the shared campus?	Location is highly integrated with the shared campus.	Location separated but could be integrated.	Location is highly integrated	Location is highly integrated	Land is highly separated
<b>Walkability</b> distance from Commons	10-minute walk.	10-minute walk.	within 5-minute walk	within 5-minute walk	greater than 20-min
<b>Servicing</b> adequate services available within the desired construction time frame?	Service capacity is currently available.	Service capacity is currently available.	Service capacity is currently available.	Service capacity is currently available.	capacity available within one year.
<b>Programming</b> Does the location allow for integration of existing programming	allows for some integration.	allows for some integration.	high degree of integration	high degree of integration.	Location does not allow for integration
<b>Displacement</b> Does the location displace existing academic space?	displacement of parking.	displacement of parking.	displacement of portables.	displacement of portables.	not require displacement.
<b>Accessibility</b> Is the location accessible by public transit?	accessible by existing transit	accessible by existing transit	accessible by existing transit	accessible by existing public transit	not currently accessible
<b>North Gateway</b> has the opportunity to act as a Campus gateway feature.	Location is south of Conlin Road.	Location will act as a gateway	Location is south of Conlin Road.	Location is south of Conlin Road.	begin to establish presence north
<b>South Gateway Feature</b> has the opportunity to complete original plan.	Disconnected from current buildings	Disconnected from current buildings	Completes original plans	Completes original plans	Disconnected from current buildings
<b>Cost</b> Would the location increase building construction costs	no decanting and delay portable move costs	no decanting and delay portable move costs	Decanting and upfront move of portables.	Decanting and upfront move of portables.	Servicing would be required and increases costs.
<b>Portables 2</b> Could we look after decanting in 1 move	no portable moves required	no portable moves required	ideas but not ideal for SL services for 2 years	classrooms could not be moved	no portable moves required
<b>Duration</b> Would the building be ready for Sept 2021	2 years	3 years	3+ years due to decanting	3+ years due to decanting	3 years

The U5 location had the best result of the evaluation. It eliminates less desirable space (portables) with a structure that completes the original building plans.

## Appendix B

Project Name: General Academic and Student Building

### PROJECT RISK REGISTER

Updated: 2018 Nov 10

Risk Description						Risk Analysis			Risk Response			Risk Monitoring	
Risk ID	Date Logged	Risk Status	Risk Event	Event Cause	Event Effect / Impact	Likelihood	Probability	Impact	Risk Score	Existing Controls / Mitigation	Responsible Parties	Completion Date	Status / Comments
PR02	27-06-18	Active	Project Schedule Delay	Contractor is unable to manage design and/or subcontractors and schedule is not maintained.	Schedule end date is extended	Likely	3	2.8	8.4	A baseline project schedule will be established upon award. Schedule will be tracked weekly by Owner and forecast bi-weekly during contractor's meeting. Action will be discussed and taken into action if any slippage or forecast delay is identified.	Project Manager / DB contractor	2021 Jun 30	Monitor
PR08	27-06-18	Retired	Unsuitable Sub- Surface Site Condition	unexpected environment, archeological, soil condition	Building foundation type will change and will slowdown progress	Likely	3	2.6	7.8	The Existing Geotechnical report shows low soil bearing capacity at the southwest corner of New Build. Additional Borehole required for structural consideration.	DB contractor / Structural Consultant	2019 Sep 30	Complete Soil Investigation completed. Implication considered in detailed design. Cost impact captured in the project budget.
PR03	27-06-18	Active	Significant delays in Obtaining Planning Approvals / Permits	Late submission or City takes longer than anticipated	Delay in construction start and project completion	Likely	3	2.6	7.8	Approvals by Authorities is the Design-Builder's responsibility. Site Alteration Permit will be in place to commence site work as schedule.	DB contractor	2020 Jan 30	Monitor
PR07	27-06-18	Active	Funding Approval Delay, Shortfall or Stoppage	Funding was not made available or Board does not approve	Project cannot commence or contractor does not get paid on time	Remote	2	3.8	7.6	The Business Case for the new building will be presented to A&F committee on Nov 19, 2018. Should we not get approval, the project could not move forward.	Project Sponsor	2018 Nov 30	Monitor
PR04	27-06-18	Active	FFE completion delays not meeting move in date	FFE manufacturing or importing & delivery or installation delays	Owner's move delayed	Likely	3	2.5	7.5	The design, development and coordination of FFE is part of DB contractor responsibility. Schedule for owner FFE will be incorporated to contractor's master project schedule. A separate FFE schedule will be developed and monitored.	Project Manager / OCIS / FFE vendors	2021 Jun 30	Monitor
PR06	27-06-18	Active	Contentious Labour Relations	Union issues with contractors or trades or within the Institution	Project delays	Remote	2	2.6	5.2	Contractor is required to mitigate time lost with no cost impact to owner. 2019 is a contract year for the construction unions, which are due in April. These should be in hand by the start of this project and run for 3 years so this risk should be mitigated by the schedule. Experience from last year strike the unions were respectful. We would manage this through the standard process and escalate if the situation requires.	Project Sponsor / Project Manager / DB contractor	2021 Jun 30	Monitor
PR12	27-06-18	Active	Significant Design Changes	Error / omission or change of requirements	Delays on completion date	Remote	2	2.4	4.8	PPDS defines end users requirements through consultations and workshops. Design will be at the 70% level. Design errors as a result of the consultant omission is under the Design Builder's risk.	Project Sponsor / Project Manager / DB contractor	2021 Jun 30	Monitor
PR01	27-06-18	Active	Project and Contractor Staff Attrition	Competitive market place and or too much bureaucracy	loss of key staff	Likely	3	1.6	4.8	DB project team to remain per RFP section 5.4 and PPDS agreement T&C CC9. In case, transition period will be necessary. UOIT engaged Professional Firm with qualified Project Manager for the entire project timeline.	DB Contractor	2021 Jun 30	Monitor



Project Name: General Academic and Student Building

PROJECT RISK REGISTER

Updated: 2018 Nov 10

Risk Description					Risk Analysis				Risk Response			Risk Monitoring	
Risk ID	Date Logged	Risk Status	Risk Event	Event Cause	Event Effect / Impact	Likelihood	Probability	Impact	Risk Score	Existing Controls / Mitigation	Responsible Parties	Completion Date	Status / Comments
PR09	27-06-18	Active	Labour Supply Shortage	Construction boom, dilution of skilled trades nation wide	difficulty to maintain schedule and construction pace	Likely	3	1.3	3.9	Labour supply shortage will be mitigated through the planning of the tendering list, inviting local trades, requiring CCDC-11s to verify work commitments and contractually signing trades up to the project schedule. Continuous monitoring of production and schedule throughout the project and immediate response to any schedule/productivity issues encountered.	DB Contractor	2021 Jun 30	Monitor
PR05	27-06-18	Active	Severe Weather or Natural Disaster	Earthquake, snow, continous raining, collapse or flooding (e.g. Building floor ruined due to flooding)	Delays while repairs are made	Remote	2	1.9	3.8	Insurance to cover constructor liabilities for incurred damages. Design-Builder is obligated to mitigate time lost.	Project Sponsor / Project Manager / DB contractor	2021 Jun 30	Monitor
PR10	27-06-18	Active	Damage / Destruction of NEW facility towards End of Construction	Fire, earquake, flooding, etc	Facility unusable	Very Remote	1	3.8	3.8	Insurance to cover contractor liabilities for incurred damages.	Project Sponsor / Project Manager / DB contractor	2021 Jun 30	Monitor
PR11	27-06-18	Active	Worksite Fatality or Serious Injury	unsafe work condition or worker error	worksite shutdown, potential non- compliance and some reputational	Remote	2	1.6	3.2	Contractor is responsible for site safety, enforcing contractor safety rules, and enforcing regulations & safe work practices Contractor is committed to safety & health of people	DB Contractor	2021 Jun 30	Monitor
PR23	27-06-18	Active	Market Price Fluctuation and/or Inflation	commodity volatility for oil (e.g.. Roofing)	potential for cost overage at tender stage	Remote	2	1.5	3.0	Contingency in project budget for owner supplied items to cover inflation.	DB Contractor	2021 Jun 30	Monitor
PR22	27-06-18	Active	Utilities Services Shortfalls for the new building	project could not proceed without upgrading or adding new line of services	potential cost & schedule implications	Remote	2	1.4	2.8	Services identified on site are available but has to be validated for its capacity.	Project Sponsor / Project Manager / DB contractor	2021 Jun 30	Monitor
PR18	27-06-18	Active	Insufficient Market for key materials and equipments	Shortage of key materials & equipments	potential for schedule delay	Remote	2	1.3	2.6	The design build team is responsible for material selection and procurement.	DB Contractor	2021 Jun 30	Monitor
PR13	27-06-18	Active	Environmental Non-Compliance during construction (Air, Water & Ground)	Contractor fuel or glycol spill, noise,	minor disruption	Remote	2	1.0	2.0	During construction the site is under the control and responsibility of the Contractor.	DB Contractor	2021 Jun 30	Monitor
PR14	27-06-18	Active	General Contractor Solvency	Regional economy or financial peril	Schedule delays caused	Remote	2	1.0	2.0	All general contractors are pre-qualified from a surety for bonding.	DB Contractor	2021 Jun 30	Monitor

Project Name: General Academic and Student Building

PROJECT RISK REGISTER

Updated: 2018 Nov 10

Risk Description					Risk Analysis				Risk Response			Risk Monitoring	
Risk ID	Date Logged	Risk Status	Risk Event	Event Cause	Event Effect / Impact	Likelihood	Probability	Impact	Risk Score	Existing Controls / Mitigation	Responsible Parties	Completion Date	Status / Comments
PR15	27-06-18	Active	Theft / Vandalism of Materials, Equipment or Venue	worker or third party theft	minor disruption	Likely	3	0.6	1.8	Site Security is Contractor's responsibility Construction site is monitored	DB Contractor	2021 Jun 30	Monitor
PR16	27-06-18	Active	Government Bureaucracy	Gov't interference, adding layers of management; added hoops or requirements	slows the process/project	Remote	2	0.7	1.4	communications to keep Gov't informed, reporting, updating	Project Sponsor	2021 Jun 30	Monitor
PR17	27-06-18	Active	Facility Owner Solvency	Regional economy or financial peril	payment stops; contractor does not get paid on time	Very Remote	1	1.3	1.3	Contracts have late payment clauses and default provisions	Project Sponsor	2021 Jun 30	Monitor
PR19	27-06-18	Active	Significant Legislation / Statutory Requirements Changes	Significant deviations in Building codes (National and/or Provincial), or OHSA	potential cost & schedule implications	Very Remote	1	0.7	0.7	Grandfathered legislation	Project Sponsor	2021 Jun 30	Monitor
PR20	27-06-18	Active	Budget Cost overrun	Project cost significant deviation	Project run out of budget	Very Remote	1	1.4	1.4	Integrated design-build GMP cost plus model adapted which allows UOIT to have more control over the cost from preliminary design, final design till subtrades selection process. Project cost savings is shared 80-20 between owner & contractor respectively	Project Sponsor	2021 Jun 30	Monitor
PR21	27-06-18	Retired	Significant Delay in RFP/RFQ Process	Delays in evaluation process due to team workload and contentions	Late project start and end date for project is extended	Remote	2	1.3	2.6	RFP for Design Builder has been awarded.		2018 Jun 30	Completed On time
PR24	27-06-18	Active	Work stoppage / Suspended due to Crane	Crane Struck Hydro cable / Crane Collapse	Schedule delays	Remote	2	1.9	3.8	Crane Permit to be obtained. Review of Structural stability and swing radius	DB Contractor	2021 Jun 30	Monitor
PR26	27-06-18	Active	Work stoppage / Suspended	Material fell into nearby facility or passbyer	Schedule delays	Remote	2	1.8	3.6	Construction site enclosure and regular safety walk	DB Contractor	2021 Jun 30	Monitor
PR27	27-06-18	Active	Project Progress Delayed due to Equipment	Major Equipment Failure, Damage, Theft	Schedule delays	Very Remote	1	1.2	1.2	Construction site security in place and regular maintenance checks to equipments	DB Contractor	2021 Jun 30	Monitor
PR29	27-06-18	Active	University / College Events disruption	Construction damage to Institution's power, IT, sewer and fireline	Business Interruptions	Remote	2	1.4	2.8	Site Services survey and due diligence, work coordination with DCFM before excavation and tie- in activities	DB Contractor	2021 Jun 30	Monitor
PR30	27-06-18	Active	Contractual Contention	Terms and Condition interpretation	Cost and schedule dispute	Very Remote	1	1.8	1.8	Legal review conducted, utilized broker service insurance language. Drafted CCDC and Supplementary conditions.	Project Sponsor	2021 Jun 30	Monitor



# COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

Financial Impact  Yes  No

Included in Budget  Yes  No

**TO:** Audit & Finance Committee

**DATE:** February 20, 2019

**PRESENTED BY:** Craig Elliott, Chief Financial Officer

**SUBJECT:** ACE Enhancement Project

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**COMMITTEE MANDATE:**

- The Audit and Finance Committee, on behalf of the Board, is responsible for overseeing the financial affairs of the university with respect to all auditing, financial reporting and internal systems and control functions, budget approvals, risk management, and other internal and external audit functions and activities at the university.
- This report provides an update on the ACE Enhancement Project which included the modification of the ACE building, and the integration of the moving ground plane (MGP) into the facility.

**BACKGROUND/CONTEXT & RATIONALE:**

- The ACE Enhancement Project will provide aerodynamic and aero-acoustic upgrades that will provide new capability required to meet the minimum requirements for high fidelity aerodynamic research. Core to this project is the integration of a moving ground plane (MGP). Integration of the moving ground plane into the Climatic Wind Tunnel within ACE will require modifications to the facility that include the design and construction of a new turntable to insert the system into the test chamber. The turntable allows the vehicle being tested on the moving ground plane to be turned into different angles of attack relative to the oncoming wind. The remaining infrastructure planned as part of this proposal is linked to further enhancement of the airflow and acoustic quality in the climatic wind tunnel test chamber.
- The project will be completed in two stages. The ACE building will be modified to accommodate the MGP, with substantial completion planned for July 26, 2019.

Concurrently, integration activities will begin on the MGP itself, with a target completion of March 31, 2020.

### **RESOURCES REQUIRED:**

- The project is being funded by a FedDev grant for \$9.5M, Provincial grant of \$1.5M, contribution from Magna for \$1M, and University contribution of \$.5M for a total \$12.5M.
- Forecast costs to completion are \$14.86M, which have increased \$360K from last report. The increase is in the MGP Integration component, where inflation, tariffs, and obsolete controls on MGP have increased costs.
- The project is underfunded by \$2.36M. Mitigation strategies include working with Multimatic for in-kind contributions of \$750K, utilizing in-kind UOIT expertise to reduce integration costs by \$250K, and pursuing FedDev for the cost of inflation from the initial submission in 2017 to project execution totaling \$1M

### **PROJECT IMPLEMENTATION:**

#### Building Modifications:

- The contract for building modifications to ACE has been awarded to JJ McGuire
- See the attached ACE Enhancement Project summary that provides an update on project status, site safety, change orders, procurement summary, and a financial summary.

#### MGP Integration:

- Engineering, design and computational fluid dynamics for MGP Integration was initiated in January and is continuing to progress.
- Engineering design and procurement for aerodynamic enhancements are initiated and continuing.
- Engineering design for controls is initiated and is defining scope based on engineering studies.

### **ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

- The ACE Enhancement Project aligns with both the Research and Technology aspects of our strategic plans. ACE is strategically important to UOIT as it positions itself as a leading technology university.

### **ALTERNATIVES CONSIDERED:**

- NA

### **CONSULTATION:**

- NA

### **COMPLIANCE WITH POLICY/LEGISLATION:**

- NA

### **NEXT STEPS:**

- Construction and integration work continues. Target completion for building is end of July, 2019, and for integration end of March, 2020

# ACE Enhancement Project

Project Update Presentation – 5 February 2019



## Progress Update (as of 5 February 2019) :

### ACE Building Modification

- Footings along east-south-west completed
- Basement wall formation at southside on-going
- Hoarding inside existing ACE basement completed – ready for knockout wall demolition



### Moving Ground Plane Integration into CWT

- MGP engineering works commenced by Aoilis
- Precision Measurement bid submission came in much higher cost with some technical non-compliances
- Bid package under re-scoping and will re-issue by mid February 2019

## **Site Safety:**

- Nothing to report – no incident on site this period

## **Change Orders:**

- Unforeseen actual site condition change order is being processed this period  
forecast amount \$34k

## **Procurement Summary:**

- Building Construction Contract CCDC2 executed
- MGP Engineering and Integration contract awarded to Aoilis
- MGP Precision Measurement tender to be re-issued

## **Financial Summary:**

- To date received Federal funding \$33K
- Progress funding application to Federal submitted \$26K
- To date received provincial funding \$1.35M
- Forecast project cost at completion \$14.86M
- Breakdown of Sources and Uses of funds next slide.

# Financial Report

ACE ENHANCEMENT PROJECT		JANUARY 2019				
<b>Sources of Funds - Cash Flow</b>						
Description	Total Funding	Actual YTD Dec 2019	Jan 2019	Feb 2019	Estimate at Completion	See Notes
FEDDEV	\$ 9,465,000	\$ 33,186	\$ -	\$ 26,025	\$ 9,465,000	
PROVINCIAL	\$ 1,500,000	\$ 1,350,000	\$ 750,000		\$ 1,500,000	
MAGNA	\$ 1,000,000	\$ -	\$ -		\$ 1,000,000	
UOIT	\$ 500,000	\$ -	\$ -		\$ 500,000	
			\$ -			
<b>Totals</b>	<b>\$ 12,465,000</b>	<b>\$ 1,383,186</b>	<b>\$ 750,000</b>	<b>\$ 26,025</b>	<b>\$ 12,465,000</b>	
<b>Uses of Funds - Cash Flow</b>						
Description	Total Budget	Actual YTD Dec 2019	Jan 2019	Feb 2019	Estimate at Completion	
Moving Ground Plane Integration into CWT	\$ 3,350,000	\$ 4,690	\$ -	\$ -	\$ 3,350,000	
Aerodynamic Enhancements Required for MGP	\$ 2,540,000	\$ -	\$ -	\$ -	\$ 2,540,000	
Acoustics	\$ 845,000	\$ -	\$ -	\$ -	\$ 845,000	
Precision Measurement Capability	\$ 1,850,000	\$ -	\$ -	\$ -	\$ 1,850,000	
Chamber Modifications	\$ 630,000	\$ -	\$ -	\$ -	\$ 630,000	
Base Building Modifications	\$ 3,645,000	\$ 22,402	\$ -	\$ 320,725	\$ 3,610,358	
CO#1 Unforeseen Site Condition	\$ -	\$ -			\$ 34,642	
Engineering and Project Management	\$ 2,000,000	\$ 221,461	\$ 15,580	\$ -	\$ 2,000,000	
<b>Totals</b>	<b>\$ 14,860,000</b>	<b>\$ 248,553</b>	<b>\$ 15,580</b>	<b>\$ 320,725</b>	<b>\$ 14,860,000</b>	





## COMMITTEE/BOARD REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

Financial Impact  Yes  No

Included in Budget  Yes  No

**TO: Audit & Finance Committee**

**DATE: February 20, 2019**

**PRESENTED BY: Craig Elliott, Chief Financial Officer**

**SUBJECT: Campus Recreation & Wellness Centre (CWRC) Expansion**

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**COMMITTEE/BOARD MANDATE:**

- The Audit and Finance Committee, on behalf of the Board, is responsible for overseeing the financial affairs of the university with respect to all auditing, financial reporting and internal systems and control functions, budget approvals, risk management, and other internal and external audit functions and activities at the university.
- This report provides an update on modifications to the CWRC building to facilitate the launch of the universities new basketball programs.

**BACKGROUND/CONTEXT & RATIONALE:**

- The Board approved the modifications to the CWRC building at the Nov 29, 2018 meeting.
- An RFP for project design was issued Dec 4, 2018. Bids were evaluated, and the contract was awarded to BBA on Jan 14, 2019
- BBA are now working to complete schematic designs.

**RESOURCES REQUIRED:**

- The basis of funding to support these long-term Athletic plans is Student Ancillary fees, and the CWRC capital reserve. This is an existing reserve accumulated from student fees and subject to use for recreational facilities and Wellness initiatives. Currently the CRWC capital reserve balance is \$7M. The addition of new change rooms and therapy space is estimated to cost \$1.9M. See attached financial summary.

**ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

- Offering basketball responds to repeated requests from students, both current and incoming, around their priorities for adding new sports. The addition supports the institutional priority to strengthen the campus culture, grow school spirit, and provide new reasons for students to engage in student life when they are on campus.
- The addition of another sport responds to the 2017/18 NSSE results by providing improving student satisfaction related to extracurricular engagement outside of the classroom. Research shows that academic success and retention are related to positive campus experiences. A student's ability to engage in an extracurricular activity as an athlete or as a fan will provide balance, help to reduce stress and anxiety and improve their overall well-being.

**ALTERNATIVES CONSIDERED:**

- NA

**CONSULTATION:**

- NA

**COMPLIANCE WITH POLICY/LEGISLATION:**

- NA

**NEXT STEPS:**

- Complete design drawings, and issue RFP for construction in March, 2019

# Financial Report as of 5 February 2019

CWRC Expansion								
PROJECT FINANCIAL SUMMARY REPORT FOR MONTH ENDING					January 2019			
Sources of Funds - Cash flow								
Description		Total Funding	Committed Todate	Actual YTD January 2019	Jan 2019	Feb 2019	Estimate at Completion	See Notes
UOIT							\$ -	
SIF							\$ -	
Advancement							\$ -	
<b>Totals</b>		\$ -		\$ -	\$ -	\$ -	\$ -	
Uses of Funds - Cash flow								
Description	Vendor	Total Budget	Committed Todate	Actual YTD January 2019	Jan 2019	Feb 2019	Estimate at Completion	
Construction		\$ 1,110,242					\$ 1,110,242	
Design		\$ 130,000	\$ 129,500				\$ 130,000	
Permits		\$ 35,000					\$ 35,000	
Site Services		\$ 250,000					\$ 250,000	
FFE		\$ 150,000					\$ 150,000	
Contingency		\$ 243,000					\$ 243,000	
		\$ -					\$ -	
<b>Totals</b>		\$ 1,918,242	\$ 129,500	\$ -	\$ -	\$ -	\$ 1,918,242	



# *Durham Region*

*Eastern Ontario's Technology Development Site for the Autonomous Vehicle Innovation Network*

# New AVIN Capabilities

- EV Charging/ Microgrid Test Bed Launched Dec 2018
- Simulated Automotive Wireless Environment March 2019
- Software Validation and Certification Launched Jan 2 2019
- Data Storage, Real Time Analysis and Visualization Launched Sept 2018
- Fabrication Space Open Sept 2018



New CNC Milling Machine



EV Charging Test Bed

# Durham RTDS Private Sector Partners

*Confirmed as of Feb 6 2018*

- IBM Canada - \$3.2M
- eCAMION- \$600k
- Mackie Transportation Inc. - \$500k
- Tetra Tech - \$500k
- Flashfibre - \$500k
- QA Consultants - \$300k
- Keysight Technologies - \$179k\*
- AirlQ - \$225k
- The Sky Guys - \$125k



**\$6M in Industry Contribution**

\* Contributions via equipment discounts

# Status

- Project advancing in accordance with Program plan.
- Activities on data visualization and analytics initiated with IBM Canada, including new project with Town of Whitby.
- UOIT pursuing additional funding through AVIN Project Funding Stream by working with industry partners (3 projects currently under development).



# Coming Soon

**SAVE THE DATE**

- Save the Date: March 28, 2019

Joint Durham and Hamilton RTDS AVIN Event

“Future of Transportation and Mobility Series: Self Driving Cars & Increased Safety”

- PAVE Initiative – Partners for Autonomous Vehicle Education

Diverse group of automotive companies from USA

Public education on safety initiatives with AV

Does AVIN RTDS team have a role in Ontario?





# Disbursement Committee Report

## 2019-2020 Disbursement Recommendation



# Cumulative Investment Income Summary

Cumulative Net Endowed Earnings at Mar 31, 2018	\$ 5,110,000
Earnings Apr-Dec, 2018	\$ 633,000
Estimated Interest/Dividends Earned Jan-Mar, 2019	<u>\$ 40,000</u>
Cumulative Est Net Endowed Earnings at Mar 31, 2019	\$5,783,000
Less: Est 2018-19 Disbursements	(\$ 621,000)
Cumulative Capital Preservation	<u>(\$2,620,000)</u>
Cumulative Est Net Earnings Available For Disbursement	<u>\$2,542,000</u>

# Cumulative Investment Summary

Endowment Balance at Dec 31, 2017	\$15,819,000
Current Year Donations to Dec 31, 2018	\$ 698,000
Cumulative Earnings Less Distributions	\$ 5,335,000
Unrealized gains	<u>\$ 3,534,000</u>
Market Value of Endowment at Dec 31, 2018	\$25,386,000
Est Income Jan-Mar, 2019	\$ 40,000
Est Disbursement in Jan-Mar, 2019	<u>(\$ 214,000)</u>
Forecast Investment Balance at Mar 31, 2019	<u>\$25,212,000</u>

# Gift Agreement Requirements

- Endowed Awards can be specific dollar amounts, or could be expressed as a minimum and maximum amount.
- At our current investment level, we need to disburse between 3-4% of the principal value to cover our gift requirements.

# Recommendation

- The Disbursement Committee met on Feb 5, 2019. Our investments have performed well over the last few years, however the current year performance has been flat – largely due to unrealized losses.
- Current cumulative earnings after capital preservations equals to \$2,542K.
- The recommendation is to disburse to an average of 4% or up to \$550,000 for 2019-20, and that this amount be disbursement from Endowment Funds for distribution as student awards.

# Motion

- That pursuant to the recommendation of the Investment Committee, the Audit & Finance Committee hereby recommends the disbursement of up to \$550,000 from Endowment Funds for distribution as student awards in 2019-20 for approval by the Board of Governors.

# Questions/Comments



# COMMITTEE REPORT

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**SESSION:**

Public   
Non-Public

**ACTION REQUESTED:**

Decision   
Discussion/Direction   
Information

Financial Impact  Yes  No

Included in Budget  Yes  No

**TO:** Audit and Finance Committee

**DATE:** February 20, 2019

**PRESENTED BY:** Cheryl Foy, University Secretary and General Counsel

**SUBJECT:** University Continuity Framework Policy – Consultation

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**COMMITTEE/BOARD MANDATE:**

- Section 5 of the university’s Risk Management Policy (“Policy”) provides that the responsibility to oversee the University’s Risk Management (“URM”) program resides with the Board of Governors (“Board”).
- The Policy also states the Audit & Finance Committee (“A&F”) is delegated to carry out this oversight responsibility on the part of the Board and to report annually to the Board on the status of the risk management program.
- The responsibility for overseeing risk management at the University is also included in the Committee’s Terms of Reference.
- In support of the Committee’s mandate, we are asking for feedback and recommendation to the Board for the draft University Continuity Framework Policy.

**BACKGROUND/CONTEXT & RATIONALE:**

- The need for a comprehensive approach to continuity planning was first identified as a risk and reported to the Board in the second University Risk Management Report presented to and accepted by the Board in June, 2017.



- Business continuity was identified as having more significance than many other operational risk and as such is described as a “foundational” risk. This risk includes both information technology and physical hazards.
- In January 2018, the Office of the University Secretary and General Counsel facilitated discussions with the Office of Campus Safety to develop a draft Continuity Framework Policy to sustain operations in the event of a disruption.
- This development work (including the community consultations) continued throughout 2018.

#### **RESOURCES REQUIRED:**

- Time and resources of Risk Management, Emergency Management, and Continuity Leads to identify dependencies, possible disruptions, and develop continuity plans for the institution.

#### **IMPLICATIONS:**

- N/A

#### **ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

- The development of this policy promotes the University’s ability to withstand disruptive occurrences, and maintain resilience and sustainability across the institution.

#### **CONSULTATION:**

- Policy Advisory Group – March 2, 2018
- Health and Safety Committee – March 29, 2018
- Faculty Administrators Group – April 18, 2018
- Risk Management Committee – May 1, 2018
- Administrative Council – May 9, 2018
- Research Board – September 26, 2018
- Academic Council – October 23, 2018

<b>Recommendations Received</b>	<b>Response</b>
Request to develop instruments and tools to minimize the impact on resources during the business impact assessment phase	Tools and resources will be developed in advance, to support University members and minimize the impact on resources
Request to consider ancillary / shared services	Ancillary and shared services will be included in the continuity plans
Request to consider coordinated communication plan for both locations	The continuity communication plans will be layered and extend to all areas of the University and include both locations
Request to develop and share work plan	Work plan developed and ongoing communication of milestones will be shared

Request to confirm expected completion of business impact assessment, and continuity planning	Estimated time frame of two years, subject to change pending unforeseen circumstance.
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**COMPLIANCE WITH POLICY/LEGISLATION:**

- The development and implementation of a University Continuity Policy promotes compliance with the University’s Risk Management Policy.

**NEXT STEPS:**

- Upon the committee’s recommendation, the University Continuity Framework Policy will be presented to the Board for approval on February 28, 2019.

**MOTION FOR CONSIDERATION:**

***That the Audit and Finance Committee hereby recommends the University Continuity Management Framework Policy, as presented, for approval by the Board of Governors.***

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**SUPPORTING REFERENCE MATERIALS:**

- Draft University Continuity Management Framework Policy

Classification	LCG TBA
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	University Secretary
Approval Date	DRAFT FOR REVIEW
Review Date	
Supersedes	

## UNIVERSITY CONTINUITY MANAGEMENT FRAMEWORK POLICY

### PURPOSE

1. The purpose of this Policy is to establish University-wide standards, which govern the development, implementation, and continual improvement of a Continuity Management Framework, promoting the University's ability to withstand disruptive Occurrences, and maintain resilience and sustainability across the institution.

### DEFINITIONS

2. For the purposes of this Policy the following definitions apply:
  - “**Activity**” or “**Activities**” means one or more tasks undertaken by, or for the University that produces or supports the delivery of one or more services.
  - “**Business Impact Assessment**” means the process of analyzing Activities and the effect that a Disruption might have on them.
  - “**Continuity**” means the capability of the University to continue delivery of services at acceptable predefined levels following a Disruption.
  - “**Continuity Lead**” means the assigned organizational unit representative.
  - “**Continuity Plan**” means a documented process that guides the University to respond, recover, resume, and restore to a predefined level of operation following a Disruption.
  - “**Critical Function**” means the critical operational and/or support functions that could not be interrupted or unavailable for more than a mandated or predetermined timeframe without significantly jeopardizing the University. Vital functions without which the University will either not survive, or will lose the capability to effectively achieve its objectives.
  - “**Disaster**” means a significant event involving widespread, long-term impacts and exceeds the capacity of the institution to recover operations without the assistance of external aid.
  - “**Disaster Recovery**” means the strategies and plans for recovering and restoring the organization's technological infrastructure and capabilities after a serious interruption.
  - “**Disruption**” means an Occurrence that interrupts normal business, functions, operations, or processes, whether anticipated or unanticipated.
  - “**Emergency Management Response Team**” or “**EMRT**” means members that are responsible for the coordination and management of emergencies affecting Durham College and UOIT.

**“Emergency”** means an impending event, however caused, that constitutes a danger of major proportions and could result in serious harm to persons, substantial damage to property, or affects the core business and/or credibility of the institution.

**“Minimum University Continuity Objective”** means the minimum level of service that is acceptable to the University to achieve its business objectives during disruption.

**“Occurrence”** means an event that might be, or lead to, an Emergency or Disaster. An Occurrence can be described as either a Disruption (Continuity response) or incident (Emergency response).

**“Prioritized Activities”** means the Activities to which priority must be given following an Occurrence in order to mitigate impacts.

**“University Continuity Management”** means a holistic management process that identifies potential threats to the University and the impact to the operations that those threats, if realized, might cause, and which provides a framework for building resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand, and Activities.

**“University Member”** means any individual who is:

- Employed by the University;
- Registered as a student, in accordance with the academic regulations of the University;
- Holding an appointment with the University, including paid, unpaid and/or honorific appointments; and/or
- Otherwise subject to University policies by virtue of the requirements of a specific policy (e.g. Booking and Use of University Space) and/or the terms of an agreement or contract.

### **SCOPE AND AUTHORITY**

3. This Policy applies to all University Members and extends to all Activities.
4. This Policy applies to all facilities the University owns, leases, or operates in at any capacity.
5. This Policy applies to all Administrative, Research, and Academic levels of the University.
6. The EMRT will provide strategic support for all response and Continuity Activities. Units will implement their Continuity and/or Emergency response plans and will report on Activities and resource requirements to the EMRT at regular intervals as defined by the operational period of the Emergency.
7. The University Secretary, or successor thereof, is the Policy Owner and is responsible for overseeing the implementation, administration and interpretation of this Policy.

### **POLICY**

Continuity is the key discipline that sits at the core of assembling and improving the resilience of the University. Continuity Management holistically identifies the University’s priorities and prepares solutions to address disruptive Occurrences.

## **8. Continuity Framework**

- 8.1.** This Policy supports the design and implementation of Continuity Plans to protect and continue the operations of the institution, and support the strategic objectives in the event of any disruption to the University.
- 8.2.** The framework includes the identification of risks and threats, the creation of response structures and plans to address Disruption and Disaster, and promotes validation and continuous improvement. The framework is flexible to changes in the internal and external operating environment and delivers measurable value to the University.

## **9. General**

- 9.1.** A framework methodology will be developed by the Office of Campus Safety in collaboration with Risk Management, to standardize the base information in a Continuity Plan, develop absolute and relative requirements for planning, and provide guidance for the units in creating Continuity Plans and strategies.
- 9.2.** Each unit will be responsible for the development and maintenance of a Continuity Plan that follows the University Continuity Management framework and methodology.
- 9.3.** Each unit will assign a Continuity Lead to act as the primary contact for the Continuity Plan throughout the development, implementation, and maintenance of the plan for their department.
- 9.4.** Emergency contact lists will be established by each unit and shared with the Office of Campus Safety, and maintained as part of the Continuity Plan. The Emergency contact lists will be updated annually.
- 9.5.** Continuity Plans will be reviewed and updated on an annual basis and will be submitted to the Office of Campus Safety.
- 9.6.** The Continuity Planning will include a Disaster Recovery Plan that addresses maintaining business processes and services in the event of a Disaster and the eventual restoration of normal operations.

## **10. Elements of University Continuity Management**

- 10.1.** The University Continuity Management program will be established, based on the following elements:
  - a)** Raising awareness of Continuity through training and communication, embedding Continuity into the Activities of the University.
  - b)** Establishing a procedure to conduct a Business Impact Assessment to determine the Continuity requirements across the institution, identifying objectives, functions, and constraints of its operating environment.
  - c)** Identifying and recommending appropriate solutions to determine how Continuity will be achieved in the event of an Occurrence.

- d) Identifying and documenting the priorities, procedures, responsibilities, and resources that will support the University when managing an Occurrence. This should achieve Continuity of the Prioritized Activities and ensure recovery of disrupted Activities to a predefined level of service (the Minimum University Continuity Objective) within the planned time frames. This includes the development of a response structure that defines roles, authority, and skills required to manage an Occurrence.
- e) Exploring the Continuity solutions and response structure to ensure they reflect the size, and complexity of the University and its operation, and are accurate, effective, and complete.
- f) Administering ongoing maintenance and review to continuously improve the overall level of organizational resilience.

## **11. Roles and Responsibilities**

### **11.1. Senior Leadership Team**

- a) Provide leadership, commitment, and resources as part of governance.

### **11.2. Emergency Management Program Committee**

- a) Ensure the University Continuity Management adequately reflects the University Continuity capability;
- b) Oversee, advise, and manage the University Continuity Management program, making recommendations, and reporting to SLT.

### **11.3. Office of Campus Safety**

- a) Develop and deliver an effective Continuity program, which includes the development of tools and resources, and facilitation and coordination of plans throughout the University;
- b) Support units in the development of their Continuity Plans; and support for continual improvement;
- c) Develop appropriate templates for the University to detail its arrangements, ensuring consistency in the program with flexibility to recognize dependencies and differences across units;
- d) Identify and recommend strategies that collectively support Continuity across the institution;
- e) Conduct annual audit and provide effective storage of all University Continuity Plans.

### **11.4. Continuity Leads**

- a) Attend relevant training and awareness sessions to develop knowledge and understanding of Continuity Management;
- b) Work with Office of Campus Safety to complete and maintain Business Impact Assessment to identify Critical Functions, needs, resources, and tools to continue operation of the unit during and after a Disruption;

- c) Work in collaboration with other Continuity Leads to identify dependencies and develop collective strategies;
- d) Develop, implement, and maintain Continuity Plans on behalf of the unit;
- e) Ensure the Continuity Plan adequately reflects the unit's Continuity capability;
- f) Communicate the implications of unit changes that may impact the Continuity program;
- g) Conduct and participate in exercises, training of other staff and faculty at the University within their unit on all aspects of the Continuity Plan;
- h) Complete an annual review and update of the Continuity Plan;
- i) Initiate a response for the unit during an incident;
- j) Participate in training sessions, learning or Activity relevant to a Disruption post Occurrence.

**11.5. Risk Management**

- a) Assist in the identification of Critical Functions for the intuition;
- b) Provide commitment and support in collaboration with Office of Campus Safety to Continuity management across departments;
- c) Provide institutional risk registers for the purposes of support in defining and describing risk at the University from an institutional perspective;
- d) Support in identifying potential Continuity management strategies;
- e) Consult on the composition of the Continuity management plans.

**11.6. All University Members**

- a) Acknowledge roles and responsibilities during an occurrence to ensure effectiveness by understanding the Continuity program;
- b) Respond appropriately as outlined in the Continuity Plan.

**11.7. Information Technology Services**

- a) Assist in the identification and strategy of Critical Functions that rely heavily on IT infrastructure or applications;
- b) Engage in the assessment of impacts as they relate to the availability of utilities or technology and in the development of plans that identify dependencies on IT resources;
- c) Develop, maintain, and test the Disaster Recovery Plan.

**MONITORING AND REVIEW**

- 12.** This Policy will be reviewed as necessary and at least every three years. The Emergency Management Program Committee is responsible to monitor and review this Policy.

## **RELEVANT LEGISLATION**

- 13.** This section intentionally left blank.

## **RELATED POLICIES, PROCEDURES & DOCUMENTS**

- 14.** ISO 22300:2012 Societal security – Terminology  
ISO 22301:2012 – Societal security – Business Continuity Management systems – Requirements  
Emergency Preparedness  
Risk Management Policy  
Good Practice Guidelines, 2018 Edition  
Business Impact Assessment Procedures  
Disaster Recovery Planning Procedures





## COMMITTEE/BOARD REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

Financial Impact  Yes  No

Included in Budget  Yes  No

**TO: Audit & Finance Committee**

**DATE: February 20, 2019**

**PRESENTED BY: Craig Elliott, Chief Financial Officer**

**SUBJECT: Review of Use of External Auditor for Non-Audit Services Policy**

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**COMMITTEE/BOARD MANDATE:**

- The Audit and Finance Committee, on behalf of the Board, is responsible for overseeing the financial affairs of the university with respect to all auditing, financial reporting and internal systems and control functions, budget approvals, risk management, and other internal and external audit functions and activities at the university.
- In accordance with the Procedures for the Development, Approval and Review of Policy Instruments, policy instruments will be reviewed at least once every three years.
- This report summarizes the review and recommendations of the above policy

**BACKGROUND/CONTEXT & RATIONALE:**

- The list of non-audited services was reviewed, and found to be appropriate. An analysis of expenses shows that no services, outside of the pre-approved listing, have been procured from our current external auditors.
- Based on the above, we do not recommend any changes to the policy.

**NEXT STEPS:**

- The results of the review will be reported to the Board for information at the meeting on February 28, 2019.
- The Use of the External Auditor for Non-Audit Services Policy will be scheduled for their next review in February 2022.

Classification	LCG 1135
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	Chief Financial Officer
Approval Date	October 21, 2015
Review Date	October 2018
Supersedes	N/A

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## USE OF THE EXTERNAL AUDITOR FOR NON-AUDIT SERVICES POLICY

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### PURPOSE

1. The purpose of this policy is to outline the principles and parameters under which the external auditor can be engaged for non-audit services, in particular establishing responsibility for ensuring that the objectivity and independence of the external auditor is maintained while providing non-audit services.

### DEFINITIONS

2. For the purposes of this policy the following definitions apply:

**“Non-Audit Services”** means services for which an external audit opinion is not issued and for which an additional fee is charged by the audit firm.

**“Pre-Approved Services”** means a list of Non-Audit Services that the University’s external auditor can provide without further approval from the Audit Committee.

### SCOPE AND AUTHORITY

3. This policy applies to all situations where the external auditor is retained to perform Non-Audit Services.
4. The Chief Financial Officer, or successor thereof, is the Policy Owner and is responsible for overseeing the administration and interpretation of this Policy.

### POLICY

#### 5. General

- 5.1. The University will not engage its external auditor to carry out any prohibited services as determined by the Chartered Professional Accountants of Canada.
- 5.2. The external auditor is required to comply with auditor independence rules as set out in the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario, as amended from time to time.
- 5.3. The external auditor may refuse any engagement for Non-Audit Services deemed to be an infringement on its independence without negative consequence.

- 5.4. The Audit and Finance Committee is responsible for reviewing the independence and scope of services for the external auditor.

#### **6. Approval of Non-Audit Services**

- 6.1. The Audit and Finance Committee has the authority to approve the engagement of the external auditor for Non-Audit Services.
- 6.2. The Audit and Finance Committee may delegate authority to the Chief Financial Officer to engage the external auditor for Pre-Approved Services up to fifteen percent (15%) of the annual contract value for the external auditor.
- 6.3. The aggregate value of Non-Audit Services performed by the external auditor may not represent more than fifteen percent (15%) of the total contract value for the external auditor.

#### **7. Reporting**

- 7.1. The Chief Financial Officer is responsible for providing an annual report to the Audit and Finance Committee detailing the payments made to the external auditor for Non-Audit Services.
- 7.2. The Audit and Finance Committee of the Board of Governors is responsible for reporting to the Board, on an annual basis, all Non-Audit Services that are provided by the external auditor.

#### **8. Pre-Approved Services**

- 8.1. The Audit and Finance Committee will approve and maintain a list of Pre-Approved Services that may be completed by the external auditor. The list of Pre-Approved Services will be included as an Appendix to this policy.
- 8.2. The Audit and Finance Committee will review and update the list of Pre-Approved Services on an annual basis.

#### **MONITORING AND REVIEW**

- 9. This policy will be reviewed as necessary and at least every three years. The Audit and Finance Committee, or successor thereof, is responsible to monitor and review this Policy.

#### **RELEVANT LEGISLATION**

- 10. Chartered Accountants Act, 2010, S.O. 2010, Chapter 6, Schedule C

#### **RELATED POLICIES, PROCEDURES & DOCUMENTS**

- 11. Rules of Professional Conduct – Chartered Professional Accountants of Ontario  
Audit and Finance Committee Terms of Reference  
UOIT Signing Authority Policy  
UOIT Signing Authority and Approval Procedure  
UOIT Procurement Policy  
UOIT Procurement Procedures

**APPENDIX A – PRE-APPROVED NON-AUDIT SERVICES**

<b>Type of Service</b>	<b>Description</b>
<b>Non-Audit Services</b>	
Internal control attestation services	1. Advice on public company practices, documentation and attestation services relating to the report on internal controls over financial reporting  Audit of specific control procedures or the general control environment of an organization
Employee benefit plan audits	2. Audit of pension and other employee benefit plans, payroll deductions, and funds for investments with such plans
Donations	3. Advice relating to the tax issues for donations except for donations involving substantial corporate, business, or real estate assets
Other attest services	4. Attest services that are not required by statute or regulation (e.g., real estate cost certificates; payout calculations for benefit plans)
Application and general control reviews	5. Documentation and attestation of IT and general controls related to specific applications, including overall general computer controls.
Consultation regarding GAAP	6. Discussions, analysis, review and testing of impact of new pronouncements, acquisition accounting, and other GAAP topics  Assistance in understanding new accounting and disclosure requirements and the gaps vs current practices
<b>Tax Services</b>	
Tax Compliance	7. Compilation and review of income, capital, sales, use, property, excise, local, commodity (e.g. VAT, HST, etc.) tax returns, filings, and forms. Consultation regarding handling of items for tax returns, required disclosures, elections, and filing positions available
Tax consulting	8. Assistance with tax audits, examinations or requests for information  9. General tax advice including advice on technical interpretations, applicable laws and regulations, and tax consulting  10. Initial tax structuring of new investments  11. Assistance with tax appeals that are not in front of a tax court or its equivalent

<p>Customs and duties</p>	<p>12. Compliance reviews and advice on compliance in the areas of tariffs and classification, origin, pricing, and documentation. Assistance with customs audits or requests for information</p>
<p><b>Other Services</b></p>	
<p>Benchmarking</p>	<p>13. Benchmarking, surveys and other advice related to best practices with respect to financial reporting practices and other business processes</p>
<p>Information services</p>	<p>14. Provision of accounting, tax and reporting literature and access to online data bases</p>



## COMMITTEE/BOARD REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

Financial Impact  Yes  No

Included in Budget  Yes  No

**TO:** Audit & Finance Committee

**DATE:** February 20, 2019

**PRESENTED BY:** Craig Elliott, Chief Financial Officer

**SUBJECT:** Review of Expendable Funds Policy

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**COMMITTEE/BOARD MANDATE:**

- The Audit and Finance Committee, on behalf of the Board, is responsible for overseeing the financial affairs of the university with respect to all auditing, financial reporting and internal systems and control functions, budget approvals, risk management, and other internal and external audit functions and activities at the university.
- In accordance with the Procedures for the Development, Approval and Review of Policy Instruments, policy instruments will be reviewed at least once every three years.
- This report summarizes the review and recommendations of the above policy

**BACKGROUND/CONTEXT & RATIONALE:**

- The list of authorized investments, and criteria for these instruments was reviewed, and compared to our investment policy criteria to ensure they align.
- Based on the above, we do not recommend any changes to the policy.

**NEXT STEPS:**

- The results of the review will be reported to the Board for information at the meeting on February 28, 2019.
- The Expendable Funds Policy will be scheduled for the next review in February 2022.

Classification	LCG 1134
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	Chief Financial Officer
Approval Date	March 11, 2015
Review Date	March 2018
Supersedes	N/A

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## EXPENDABLE FUNDS POLICY

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### PURPOSE

1. The purpose of this policy is to define the guidelines governing the investment of Expendable University Funds and to outline the principle objectives and rules by which investments will be managed.

### DEFINITIONS

2. For the purposes of this policy the following definitions apply:

**“Expendable Funds”** means cash surplus and unspent balances in operating, trust, ancillary, research and capital funds.

**“Investment Pool”** means funds aggregated from multiple sources for the purposes of investment.

**“Manager”** means the UOIT Finance department or an external manager as selected by the Investment Committee.

**“Total Return”** means the sum of income and capital gains from investments.

### SCOPE AND AUTHORITY

3. This policy applies to all Expendable Funds at the University.
4. The Policy Owner is responsible for overseeing the implementation, administration and interpretation of a Policy Instrument. The Chief Financial Officer, or successor thereof, is the Policy Owner.

### POLICY

#### 5. Portfolio Objectives

- 5.1. The UOIT Expendable Funds Policy outlines the University’s investment objectives and risk guidelines. Investment objectives are defined in the context of Total Return and the performance expectations set out in this Policy.
- 5.2. Cash levels of Expendable Funds will be maintained at a minimum level sufficient to meet short term cash requirements. All remaining funds which are not immediately

required for their purpose will be invested to optimize interest revenue, maximize earning potential and meet future financial obligations.

- 5.3. Unless otherwise specified by the University, all income earned on Expendable Funds is included in general University operating revenues.
- 5.4. The overall investment objective is to obtain the best possible total return on investments that is commensurate with the degree of risk that UOIT is willing to assume in obtaining such return. UOIT investment decisions regarding Expendable Funds are governed by the following objectives:
  - a. The primary objective is to preserve capital and minimize risk in order to meet the liquidity needs of the university.
  - b. The secondary objective is to obtain a reasonable return on investment commensurate with risk, terms, and liquidity.

## 6. General Guidelines

- 6.1. The University uses the Investment Pool method, except in those instances where funds are precluded under agreement or contract from being pooled for investment purposes.
- 6.2. The acquisition of specific investment instruments outside of authorized Investment Pools requires the approval of the Chief Financial Officer.
- 6.3. All securities will be registered in the University's name or in the name of a financial institution that is eligible to receive investments under the UOIT Investment Policy.
- 6.4. All deliveries of investment certificates or other investment type instruments must be made to the University Cashier Office for safekeeping. If the certificate is held at the bank, a confirmation letter must be provided to the University and the investments must be segregated from the bank's inventory.
- 6.5. The University may or may not directly and internally manage any portion of its Expendable Funds. The Investment Committee, or its successor committee, will be responsible for selecting external investment managers and/or advisors. will

## 7. Authorized Investments

- 7.1. Outlined below are the general investment criteria for Expendable Funds as understood by the Investment Committee. The list of permitted investments includes:
  - a) Short-term instruments:
    - Cash;
    - Demand or term deposits;
    - Short-term notes;
    - Treasury bills;
    - Bankers acceptances;
    - Commercial paper; and



- Investment certificates issues by banks, insurance companies and trust companies.
- b) Fixed income instruments:**
- Bonds;
  - Debentures (convertible and non-convertible); and
  - Mortgages and other asset-backed securities.

**8. Risk Guidelines**

All investment of assets must be made within the risk guidelines established in this Policy. For the purposes of interpreting these guidelines, it is noted that all allocations are based on market values and all references to ratings reflect a rating at the time of purchase, reviewed at regular intervals.

**8.1. Short-term Instruments**

Short-term instruments as set out in this Policy must have a rating of at least R1, using the rating of the Dominion Bond Rating Service (“DBRS”) or equivalent. Investment is limited to 10% of the market value of the portfolio per single issues.

**8.2. Fixed Income Instruments**

a) Allowable fixed income instruments by credit rating are:

<b>Credit Quality</b>	<b>Maximum in Bond<sup>1</sup></b>	<b>Minimum in Bond<sup>1</sup></b>	<b>Maximum Position in a Single Issuer</b>
Government of Canada <sup>2</sup>	100%	0%	100%
Provincial Governments <sup>2</sup>	100%	0%	100%
Municipals	10%	0%	10%
Corporates	10%	0%	10%
AAA <sup>3</sup>	10%	0%	10%
AA <sup>3</sup>	10%	0%	10%
A <sup>3</sup>	10%	0%	10%
BBB+	10%	0%	10%

- b)** The market value invested in any one issuer (other than Government of Canada, or Province of Canada) will not exceed 10% of the total portfolio. The market value of any one fixed income security (other than Government of Canada, or Province of Canada) will not exceed 10% of the total portfolio.
- c)** All debt ratings refer to the ratings of Dominion Bond Rating Service (DBRS), Standard & Poor’s or Moody’s.

**9. Performance Expectations**

- 9.1.** Investment income earned on all Expendable Funds accrues to the investment income account of the operating fund.
- 9.2.** An analysis of investment performance will be prepared annually.
- 9.3.** The overall objective of investments is to achieve a weighted average rate of return that exceeds the Bank of Canada Prime less 1.75%. A secondary objective is to achieve a weighted average rate of return that exceeds the 90 day T-Bill rate for our short term investments.

**10. Reporting and Monitoring**

- 10.1.** A semi-annual report on the overall performance of Expendable Fund investments will be provided for information to the Investment Committee.

**11. Standard of Care**

- 11.1.** It is the responsibility of the Manager to:
  - Comply, at all times and in all respects, with the code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute;
  - Manage the assets with the care, diligence and skill that an investment Manager of ordinary prudence would use in dealing with all clients. The Manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent Investment Manager;
  - Manage the assets in accordance with this Policy and will verify compliance with this Policy when making any recommendations with respect to changes in investment strategy or investment of assets; and
  - Provide a letter, at least once annually, to the Investment Committee confirming the Manager's familiarity with this Policy. The Manager will, from time to time, recommend changes to the policy to ensure that it remains relevant and reflective of the University's investment objectives over time.

**12. Conflict of Interest**

- 12.1.** All fiduciaries will, in accordance with the UOIT Act, UOIT By-law, and UOIT policies on conflict of interest, disclose the particulars of any actual or potential conflicts of interest with respect to the Fund. This will be done promptly in writing to the Chair of the Investment Committee. The Chair will, in turn, table the matter at the next Board meeting. It is expected that no fiduciary will incur any personal gain because of their fiduciary position. This excludes normal fees and expenses incurred in fulfilling their responsibilities if documented and approved by the Board.

**MONITORING AND REVIEW**

- 13.** This Policy will be reviewed as necessary and at least every three years. The [XX position], or successor thereof, is the Policy Lead and is responsible to monitor and review this Policy.

**RELEVANT LEGISLATION**

14. [University of Ontario Institute of Technology Act, 2002, SO 2002, c 8, Sch O](#)  
[By-Law Number 1 of the University of Ontario Institute of Technology](#)

**RELATED POLICIES, PROCEDURES & DOCUMENTS**

15. UOIT Investment Policy



## COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

**TO:** Audit and Finance Committee

**DATE:** February 20, 2019

**PRESENTED BY:** Cheryl Foy, University Secretary and General Counsel

**SUBJECT:** University Risk Management Update

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**COMMITTEE/BOARD MANDATE:**

- Section 5 of the university’s Risk Management Policy (“Policy”) provides that the responsibility to oversee the University’s Risk Management (“URM”) program resides with the Board of Governors (“Board”).
- The Policy also states the Audit & Finance Committee (“A&F”) is delegated to carry out this oversight responsibility on the part of the Board and to report annually to the Board on the status of the risk management program.
- The responsibility for overseeing risk management at the University is also included in the Committee’s Terms of Reference.
- In support of the Committee’s mandate, we are providing the Risk Management and Insurance Work Plan for review.

**BACKGROUND/CONTEXT & RATIONALE:**

- The third Annual University Risk Management Report was presented and accepted by the Board on June 27, 2018. The keys areas of focus in 2018/2019 are:
  - Development and implementation of an annual repeatable process to work with Risk Owners to manage their risks and maintain their registers;
  - Education and Training through maintenance and enhancement of the Risk Management website;

- Continuing to facilitate risk management training sessions relating to implementation of URM;
- Developing Frequently Asked Questions and procedural documents to insurance support, risk understanding and expectations;
- Supporting SLT and Board to determine next steps with strategic risks;
- Developing related policies identified as Foundational Risks to the University through the Risk Register review process;
- Preparing the 2018-19 Annual Risk Report to the Board and Audit and Finance Committee;
- Developing an Insurance Work Plan; and
- Continuing to monitor and record the Metrics of the University;

We have attached Appendix A “Draft Risk Management and Insurance Work Plan” which encompasses the risk management and insurance goals and objectives for the 2018/2019 academic year.

- One of the priorities identified for 2018-2019 was to work with Academic Council regarding their role in risk (task 35). As part of the university’s By-laws Implementation Plan, Academic Council has established a new Governance and Nominations Committee, which will be responsible for overseeing Academic Council’s implementation of the new By-law No. 2. Given the importance of the development of Academic Council governance and the volume of work that will be required to implement the new By-law, we proposed deferring the Academic Council risk work plan.

**CONSULTATION:**

- Risk Management Committee – October 30, 2018
- Audit & Finance Committee

**COMPLIANCE WITH POLICY/LEGISLATION:**

- The development and tracking of a Risk Management and Insurance Work Plan promotes compliance with the University’s Risk Management Policy by establishing clear goals and objectives to support the integration of the URM.

**NEXT STEPS:**

- The Committee to confirm the adequacy of the Risk Management and Insurance Work Plan for the 2018/2019 academic year.

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**SUPPORTING REFERENCE MATERIALS:**

- Draft Risk Management and Insurance Work Plan

## Risk Management and Insurance Work Plan (Phase 6)

Task	Proposed Action	Timeline	Status
1. Draft Space Risk Communication	Develop memo to present to all Risk Owners regarding the changes to Risk Registers moving forward.	September 2018	Complete
2. Risk Management Framework Policy and University Continuity Policy	Post Risk Management Framework Policy and University Continuity Policy for University Members comments and feedback.	July – September 2018	Complete
3. Draft Annual Repeatable Process for Risk Owners	Develop draft process review of Risk Registers for Risk Owners that is both annual and repeatable.	September 2018	Complete
4. Progress Risk Management Committee Meeting	Agenda: Present Draft Risk Management Work Plan for 2018/2019, discuss committee members for 2018/2019, review website enhancements, review Draft Repeatable Process document for Risk Registers.	October 30, 2018	Complete
5. Excess Insurance Analysis	Marsh Insurance review. University excess liability for general, auto, non-owned auto, and E&O.	November 2018	Complete
6. Draft Space Risk Communication	Present Draft Space Risk Communication to ALT for review and feedback.	November 2018	Complete
7. Interim Risk Register Review	Share with Risk Owners the Draft Repeatable Annual Process, and conduct interim review of Risk Registers and mitigation strategies (includes new Risk Owners).	November & December 2018	Complete

## Risk Management and Insurance Work Plan (Phase 6)

Task	Proposed Action	Timeline	Status
8. Insurance Renewal	CURIE Insurance Renewal Review: General Liability, Errors and Omissions, Property and Excess Property.	December 2018	Complete
9. Define Certificate Of Insurance (COI) process	Refine storage and collection process for COI's (legal suite). Develop process instructions for future support and training.	December 2018	Complete
10. SLT – Proposed Assignment of Strategic, Foundational, High/Extreme Risks	Present proposed ownership, of Strategic, Foundational, and High/Extreme Risks, along with template for reporting.	December 3, 2018	Deferred to December 10, 2018 Complete
11. Progress Risk Management Committee Meeting	Agenda: Review changes/feedback to Risk Management Policy, enhancements to risk management website, Event Approval Directive, Terms of Reference	December 4, 2018	Complete
12. University Directives	Development of Campus Event, Field Trip, and UAV Directives to increase support, risk understanding, and expectations for University members.	January 2019, ongoing	Underway
13. Risk Website Update	Review and Update Risk Management website, adding new forms, tabs, and FAQ's.	January 2019, ongoing	Underway
14. Increase Education surrounding Insurance at UOIT	Enhance insurance section of website to include documents relating to insurance, FAQ's, develop literature for posting on the "weekly report".	January 2019, ongoing	Underway

### Risk Management and Insurance Work Plan (Phase 6)

Task	Proposed Action	Timeline	Status
15. SLT – Proposed Assignment of Strategic, Foundational, High/Extreme Risks	Update from proposed Risk Owners on mitigation and processes surrounding the Strategic, Foundational, and High/Extreme Risks.	January 14, 2019	Deferred to March 11, 2019
16. Progress Risk Management Committee Meeting	Agenda: Strategic Risks Risk Register tool, Event Directive, Field Trip Directive	February 4, 2019	Complete
17. Present Individual Risk Registers for 2018/2019 term	Share with Risk Owners the 2018/2019 registers for upcoming review, set meeting and share time schedule for completion.	February 4, 2019	Underway
18. Audit & Finance – Proposed Risk Assignment and Update and RM Policy	Present the proposed assignment and update to Strategic, Foundational, and High/Extreme Risks. Present changes on Risk Management Framework Policy for feedback and approval.	February 10 to CF for February 20, 2019	Deferred to April 15, 2019
19. Audit & Finance – Draft Continuity Policy	Present the Draft Continuity Policy for consultation and recommendation.	February 20, 2019	
20. Board of Governors – Draft Continuity Policy	Pending recommendation from A&F: Present the Draft Continuity Policy for approval to the Board.	February 28, 2019	
21. Insurance Renewal	Marsh Insurance Renewal Review: Automobile, Non-Owned Automobile, Garage Auto, Machinery Breakdown, Crime, Special Crime, Marine, Nuclear Liability, and Cyber Liability.	March 2019	



## Risk Management and Insurance Work Plan (Phase 6)

Task	Proposed Action	Timeline	Status
22. Insurance Travel Policy Renewal	Travel policy review and renewal for students, Governors travelling internationally.	March 2019	
23. Risk Register Review	Meet with individual Risk Owners to review 2018/2019 Risk Registers and provide training on repeatable risk register process.	To be completed by March 4, 2019	
24. Approval of Risk Registers	Each SLT member approves Risk Registers (incl. High/Extreme risks) within their respective unit/faculty and forwards to Risk Management.	March 25, 2019	
25. Progress Risk Management Committee Meeting	Agenda: Update on Risk Register review, update on metrics.	April 2019	
26. Audit & Finance - Metrics	Present 2018/2019 Risk Management and Insurance Metrics.	April 15, 2019	
27. SLT Discussion – Medium Risks	SLT discusses Medium/High/Extreme Risks identified within 2018/2019 term.	April 8 & 15, 2019	
28. 2018/2019 Risk Annual Risk Management Report	Draft Annual Risk Report.	To be completed by May 1 <sup>st</sup> and shared with CF	
29. Risk Management Committee – Draft Risk Plan	Agenda: Present Draft 2019 Risk Management Report.	2 <sup>nd</sup> week in May 2019	
30. SLT – Draft Risk Plan	Present the draft 2018 Risk Management Report.	May 13 <sup>th</sup> to CF for May 20, 2019	

### Risk Management and Insurance Work Plan (Phase 6)

Task	Proposed Action	Timeline	Status
31. Develop Insurance Report	Draft 2018/2019 Insurance Report.	June 3 <sup>rd</sup> to CF for June 10, 2019	
32. Audit & Finance – Draft Risk Plan & Insurance Report	Present the draft 2018 Risk Management Report, and Insurance Report for 2018/2019 term.	June 3 <sup>rd</sup> to CF for June 10, 2019	
33. Board of Governors – Draft Risk Plan	Present the draft 2018 Risk Management Report.	June 17 <sup>th</sup> to CF For June 26, 2019	
34. Progress Risk Management Committee Meeting	Agenda: TBD	June 2019	
35. Work with Academic Council regarding their role in risk		Proposed to defer until 2019-20 year	
36. Waivers	Take inventory/canvas Units to identify all waivers currently in circulation and develop template waivers for common usage.	Inventory check April 2019, Develop templates December 2019	
37. UOIT Vehicle Policy	Develop draft policy and procedures surrounding the use of University vehicles.	December 2019	
38. Insurance Gap Analysis	Review current insurance portfolio to determine appropriate limits and coverage/benchmark against current market.	Ongoing	

## Risk Management and Insurance Work Plan (Phase 6)

Task	Proposed Action	Timeline	Status
39. Develop Education surrounding traveling abroad	In collaboration with International Travel, develop risk awareness strategies for University members traveling abroad, as well as support development of University member policy.	Ongoing	
40. Monitor and Record Metrics	Continue to monitor and record metrics for the office of Risk Management.	Ongoing	
41. Crisis Response Plan for Cyber Loss	Work with IT to develop a crisis response plan in the event of a cyber loss.	Underway	



## COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

**TO:** Audit and Finance Committee

**DATE:** February 20, 2019

**FROM:** Cheryl Foy, University Secretary and General Counsel

**SUBJECT:** FIPPA Statistical Reporting

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**COMMITTEE/BOARD MANDATE:**

- The Audit and Finance Committee is responsible for receiving regular reports on regulatory compliance, including compliance with the Freedom of Information and Protection of Privacy Act, at the University.

**BACKGROUND/CONTEXT & RATIONALE:**

- The purpose of this Report is to provide the Committee with an update on the status of Compliance activities under the Freedom of Information and Protection of Privacy Act. Each year the University must submit a Statistical Report documenting all requests for access to general records and records containing personal information. A summary of the attached statistical report is below:

Category	Calendar year 2016	Calendar year 2017
Breaches investigated	9	11
Requests for personal information	4	11
Requests for general information	7	3
Requests resolved informally	[not tracked]	3
3 <sup>rd</sup> party notifications	3	2

- We noted an increase in the number of Requests for personal information. This was driven in part by students who initiated access requests for Student Accessibility Services records to be transferred to another institution. To address this increase, and provide better service to students, we have begun advising on the use of a form that allows direct release to another institution. Since initiating the revised process, these requests have been resolved informally. In the future, such requests will not be included in this reporting.
- Fees charged (or fees waived) are tracked and reported to the Privacy Commissioner. There was a substantial decrease in the amount of supplementary fees charged to requesters. This can be attributed to two factors: the decrease in requests for general information (which are more likely to have substantial supplementary fees); and the use of a software tool (Synaman) to securely provide records to requesters without the use of a courier, a USB device, or the photocopying of records.

**COMPLIANCE WITH POLICY/LEGISLATION:**

- The report considers the University's compliance obligations under the Freedom of Information and Protection of Privacy Act. There were no instances of non-compliance with legislated timelines identified in the Statistical Report.

**NEXT STEPS**

- Review the Report and highlight concerns, provide comments and direction.

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**SUPPORTING DOCUMENTATION**

- none



## COMMITTEE REPORT

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**SESSION:**

Public   
 Non-Public

**ACTION REQUESTED:**

Decision   
 Discussion/Direction   
 Information

**TO:** Audit & Finance Committee

**DATE:** February 20, 2019

**FROM:** Stephanie Chow, Chair of Investment Committee

**SUBJECT:** Amendments to Statement of Investment Policies

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**COMMITTEE MANDATE:**

- In accordance with section 1(ii) of the Investment Committee’s Terms of Reference and sections 2.3 and 8.3 of the university’s Statement of Investment Policies (“SIP”), one of the Investment Committee’s responsibilities is to review the SIP on at least an annual basis and make appropriate recommendations for changes to the Audit & Finance Committee.
- As a result of the committee’s discussions when reviewing and recommending changes to the SIP last year, a further review of the SIP was included on the committee’s work plan for early 2018-2019.

**BACKGROUND/CONTEXT & RATIONALE:**

- The purpose of the SIP is to define the management structure governing the investment of non-expendable (endowed) University funds, and to outline the principal objectives and rules by which assets will be managed.
- The SIP outlines UOIT’s investment objectives and risk strategy.
- A more detailed breakdown of asset classes, strategic targets, ranges and benchmarks is set out in the university’s Asset Class Management Procedures (ACMP).
- In accordance with section 2.1 of the SIP, the Board of Governors is responsible for receiving the Audit and Finance Committee’s recommendations with respect to the SIP and to approve or amend the SIP, as appropriate.

- As set out in section 2.2 of the SIP, the Audit & Finance Committee is responsible for receiving the Investment Committee’s recommendations with respect to the SIP and making recommendations to the Board.
- The Audit & Finance Committee is also responsible for approving the Investment Committee’s recommendations to amend the ACMP.
- The SIP currently incorporates the ACMP as an appendix, which means it is subject to approval by the Board. This is contrary to the intention set out in the SIP for the Audit & Finance Committee to be the approval authority for changes to the ACMP.

**PROPOSED CHANGES:**

**Section 2.3 – Investment Committee**

- Clarify that committee to consist of a minimum of three (3) external governors and remove maximum number of committee members so as not to conflict with the committee’s Terms of Reference.

**Section 6.1 – Asset Mix and Ranges**

- Change “A more detailed breakdown of asset classes, strategic targets, ranges and benchmarks is maintained in the UOIT Asset Class Management Procedures appended to this Statement as Appendix “A” to “A more detailed breakdown of asset classes, strategic targets, ranges and benchmarks is maintained in the university’s Asset Class Management Strategy.”
- The name “Asset Class Management Strategy” is more accurate since the document does not contain procedures and sets out the university’s specific investment strategy.
- Further, this change more accurately reflects the approval structure set out in the SIP, with the Audit & Finance Committee approving the Asset Class Management Strategy.
- The committee has moved the geographical focus of investments away from Canada, and into global funds. As a result, the strategic target for the Canadian equities has been reduced to 24%. We now need to modify the range for Canadian equities to line-up with the lower target allocation.
- In Table 6.1, change the range for Canadian Equities from 20-40% to 10-30%

<b>Asset Class</b>	<b>Range</b>
Cash & Short Term	0-10%
Fixed Income	20-50%
Canadian Equities	10-30%
Global Equities	25-45%

**COMPLIANCE WITH POLICY/LEGISLATION:**

- The Investment Committee's review of the SIP complies with the committee's Terms of Reference, as well as sections 2.3 and 8.3 of the SIP.

**NEXT STEPS:**

- If the Audit & Finance Committee recommends these changes to the SIP, the changes will be presented to the Board for approval on February 28, 2019.

**MOTION:**

*That pursuant to the recommendations of the Investment Committee, the Audit & Finance Committee hereby recommends the amendments to the Statement of Investment Policies, as presented, to the Board of Governors for approval.*

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**SUPPORTING REFERENCE MATERIALS:**

- blacklined version of Statement of Investment Policies





Classification	LCG 1128
Framework Category	Legal, Compliance and Governance
Approving Authority	Board of Governors
Policy Owner	Chief Financial Officer
Approval Date	June 27, 2018
Review Date	June 2019
Supersedes	Statement of Investment Policies, June 2016

## Statement of Investment Policies

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## 1.0 Purpose

The purpose of this Statement of Investment Policies (“SIP”) is to define the management structure governing the investment of non-expendable (endowed) University funds, and to outline the ~~principle~~principal objectives and rules by which assets will be managed. The assets will be managed in accordance with this Statement and all applicable legal requirements. Any investment manager (“Manager”) or any other agents or advisor providing services in connection with assets shall accept and adhere to this Statement.

## 2.0 RESPONSIBILITIES

### 2.1 Board of Governors

The Board of Governors (“the Board”) of UOIT has responsibility and decision-making authority for these assets. The Board has the responsibility to govern these assets and has chosen to appoint members of the Audit and Finance Committee to sit on the Investment Committee.

As part of its fiduciary responsibilities, the Board will:

- appoint members of the Investment Committee in consultation with the Audit and Finance Committee;
- receive the Audit and Finance Committee’s recommendations with respect to Statement of Investment Policies and approve or amend the Statement as appropriate;
- review all other recommendations and reports of the Audit and Finance Committee with respect to the Fund and the selection, engagement or dismissal of professional investment managers, custodians and advisors, and take appropriate action.

### 2.2 Audit & Finance Committee

As part of its fiduciary responsibilities, the Audit and Finance Committee will:

- receive the Investment Committee’s recommendations with respect to Statement of Investment Policies and make recommendations to the Board for the selection, engagement or dismissal of professional investment managers, custodians and advisors, as appropriate;
- review all other recommendations and reports of the Investment Committee, including recommendations with respect to the investments within the Fund, and recommendations to amend the Asset Class Management ~~Procedures~~Strategy and approve such recommendations and receive such reports.

### 2.3 Investment Committee

The Investment Committee (the Committee”) consists of a minimum of three (3) ~~members external governors and a maximum of five (5) members.~~

**Commented [A1]:** Changed to be consistent with committee Terms of Reference.

The Committee may delegate some of its responsibilities to agents or advisors. In particular, the services of a custodian (the “Custodian”) and of one or more investment managers (the “Manager”) may be retained.

The Investment Committee will have an active role to:

- formulate recommendations to the Audit and Finance Committee regarding the investments in the Fund;
- maintain an understanding of legal and regulatory requirements and constraints applicable to these assets;
- review this Statement of Investment Policies and the ~~appended~~ Asset Class Management ~~Procedures~~ Strategy, on an annual basis, and make appropriate recommendations to the Audit and Finance Committee;
- provide regular reports to the Audit and Finance Committee;
- formulate recommendations to the Audit and Finance Committee regarding the selection, engagement or dismissal of professional investment managers, custodians and advisors.
- oversee the Fund and the activities of the Manager, including the Manager’s compliance with their mandate and the investment performance of assets
- ensure that the Manager is apprised of any amendments to their mandate; and
- inform the Manager of any significant cash flows.

### 2.4 Investment Manager(s)

The Manager is responsible for:

- Selecting securities within the asset classes assigned to them, subject to applicable legislation and the constraints set out in this Statement;
- Providing the Committee with quarterly reports of portfolio holdings and a review of investment performance and future strategy and recommending appropriate changes to the investment portfolio; (see Section 7 on “Reporting and Monitoring”);
- Attending meetings of the Committee at least once per year to review performance and to discuss proposed investment strategies;

- Informing the Committee promptly of any investments which fall outside the investment constraints contained in this Statement and what actions will be taken to remedy this situation; and
- Advising the Committee of any elements of this Statement that could prevent attainment of the objectives.

### **3.0 PORTFOLIO OBJECTIVES**

#### **3.1 Investment Policy**

The Investment Policy outlines UOIT's investment objectives and risk guidelines. Investment objectives are defined in the context of Total Return which is defined as the sum of income and capital gains from investments.

#### **3.2 Investment Objectives**

The overall investment objective is to obtain the best possible total return on investments that is commensurate with the degree of risk that UOIT is willing to assume in obtaining such return. In general, UOIT investment decisions balance the following objectives:

- generate stable annual income for the funds' designated purpose;
- preserve the value of the capital;
- protect the value of the funds against inflation; and
- maintain liquidity and ease of access to funds when needed

Stable annual incomes are an essential part of the disbursement process, and facilitate the forecast of spendable income each year. The investment object for non-expendable (endowment) funds is to generate a total return that is sufficient to meet obligations for specific purposes by balancing present spending needs with expected future requirements. The total return objective must take into consideration the preservation of endowment capital, and the specific purpose obligations according to donor wishes.

All endowment funds are to be accumulated and invested in a diversified segregated or pooled fund of Canadian and foreign equities and fixed income securities. These funds must be structured to optimize return efficiency such that the return potential is maximized within the organization's risk tolerance guidelines. The Manager is expected to advise the Committee in the event that the pooled fund exhibits, or may exhibit, any significant departure from this Statement.

### **4.0 GENERAL GUIDELINES**

The University uses the investment pool method, except that in those instances where funds are precluded under agreement or contract from being pooled for investment

purposes. The acquisition of specific investment instruments outside of authorized investment pools, requires the approval of the Chief Financial Officer and one of either President or VP External Relations.

All securities shall be registered in the University Of Ontario Institute Of Technology's name; or in the name of a financial institution that is eligible to receive investments under the University Of Ontario Institute Of Technology's Investment Policy.

The University may or may not directly or internally manage any portion of its endowed funds.

External investment managers and/or advisors shall be selected from well-established and financially sound organizations which have a proven record in managing funds with characteristics similar to those of the University.

The University shall maintain separate funds in the general ledger for endowment fund donations. Within these funds, the University shall maintain accurate and separate accounts for all restricted funds.

Investment income, capital gains and losses on the sale of equities and securities, and the amortization of premiums and discounts on fixed term securities earned on endowment funds accrue to the benefit of the endowment accounts and are distributed to capital preservation, stabilization and distribution accounts annually.

## 5.0 **AUTHORIZED INVESTMENTS**

### 5.1 **Investment Criteria**

Outlined below are the general investment criteria as understood by the Committee. The list of permitted investments includes:

(a) Short-term instruments:

- Cash;
- Demand or term deposits;
- Short-term notes;
- Treasury bills;
- Bankers acceptances;
- Commercial paper; and
- Investment certificates issues by banks, insurance companies and trust companies.

(b) Fixed income instruments:

- Bonds;
- Debentures (convertible and non-convertible); and
- Mortgages and other asset-backed securities.

(c) Canadian equities:

- Common and preferred stocks;
- Income trusts; and
- Rights and warrants.

(d) Foreign equities:

- Common and preferred stocks;
- Rights and warrants; and
- American Depository Receipts and Global Depository Receipts.

(e) Pool funds, closed-end investments companies and other structured vehicles in any or all of the above permitted investment categories are allowed.

## 5.2 Derivatives

The Fund may use derivatives, such as options, futures and forward contracts, for hedging purposes, to protect against losses from changes in interest rates and market indices; and for non-hedging purposes, as a substitute for direct investment.

Up to 15% of the Fund may be invested in strategies that use derivatives to engage in short selling.

## 5.3 Pooled Funds

With the approval of the Committee, the Manager may hold any part of the portfolio in one or more pooled or co-mingled funds managed by the Manager, provided that such pooled funds are expected to be operated within constraints reasonably similar to those described in this mandate. It is recognized by the Committee that complete adherence to this Statement may not be entirely possible; however, the Manager is expected to advise the Committee in the event that the pooled fund exhibits, or may exhibit, any significant departure from this Statement.

## 5.4 Responsible Investing

The Board has a fiduciary obligation to invest the Fund in the best interests and for the benefit of the University.

The Board recognizes that environment, social, and governance (ESG) factors may have an impact on corporate performance over the long term, although the impact can vary by industry. Best practices suggest that incorporating ESG factors in the investment process is prudent and aligned with the University's social commitment.

Given the fact that the University uses the investment pool method, it is not practical for the Committee to directly engage individual companies on ESG related issues, either through dialogue or by filing shareholder resolutions. Subject to its primary fiduciary

responsibility of acting in the best interests of the University and its stakeholders, and within the limits faced by an investor in externally managed pooled funds, the Committee will incorporate ESG factors into its investment process through the following methods:

**(a) Manager Selection and Reporting**

The integration of ESG factors in the investment process will be a criterion in the selection, management and assessment of the Manager.

The Committee will require the Manager to provide regular and annual reporting on the incorporation of formal ESG factors in the management of their portfolios.

**(b) Engagement**

Since the University does not directly invest in companies, proxy voting is delegated to the Manager. The Committee will encourage the Manager to incorporate into their proxy voting guidelines policies that encourage issuers to increase transparency of their ESG policies, procedures and other activities, and also to bring to the Committee's attention any significant exposure through the Fund to a particular company, industry or nation that is facing a material ESG issue.

**6.0 RISK GUIDELINES**

All investment of assets must be made within the risk guidelines established in this Statement. Prior to recommending changes in investments, the Manager must certify to the Committee that such changes are within the risk guidelines. For the purposes of interpreting these guidelines, it is noted that all allocations are based on market values and all references to ratings reflect a rating at the time of purchase, reviewed at regular intervals thereafter. In the event that the portfolio is, at any time, not in compliance with either the ranges or ratings profile established in this Statement, such non-compliance will be addressed within a reasonable time after the Manager or Committee has identified such non-compliance.



## 6.1 Asset Mix and Ranges

Table 6.1

Asset Class	Range
Cash & Short Term	0-10%
Fixed Income	20-50%
Canadian Equities	<del>20-40</del> 10-30%
Global Equities	25-45%

Investment of assets must be within the asset classes and ranges established in Table 6.1. A more detailed breakdown of asset classes, strategic targets, ranges, and benchmarks is maintained in the [UOFT university's Asset Class Management Procedures appended to this Statement as Appendix "A" Strategy](#).

## 6.2 Cash and Cash Equivalents

Cash and cash equivalents must have a rating of at least R1, using the rating of the Dominion Bond Rating Service ("DBRS") or equivalent.

## 6.3 Fixed Income

(a) Maximum holdings of the fixed income portfolio by credit rating are:

Credit Quality	Maximum in Bond <sup>1</sup>	Minimum in Bond <sup>1</sup>	Maximum Position in a Single Issuer
Government of Canada <sup>2</sup>	100%	n/a	no limit
Provincial Governments <sup>2</sup>	60%	0%	40 %
Municipals	25%	0%	10%
Corporates	75 %	0%	10%
AAA <sup>3</sup>	100%	0%	10%
AA <sup>3</sup>	80%	0%	5%
A <sup>3</sup>	50%	0%	5%
BBB	15%	0%	5 %
BB and less	20 %	0%	2 %

<sup>1</sup> Percentage of portfolio at market value; <sup>2</sup> Includes government-guaranteed issues; <sup>3</sup> Does not apply to Government of Canada or Provincial issues

(b) Maximum holdings of the fixed income portfolio, other than Canadian denominated bonds as illustrated in 6.3 (a), by asset type:

- 20% for asset-backed securities;
- 60% for mortgages or mortgage funds;

- 20% for bonds denominated for payment in non-Canadian currency; and
  - 10% for real return bonds.
- (c) All debt ratings refer to the ratings of Dominion Bond Rating Service (DBRS), Standard & Poor's or Moody's.

**6.4 Equities**

- (a) No one equity holding shall represent more than 15% of the market value of the assets of a single pooled fund.
- (b) There will be a minimum of 30 stocks in each equity (pooled fund) portfolio.
- (c) No more than 5% of the market value of an equity portfolio (pooled fund) may be invested in companies with a market capitalization of less than \$100 million at the time of purchase
- (d) Illiquid assets are restricted to 10% of the net assets of the Fund.
- (e) Emerging market holdings will not exceed 10% of the total portfolio value.
- (f) Foreign equity holdings can be currency hedged to a maximum of 50%

**7.0 PERFORMANCE EXPECTATIONS**

**7.1 Portfolio Returns**

The portfolio is expected to earn a pre-fee rate of return in excess of the benchmark return over the most recent four-year rolling period. Return objectives include realized and unrealized capital gains or losses plus income from all sources. Returns will be measured quarterly, and calculated as time-weighted rates of return. The composition of the benchmark is developed from the asset mix outlined in this Statement and more specifically described in the Asset Class Management Procedures, Appendix A. In order to meet the University's disbursement requirements, investments need to earn a minimum level of income, measured over a four year rolling market cycle. The minimum recommended level is defined as the sum of the following items:

Minimum disbursement requirement	3.5%
Investment management fees	0.5%
Capital preservation amount	<u>2.0%</u>
Minimum Rate of Return	<u>6.0%</u>

Note: The disbursement requirement and capital preservation amounts will be reviewed, and updated as required.

## **8.0 REPORTING & MONITORING**

### **8.1 Investment Reports**

Each quarter, the Manager will provide a written investment report containing the following information:

- portfolio holdings at the end of the quarter;
- portfolio transactions during the quarter;
- rates of return for the portfolio with comparisons with relevant indexes or benchmarks; Compliance report;

### **8.2 Monitoring and Recommendations**

At the discretion of the Committee as required, the Manager will meet with the Committee regarding:

- the rate of return achieved by the Manager;
- the Manager's recommendations for changes in the portfolio;
- future strategies and other issues as requested.

The agreement with the Manager or any Custodian will be reviewed by the committee on a four year cycle. This review could include a Request for Proposal for these services.

### **8.3 Annual Review**

It is the intention of UOIT to ensure that this policy is continually appropriate to the university's needs and responsive to changing economic and investment conditions. Therefore, the Committee shall present the Statement of Investment Policies to the Audit and Finance Committee, and through that Committee to the Board, along with any recommendations for changes, at least annually.

## **9.0 STANDARD OF CARE**

The Manager is expected to comply, at all times and in all respects, with the code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute.

The Manager will manage the assets with the care, diligence and skill that an investment Manager of ordinary prudence would use in dealing with all clients. The Manager will also use all relevant knowledge and skill that it possesses or ought to possess as a prudent Investment Manager.

The Manager will manage the assets in accordance with this Statement and will verify compliance with this Statement when making any recommendations with respect to changes in investment strategy or investment of assets.

The Manager will, at least once annually, provide a letter to the Committee confirming the Manager's familiarity with this Statement. The Manager will, from time to time, recommend changes to the SIP to ensure that the SIP remains relevant and reflective of the University's investment objectives over time.

#### **10.0 CONFLICT OF INTEREST**

All fiduciaries shall, in accordance with the UOIT Act and By-laws and policies on conflict of interest, disclose the particulars of any actual or potential conflicts of interest with respect to the Fund. This shall be done promptly in writing to the Chair of the Investment Committee. The Chair will, in turn, table the matter at the next Board meeting. It is expected that no fiduciary shall incur any personal gain because of their fiduciary position. This excludes normal fees and expenses incurred in fulfilling their responsibilities if documented and approved by the Board.



**BOARD OF GOVERNORS  
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF NOVEMBER 19, 2018  
PUBLIC SESSION  
1:00 p.m. – 3:00 p.m., ERC 3023**

**Attendees:** Nigel Allen (Chair), Doug Allingham, Stephanie Chow, Steven Murphy, Dietmar Reiner, Craig Elliott (non-voting)

**Staff:** Becky Dinwoodie, Cheryl Foy, Justin Gammage, Doug Holdway, Brad MacIsaac, Pamela Onsiong

**Regrets:** Dale MacMillan

**Guests:** Kimberly Nugent

**1. Call to Order**

The Chair called the meeting to order at 1:17 p.m.

**2. Agenda**

S. Chow requested that an update from the Investment Committee be added to the non-public session of the agenda.

*Upon a motion duly made by D. Reiner and seconded by D. Allingham, the Agenda was approved as amended.*

**3. Conflict of Interest Declaration**

There were no conflict of interest declarations.

**4. Chair's Remarks**

The Chair reported on his attendance at the annual Whitby Chamber of Commerce Business Achievement Awards. He congratulated Board Chair, D. Allingham, on winning the Peter Perry Award.

## 5. President's Remarks

The President discussed the tragic death of Rhyss Glenfield, a first-year student in the Faculty of Business and Information Technology. He informed the committee that GoFundMe initiatives have been started to raise money for funeral costs and to establish a scholarship in his name.

The President also reported on his attendance at the Ontario Economic Summit. They are anticipating funding cuts to the sector.

## 6. Finance

### 6.1 Second Quarter Financial Reports

The Chair noted the detailed and helpful notes in the financial reports. He directed the committee members to the financials and the relevant notes, as P. Onsiong will only provide an overview of the reports.

P. Onsiong reviewed the key items in the financial statements. She noted that the almost \$40M in accounts receivable includes winter term tuition fees, which are not collectible until next year. The university is looking at a current year-to-date deficit of just under \$5M, which is not unusual for this time period as costs are being incurred in preparation for the new school year. Last year was a bit unusual - there was a surplus at the end of the second quarter due to a one time receipt of a significant tax rebate in July 2017. There was also a year-over-year increase of \$4.4M in salaries and benefits.

#### Forecast financial metrics

The forecast is based on the assumption that the university will be fully funded by the government. P. Onsiong advised that all special purpose grants have been held back as part of the government's line by line review of the budget. The university is forecasting a net operating surplus of \$3.1M at the end of the fiscal year. P. Onsiong answered questions from committee members.

#### Operating Forecast Summary

P. Onsiong highlighted the effects of the change in Saudi policy on enrolment. The university will not receive additional funding for domestic growth. There is an upside of \$1.1M in grants for campus projects that will improve greenhouse gas emissions.

### 6.2 2018-2019 Enrolment

R. Bailey presented an enrolment update. The university is currently at 102% of the undergraduate enrolment target and 113% of the graduate enrolment target. With respect to graduate enrolment, 124% represents continuing graduate students. The focus will be on thesis students finishing their programs in a timely fashion. R. Bailey discussed the university's student retention goals. In 2017, the proportion of students who attended in first year and returned in 2<sup>nd</sup> year was 82%. There is still work to be done on improving student success.

### 6.3 Budget Assumptions, Targets & Outcomes

C. Elliot discussed the key items in the budget update, which was circulated in the meeting material. The university will be spending \$1.7M more for student assistance than anticipated. The planned surplus at the end of the second quarter is approximately \$4M, which could be allocated towards the new building project. C. Elliott discussed the budget methodology – incremental budget with strategic allocations based on unit and academic plans.

C. Elliott reviewed the key budget assumptions, as well as the five strategic priorities: sticky campus, technology, entrepreneurial culture, reimagined partnerships and story-telling. Members of the Finance Department have met with all of the budget holders. There was a discussion regarding the uncertainty of government funding and whether it would impact reserve allocations. The committee also discussed the implications of funding cuts to the new building project.

### 6.4 2019-2020 Ancillary Fees Amendment

B. Maclsaac presented the proposed amendment to the 2019-2020 ancillary fees. He explained that the gaming program and the Faculty of Engineering and Applied Science are moving out of the existing TELE program, which will result in a 44% decrease in ancillary fees.

*Upon a motion duly made by D. Allingham and seconded by S. Chow, the Audit and Finance Committee recommended the changes to the 2019-20 ancillary fees, as presented, for approval by the Board of Governors:*

	2018-19	2019-20	% Inc
<b>Compulsory Ancillary Fees</b>			
<b>Flat Fee Paid once per yr. Charged to FT &amp; PT</b>			
Technology-enriched Learning (FT) Gaming ULAF	853.87	478.00	-44.0%
Technology-enriched Learning (FT) FESNS ULAF	729.79	221.00	-69.7%

### 6.5 Moody's Credit Rating Upgrade

C. Elliott reported on the upgrade of the university's Moody's credit rating from A2 to A1. In the sector, we still have the lowest credit rating because of the debenture debt. DBRS were in last week and we should receive a report within the next month. C. Elliott responded to questions from the committee. He advised that funding a new building would not have a negative effect on the university's credit rating unless it affected our operating income negatively.

## 7. Project Updates

### 7.1 Capital Projects:

#### (a) New Building:

##### (i) Student Union Addendum & Guarantee Agreement

C. Foy reminded the committee of the university's legal obligation to the Student Union (USU) with respect to the new building. She summarized the background of the Minutes of Settlement, out of which the university's obligations arose. The USU expressed a preference for being included in a new building with the university. The site originally identified for the new building was not suitable for various reasons, including Hydro easements. The USU has elected to go with a third-party lender with the university as a guarantor. They have been working on an addendum to the Minutes of Settlement. The next step will be to draft a Guarantee Agreement.

C. Foy reviewed the process of collecting ancillary fees, which would provide the university with the remedy of holding back funds from ancillary fees if any issues arise under the Guarantee Agreement. She also clarified that the university does not own the land on which the building will be located; accordingly, the transfer of the student portion of the building to the USU will be limited by the university's rights to the property.

There was a discussion regarding whether such an agreement would have any consequences under the debenture. There was also a review of the USU's financials and they are looking at a 20-year payment forecast.

(D. Allingham left at 2:08 p.m.)

##### (ii) Business Case

B. Maclsaac reviewed the key elements of the business case for the new building project. In order to promote a sticky campus, he highlighted the elements of the building that will motivate students, faculty, and staff to stay on campus. The alternatives considered when planning the building were also reviewed. By building in the proposed location, it will achieve the goal of completing the quad and removing temporary structures.

The main considerations are building size and costs. The proposal is to construct a building with a total of 6 floors, with the top floor being shelled. By including an additional floor, it will only be between \$3-3.5M more. By investing now, the university will maximize efficiencies. For an additional \$3.5M, an additional 1000 NASMs would be created to allow for 200 more students per year. This would increase tuition revenue by \$1.5M annually. The estimated project budget is \$48M.

C. Elliott discussed the funding options. The university has approximately \$30M for the building project, the sources of which were set out in the accompanying material. The main funding options are:

- partnering with federal government;
- fundraising



- working capital reserve of \$6M
- university resources (e.g. line of credit, external funding)

C. Elliott also presented the new building project risk register. The Board would be provided with regular updates on the progress of the new building project using the same reporting format as the SIRC building.

The USU has been part of the consultation process and are part of the design team. The USU's Board continues to be supportive of the project. There was a discussion about the contingency. We are at 25% completion of the design phase and will continue to reduce the risk as we reach closer to completion.

A question was raised about the difference in cost between the proposal set out in the business case and the initial \$40M building project approved by the Board. C. Elliott responded that estimated cost has been affected by the introduction of steel and aluminum tariffs. The increased estimate is also a result of design changes and inclusion of related work; whereas, the initial estimate related only to hard building costs.

The committee also considered whether the project funding options would be restricted by the debenture covenants and whether there are any opportunities for cost cuts on the shelled top floor.

There was also a thoughtful discussion about whether it makes sense to proceed with the new building project in light of the required funding. During the discussion, the committee took into consideration: the university's legal obligation to build a student centre; that the completion of the new building would be well timed for government capital expenditures; and it could serve as a flagship for a campaign.

#### **Student Union Addendum & Guarantee Agreement Motion:**

*Upon a motion duly made by N. Allen and seconded by D. Reiner, the Audit and Finance Committee recommended the following for approval by the Board of Governors:*

- *that UOIT guarantee a UOITSU construction loan for a student centre to be built within A5 in an amount not to exceed five million dollars (\$5MCDN);*
- *that UOIT agree to transfer the space allocated as the student centre to the UOITSU, and;*
- *both the guarantee and the transfer are to be made on such terms and conditions as are recommended and supported by the UOIT CFO and the UOIT General Counsel and negotiated with the UOITSU.*

*At their next meetings, A&F/Board will be provided with a summary of the key elements of the final agreements and thereafter be provided with regular updates regarding the status of the relationship and the student centre building.*

**New Building motion:**

*WHEREAS the Board of Governors approved the Minutes of Settlement among UOIT, Durham College (“DC”) and the UOIT Student Union (“USU”) dated September 24, 2017 (“MoS”);*

*WHEREAS paragraph 1 of the MoS stipulates that UOIT will construct a two-storey 8,000 square foot building for the exclusive use by the USU as a student centre (“USU Student Centre”);*

*WHEREAS paragraph 6 of the MoS provides that at the USU’s option the location and size of the USU Student Centre as stipulated in paragraph 1 may be modified in consultation with UOIT;*

*WHEREAS in an e-mail dated November 9, 2017, the USU expressed its preference to pursue the option of modifying the location and size;*

*WHEREAS, having received and considered the “UOIT New Building Discussion Paper 2018” at its meeting on March 7, 2018, the Board of Governors authorized the university to proceed with the RFP process for the design and construction of the proposed New Building;*

*WHEREAS the successful design build proponent was selected in June 2018 and an update was provided to the Board of Governors at their meeting on June 27, 2018;*

*WHEREAS the preliminary phase – design services has been completed;*

*WHEREAS the university recommends proceeding with further design and site work to prepare for the new building construction while the guaranteed maximum price agreement is finalized;*

*WHEREAS the cost of the preparatory work is anticipated to be up to \$1.5 million, which is included in the total estimated project cost of \$48M outlined in the November Business Case;*

*NOW THEREFORE, having received and considered the “New Building Business Case November 2018”, upon a motion duly made by D. Reiner and seconded by S. Chow, the Audit and Finance Committee recommended the following for approval by the Board of Governors:*

- 1. Authorizing the university to proceed with the preparatory work for the new building construction, up to a maximum cost of \$1.5M dollars.*
- 2. Directing the university to present the final negotiated guaranteed maximum price agreement for approval at the February 28, 2019 Board meeting.*
- 3. Authorizing and directing the President and/or Chief Financial Officer for and in the name of the Corporation to execute and deliver (under the corporate seal or otherwise) all such other documents and do all such other acts as may be necessary or desirable to give effect to this resolution.*

**(b) ACE Enhancement**

C. Elliott summarized the key aspects of the report on the ACE Enhancement Project. He explained that upon further project development, it was determined that rather than awarding a single RFP for the moving ground plane integration project (up to a maximum amount of \$10.4M), there will be multiple RFPs, which will likely include several contracts in excess of \$1M requiring Board approval (up to a maximum amount of \$10.4M).

*WHEREAS the Government of Canada through FedDev Ontario has committed up to \$9,465,000 to UOIT for the completion of the ACE Enhancement Project (“AEP”);*

*WHEREAS the AEP will be conducted in two stages;*

*WHEREAS the first stage of the AEP will require modification to the ACE building to accommodate the installation of the moving ground plane, with substantial completion planned for July 26, 2019;*

*WHEREAS the second stage of the AEP will involve the integration of the MGP into ACE’s current technical systems, with the goal of completing the entire project by March 31, 2020;*

*WHEREAS on October 18, 2018, the Executive Committee approved the award of the ACE Building modification contract not to exceed \$4.1M and the issuance of a RFP for the MGP integration to be released in October, 2018 and the award of the ACE MGP Integration contracts not to exceed \$10.4M; and*

*WHEREAS the project plan will require the issuance and award of multiple contracts to complete the MGP integration, several of which are anticipated to exceed the one million dollar threshold that requires Board approval;*

*NOW THEREFORE, upon a motion duly made by D. Reiner and seconded by S. Chow, the Audit and Finance Committee recommended the following modified motion for approval by the Board of Governors:*

- *authorization to award the ACE Building modification contract in an amount not to exceed \$4.1M;*
- *authorization to award multiple MGP integration contracts, the sum of which will not exceed \$10.4M; and*
- *authorization of the negotiation and completion of such agreements by the Chief Financial Officer and the General Counsel for completion of the ACE Building modification contract and ACE MGP Integration contract.*

*That the Board authorizes and directs the President and/or the Chief Financial Officer, for and in the name of the university, to execute and deliver (under the corporate seal or otherwise) all such other documents and do all such other acts as may be necessary or desirable to give effect to this resolution.*

*The Board further requests that management deliver progress updates in respect of the ACE Enhancement Project to the Executive Committee and Audit & Finance Committee until the project is completed, including the award of RFPs that meet the threshold for Board approval and summaries of their key contractual terms and associated risks. The Board anticipates that the Chair of the Board and the Chair of Audit & Finance will report on the Moving Ground Plane project to the Board until the ACE Enhancement Project is completed.*

C. Elliott also provided an update on the building expansion – a vendor was selected and construction was scheduled to begin that day.

**(c) Campus Recreation & Wellness Centre Expansion (CRWC)**

C. Elliott discussed the proposed modifications to the CRWC change rooms and therapy space in order to meet the standards of OUA membership for basketball.

*WHEREAS in the spring of 2018, the university's senior leadership and student union approved the establishment of men's and women's varsity basketball teams;*

*WHEREAS the university's bid to join Ontario University Athletics (OUA) basketball was supported and approved for competition by the OUA Board of Directors starting in the fall of 2019;*

*WHEREAS being an OUA member requires the university to meet certain standards, we must provide adequate competition and training facilities;*

*WHEREAS the expansion of the Campus Recreation and Wellness Centre by adding varsity change rooms and more athletic therapy space will help us meet the OUA standards;*

**NOW THEREFORE** upon a motion duly made by D. Reiner and seconded by S. Chow, the Audit and Finance Committee recommended the following for approval by the Board of Governors:

- 1. Authorizing the university to proceed with the RFP process for the modifications to the Campus Recreation and Wellness Centre, including the construction of change rooms and therapy space, not to exceed \$1.9M dollars, in order to facilitate the launch of the university's new varsity basketball programs.*
- 2. Authorizing and directing the President and/or Chief Financial Officer for and in the name of the Corporation to execute and deliver (under the corporate seal or otherwise) all such other documents and do all such other acts as may be necessary or desirable to give effect to this resolution.*

*The Board further requests that management deliver progress updates in respect of the CRWC Modification Project to the Audit & Finance Committee until the project is completed. The Board anticipates that the Chair of Audit & Finance will report on the CRWC Modification Project to the Board until the project is completed.*

**(d) Vaso's Field**

C. Elliott updated the committee on Vaso's Field. He advised that Vaso's Field is in use and has been used throughout the fall. The change rooms remain to be completed, as well as the work on the shelters for the athletes. The project is still on budget. C. Elliott responded to questions from the committee.

(J. Gammage arrived at 2:45 p.m.)

**7.2 AVIN**

J. Gammage delivered a presentation summarizing the key aspects of the AVIN project. There was a discussion regarding whether there was any concern about the degree of control Spark has over the project while the university bears a lot of the risk.

*WHEREAS the university and its partners, Durham College and the Spark Centre ("Spark") were awarded \$5M by the by Ontario Centres of Excellence ("OCE") to create a Regional Technology Development Site ("AVIN Project") in the Durham Region to support innovation linked to autonomous vehicles in the Durham and Northumberland Regions;*

*WHEREAS the Board of Governors authorized the university's participation in the AVIN Project on June 27, 2018;*

*WHEREAS the \$5M contributed by OCE to the AVIN Project will be administered by Spark;*

*WHEREAS the majority of the \$5M AVIN Project funding will be used to expand the capabilities of the university's Automotive Centre of Excellence;*

*WHEREAS the university has negotiated a proposed funding agreement with Spark for the AVIN Project that includes terms for the financial disbursements, reporting requirements, liability, and termination for the AVIN Project activities taking place at the university ("Spark Agreement");*

*WHEREAS the university will be partnering with IBM Canada, among others, for the AVIN Project that will require the issuance of multiple subcontracts, and purchase orders, that will exceed the \$1M signing authority threshold requiring Board approval; and*

*WHEREAS the university will enter into a binding Memorandum of Understanding with IBM Canada ("IBM MOU");*

*NOW THEREFORE upon a motion duly made by D. Reiner and seconded by S. Chow, the Audit and Finance Committee recommended the following for approval by the Board of Governors:*

- 1. the finalization and completion of the Spark Agreement on the key terms and conditions described;*
- 2. the finalization and completion of the IBM MOU on the key terms and conditions described, including the proposed procurement of up to \$1.5M CDN in software, support and services from IBM*

*Canada in support of its partnership with the university for the AVIN Project activities at the university;*

3. *Authorizing and directing the VP Research and Chief Financial Officer for and in the name of the Corporation to execute and deliver (under the corporate seal or otherwise) all such other documents and do all such other acts as may be necessary or desirable to give effect to this resolution.*

*The Board requests that management deliver regular progress updates in respect of the AVIN Project to the Audit & Finance Committee until the project is completed. The Board anticipates that the Chair of Audit & Finance will report on the AVIN Project to the Board until the AVIN Project is completed.*

(J. Gammage & K. Nugent left at 3:05 p.m.)

## **8. Investment Committee Oversight**

### **8.1 Quarterly Report**

S. Chow delivered an update on the committee’s meeting that morning. She advised that the portfolio performed under benchmark during the last quarter and the committee had an educational session on the cannabis market. She advised that the university’s portfolio does not currently include any cannabis stocks.

## **9. Risk, Compliance & Policy**

### **9.1 Policy:**

#### **(a) Freedom of Expression Policy**

R. Bailey presented the draft Freedom of Expression Policy. He acknowledged the work of C. Foy and Niall O’Halloran in developing the policy. He also thanked the community for their engagement during the consultations. C. Foy noted that a few minor amendments were made following consultation with the Administrative Leadership Team, which will be incorporated into the version of the policy presented to the Board.

*Upon a motion duly made by N. Allen and seconded by D. Reiner, the Audit and Finance Committee recommended that the Board of Governors approve the Freedom of Expression Policy, subject to minor amendments.*

#### **(b) Procedure For On-Campus Medical Cannabis Use By Students**

R. Bailey presented the procedure for consideration. He noted the procedure is unrelated to the legalization of the recreational use of cannabis and is related to the medical use of cannabis. He acknowledged Heather Leckey from Student Life for all of her work on the procedure.

*Upon a motion duly made by N. Allen and seconded by D. Reiner, pursuant to the recommendation of the Administrative Leadership Team, the Audit and Finance Committee approved the Procedure for On-Campus Medical Cannabis Use by Students, as presented.*

**10. Consent Agenda**

*Upon a motion duly made by D. Reiner and seconded by S. Chow, the Audit and Finance Committee approved the following items on the Consent Agenda:*

10.1 Approval of Minutes from June 18, 2018

10.2 Terms of Reference Review

**11. For Information:**

**11.1 Risk Management & Insurance Update**

**11.2 Contract Management Policy & Signing Authority Policy Review Update**

**12. Other Business**

**13. Adjournment**

*There being no other business, upon a motion duly made by D. Reiner and seconded by S. Chow, the public session of the meeting adjourned at 3:15 p.m.*

Becky Dinwoodie, Secretary

DRAFT