
AGENDA
Thursday, February 28, 2019
12:00 p.m. to 3:30 p.m.
55 Bond Street, DTB 524

No.		Topic	Lead	Allocated Time	Suggested End Time
		PUBLIC SESSION			
1		Call to Order	Chair		
2		Agenda (M)	Chair		
3		Conflict of Interest Declaration	Chair		
4		Chair's Remarks	Chair		12:05 p.m.
5		President's Report	Steven Murphy	5	12:10 p.m.
6		Academic Council Report*	Steven Murphy	5	12:15 p.m.
7		Co-Propuluous Report	Jim Wilson	5	12:20 p.m.
8		Student Speaker		10	12:30 p.m.
		Committee Reports			
9		Audit & Finance Committee Report (A&F):	Nigel Allen	40	1:10 p.m.
		Finance			
	9.1	Third Quarter Financial Reports* (U)			
	9.2	2019-2020 Budget* (U)			
	9.3	2019-2020 Tuition Fees* (M)			
	9.4	Revised 2019-2020 Ancillary Fees* (M)			
		Project Updates			
	9.5	New Building (U)			
	9.6	Policy: (a) Continuity Policy* (M)			
10		Investment Committee			
	10.1	Quarterly Report (U)	Stephanie Chow	5	1:15 p.m.
11		Governance Nominations & Human Resources Committee (GNHR) Report	Francis Garwe	5	1:20 p.m.
	11.1	Board of Governors Recruitment, Appointment and Leadership Policy* (M)			

No.		Topic	Lead	Allocated Time	Suggested End Time
12		Strategy & Planning Committee Report (S&P)	Thorsten Koseck	5	1:25 p.m.
	12.1	Advancing Strategic Priorities in Times of Fiscal Constraint (D)	Steven Murphy	15	1:40 p.m.
13		Consent Agenda: (M)	Chair	5	1:45 p.m.
	13.1	Statement of Investment Policies Amendments*			
	13.2	Minutes of Public Session of Board Meeting of November 29, 2018* (M)			
	13.3	Minutes of Public Session of Audit & Finance Committee Meeting of November 19, 2018*			
	13.4	Minutes of Public Session of Governance, Nominations & Human Resources Committee Meeting of October 11, 2018*			
	13.5	Minutes of Public Session of Investment Committee Meeting of November 19, 2018*			
14		Information Items (also available on the Board portal):			
	14.1	Compliance & Risk Management Update*			
	14.2	Annual ESG Report*			
	14.3	Strategic Risk Update*			
	14.4	ACE Enhancement Project* (U)			
	14.5	Campus Recreation & Wellness Centre Expansion* (U)			
	14.6	AVIN* (U)			
15		Other Business	Chair		
16		Adjournment (M)	Chair	5	1:50 p.m.
		BREAK			
		NON-PUBLIC SESSION (material not publicly available)			2:05 p.m.
17		Call to Order	Chair		
18		Conflict of Interest Declaration	Chair		
19		Chair's Remarks	Chair	5	2:10 p.m.
20		President's Report	Steven Murphy	20	2:30 p.m.
	20.1	Senior Academic Administrator Searches (U)			
	20.2	Appointment, Tenure & Promotion* (M)			
	20.3	Labour Relations (U)			
		Committee Reports (confidential items only)			

No.		Topic	Lead	Allocated Time	Suggested End Time
21		Audit & Finance Committee (A&F) Report			
	21.1	Confidential Aspects Finance Report* (U)	Craig Elliott & Robert Bailey	20	2:50 p.m.
	21.2	Debenture Check-in (U)	Steven Murphy	5	2:55 p.m.
22		Governance Nominations & Human Resources Committee (GNHR)	Francis Garwe	5	3:00 p.m.
	22.1	Governor Member of Academic Council* (M)			
23		Strategy & Planning Committee (S&P)	Thorsten Koseck	10	3:10 p.m.
	23.1	Advancement Update*			
24		Consent Agenda (M):	Chair	5	3:15 p.m.
	24.1	Minutes of Non-Public Session of Meeting of November 29, 2018*			
	24.2	Minutes of Non-Public Session of Audit & Finance Committee Meeting of November 19, 2018*			
	24.3	Minutes of Non-Public Session of Governance, Nominations & Human Resources Committee Meeting of October 11, 2018*			
	24.4	Minutes of Non-Public Session of Investment Committee Meeting of November 19, 2018*			
25		Other Business	Chair		
26		In Camera Session	Chair		
	26.1	Board Engagement (D)			
27		Termination (M)	Chair		3:30 p.m.

Becky Dinwoodie, Secretary

Consent Agenda: *To allow the Board to complete a number of matters quickly and devote more of its attention to major items of business, the Agenda has been divided between items that are to be presented individually for discussion and/or information and those that are approved and/or received by consent. A Consent Agenda is not intended to prevent discussion of any matter by the Board, but items listed under the consent sections will not be discussed at the meeting unless a Governor so requests. Governors are supplied with the appropriate documentation for each item, and all items on the Consent Agenda will be approved by means of one omnibus motion.*



ACADEMIC COUNCIL

REPORT TO BOARD OF GOVERNORS FEBRUARY 28, 2019

GOVERNANCE

Election

Academic Council's annual election is underway, with the nomination period closing on February 25. It is being held concurrently with the Board of Governors election.

Appointments

Academic Council approved the following appointments:

Academic Council Executive Committee

- Faculty of Social Science & Humanities – Tess Pierce (June 30, 2021)

Governance and Nominations Committee

- Faculty of Social Science & Humanities – Phillip Shon (temporary replacement until June 30, 2019)

Academic Appeals Committee

- Faculty of Health Sciences - Helene-Marie Goulding (June 30, 2021)
- Faculty of Business & Information Technology - Brent MacRae (June 30, 2021)

Honorary Degrees Committee

- Faculty of Business & Information Technology - Shahram Heydari (June 30, 2021)
- Faculty of Social Science & Humanities - Barb Perry (June 30, 2021)

CURRICULUM & PROGRAM REVIEW COMMITTEE

Academic Council approved the following items recommended by the Curriculum and Program Review Committee:

- (a) Major Program Modification – Bachelor of Commerce Finance - Transfer to University Embedded Bridge Program
- (b) Major Program Modification – Bachelor of Commerce in Technology Management

- (c) Major Program Modification – Bachelor of Information Technology in Technology Management
- (d) Major Program Modification – Bachelor of Arts in Criminology and Justice + Advanced Entry
- (e) Major Program Modification: Remove Program or Program Component – General Science (BSc) and Advanced Entry
- (f) Major Program Modification – Bachelor of Commerce: Minor in International Business
- (g) Major Program Modification: Bachelor of Engineering in Mechanical Engineering - Energy Engineering Specialization
- (h) Major Program Modification – Bachelor of Arts in Communication and Digital Media Studies, Forensic Psychology + Advanced Entry, Legal Studies + Advanced Entry, Political Science + Advanced Entry

GRADUATE STUDIES COMMITTEE

Academic Council approved the following items recommended by the Graduate Studies Committee:

- (a) Graduate Academic Calendar Regulations – New
 - (i) Academic accommodations for students with disabilities
 - (ii) Conflict of interest in supervision
- (b) Graduate Academic Calendar Regulations – Amendments
 - (i) Appeal of unsatisfactory research progress evaluation
 - (ii) Student supervision
 - (iii) Supervisory committee
 - (iv) Grade appeals
 - (v) PhD candidacy examinations
 - (vi) External & university examiners
- (c) Graduate External Scholarship Selection Working Group Interim Report

POLICY CONSULTATION

- Academic Council was consulted as part of the development of the following policies and procedures:
 - Administrative Guidelines for Academic Scheduling Use of Medical Cannabis by Students Procedure
 - Freedom of Expression Policy



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: February 28, 2019

SUBMITTED BY: Steven Murphy, President and Vice-Chancellor

SUBJECT: Program Review Final Assessment Reports and Follow Up

BOARD MANDATE:

In accordance with Article 6.1 of By-law Number 2, action taken by Academic Council under delegated authority shall be reported to the Board of Governors for information. Accordingly, attached for information are the following final assessment reports for the reviews conducted under our Institutional Quality Assurance Process:

- Master of Arts, Master of Education, Graduate Diploma in Digital Technologies

BACKGROUND/CONTEXT & RATIONALE:

Under the Quality Assurance Framework, all UOIT programs are subject to review every eight years to ensure that they meet provincial quality assurance requirements and to support their ongoing rigour and coherence.

Each review involves a detailed examination by faculty, staff and external reviewers of the program’s goals and requirements, its curriculum content, structure, modes of delivery, assessment of student learning, and the use of available resources to support the program. Their work has generated a valuable set of documents that reflect a great deal of care and attention to the ongoing development and refinement of programs to meet the needs of students and represent the current state of each particular field of study.

The attached reports provide an overview of the recommendations resulting from the program reviews, identifies the particular strengths of the programs as well as opportunities for improvement and enhancements, and outlines the agreed-upon implementation plan.

The reports were reviewed by the Graduate Studies Committee and Academic Council as required under our Institutional Quality Assurance Framework.

SUPPORTING REFERENCE MATERIALS:

- Master of Arts, Master of Education, Graduate Diploma in Digital Technologies – Final Action Report.



**FINAL ASSESSMENT REPORT
August 2018
Master of Arts, Master of Education, Graduate Diploma in Digital Technologies
Program Review
Dean: Dr. Maurice DiGiuseppe**

Under UOIT's Quality Assurance Framework, all degree programs are subject to a comprehensive review every eight years to ensure that they continue to meet provincial quality assurance requirements and to support their ongoing rigour and coherence. Program reviews involve several stages, including:

1. A comprehensive and analytical self-study brief developed by members of the program under review.
2. A site visit by academic experts who are external to and arm's length from the program who prepare a report and recommendations on ways that it may be improved based on a review of the program's self-study and supporting material, and a two day site visit involving discussions with faculty, staff and students and a tour of the facilities.
3. Development of a plan for improvement by the program and proposed timelines for implementation.

On the completion of the program review, the self-study brief together with the reviewers' report and the assessment team's response are reviewed by the appropriate standing committee of Academic Council, and are subsequently reported to Academic Council, the Board of Governors and the Quality Council.

In academic years 2016-2018 a program review was scheduled for Master of Arts, Master of Education, Graduate Diploma in Digital Technologies.

This is the first program review for this program and the internal assessment team is to be commended for undertaking this assignment in addition to an already challenging workload and within a very tight timeline. The following pages provide a summary of the outcomes and action plans resulting from the review, identifying the strengths of the program as well as the opportunities for program improvement and enhancement. A report from the program outlining the progress that has been made in implementing the recommendations will also be put forward in eighteen months' time.

External Reviewers: Dr. Maria Cantalini-Williams (Thompson Rivers University), Dr. Gloria Ramirez (Nipissing University), and Dr. George Veletsianos (Royal Roads University).

Site Visit: May 1st and 2nd, 2018

Program Overview

- All of the programs are 100 percent online and use virtual classrooms to employ what the Faculty likes to call face-to-face online learning. Using leading-edge technology and resources, the classes are highly interactive. They feature group discussions, both large and small, through the use of virtual ‘breakout rooms’.
- The Master of Education program has two options that students can choose from: course-only or project based. In both programs, students are required to take several core courses, including Principles of Learning and Research Methods in Education.
- The Master of Arts in Education is a thesis option for students who have a strong interest in research and have identified an area of research they would like to pursue. Students who complete this degree can possibly pursue doctoral studies in the future.
- The Graduate Diploma in Digital Technologies is an excellent option for students who want to pursue graduate-level courses without committing to a full Master’s degree. The diploma can also be a pathway to the MEd program for non-standard applicants.
- There are two labs at the Faculty that are the sites of many research projects: the Educational Informatics Laboratory (also known as the EI lab) and the STEAM 3D Maker Lab.

Significant Strengths of the Program

- The program requirements and learning outcomes are clear, appropriate, and in alignment with UOIT’s statement of Graduate Degree Level Expectations.
- Program Learning Outcomes have been intentionally and carefully aligned with the Ontario Council of Academic Vice Presidents (OCAV) and are reflected in course outlines across the different programs, clearly linking them with specific assignments.
- There is strong evidence of innovation in the content and delivery of the programs. This includes the development of a community of practice in the faculty to share practices and collaboratively engage new ideas and/or address potential problems.
- Descriptions of instructional practice by faculty and students also demonstrated the faculty’s commitment to fostering student-centered spaces for teaching and learning that involve co-production of knowledge, collaborative learning, and participatory pedagogies. Furthermore, both research labs represent significant innovations for the faculty, and indeed for the discipline.
- All personnel seem to work collegially and effectively. The recent addition of the academic advisor has specifically enhanced support for graduate education students.
- The use of Blackboard LMS and Adobe Connect for virtual classrooms seem to be functioning well.
- The Library resources seemed to be well organized and the research guide for education was reported to be highly valued by students.
-

Opportunities for Program Improvement and Enhancement

- A greater stress on research methods and data analysis may be appropriate in a graduate program even for the Graduate Diploma students.

- One area of programmatic growth includes the need to incorporate Indigenous worldviews and ways of knowing across all areas of study.
- Related to consistency, it is evident that courses have variance in the amount of class time that is synchronous versus asynchronous. Some students commented that more asynchronous discussion time would alleviate the three-hour weekly commitment of synchronous classes. This provision may also assist to attract more diverse and international students.
- While it is clear that the EI Lab and Makerspace Labs are used in the context of research, it is unclear whether and how these labs are integrated in instructional activities. There are many opportunities here to consider how the labs can be integrated in existing (or new) coursework.
- Librarians recommended that students should be encouraged to seek more assistance particularly related to research projects. An orientation session for new students and new faculty including a library presentation was suggested.

The External Review

The site visit took place on May 1 and 2, 2018. Drs. Cantalini-Williams, Ramirez, and Veletsianos met with members of the Faculty as well as key stakeholders at the University, including Dean - Dr. Maurice Di Giuseppe, Associate Dean - Dr. Aziz Douai, Dr. Allyson Eamer (Director and Review Chair), Associate Dean, Quality Assurance - Dr. Glenn Harvel and members of the internal assessment team and a number of faculty, staff, and students.

The Faculty was grateful for the thoughtful and thorough review provided. The external reviewers recognized the high quality of the faculty, the rigorousness of the program, and the innovation in the content and delivery of the programs.

The reviewers identified five recommendations, some of which have multiple components. The Faculty values the recommendations and have been very thoughtful in their responses.

Summary of Reviewer Recommendations and Faculty Responses

Recommendation 1

In the absence of institutional course evaluation processes for graduate programs, we recommend that the faculty develop ways to receive ongoing feedback on course quality.

Response

Graduate course feedback has historically been an issue with the university as a whole as small class sizes and constraints provided by the collective agreement make traditional course evaluations impossible. Previous attempts to solicit course feedback have been made, however were unable to be continued due to collective agreement requirements which state that a graduate program director cannot collect information in which the performance of his/her colleagues (peers) is being discussed. The faculty will investigate how other faculties are handling this challenge and discuss possibilities at a graduate program meeting in the fall.

Recommendation 2

The university engage the expansive expertise of the Faculty of Education in innovating and developing online and blended learning more broadly, especially given the focus on "Education for the 21st Century" in the institution's strategic research plan.

Response

The Faculty agrees that they do have much to offer the wider university in term of their expertise in administering fully online graduate and undergraduate programs, and their experience in pedagogy. They will reach out to the Teaching and Learning Centre and/or the Student Learning Centre to offer workshops and pursue research opportunities.

Recommendation 3

The creation of several learning outcomes that respond to the Truth and Reconciliation Commission Calls to Action and that Indigenous worldviews and ways of knowing are meaningfully integrated across areas of study.

Response

This is a matter that is central to the value system of the Faculty of Education. The creation of the Indigenous Education Advisory Group consisting of faculty, students, sessional instructors, and Indigenous staff and guests was initiated by the Faculty in 2017. The purpose of this group is to consider new course offerings with Indigenous themes, such as The Pedagogy of the Land, and to provide input to ensure that any new courses are developed with an accurate Indigenous perspective. The Faculty will continue to pursue opportunities to add a special topics course that can be incorporated into regular offerings.

Recommendation 4

Reconsideration of the curriculum cluster and addition of a cluster reflecting Social Justice issues and Indigenous worldviews in a digital context.

Response

A new cluster, incorporating both social justice issues in general and Indigenous worldviews will be discussed in the Fall. This may involve collapsing or repurposing the curriculum cluster so that it consists of curriculum aimed at engaging social conscience and Indigenous ways of knowing.

Recommendation 5

Exploration of ways to provide greater flexibility in course design and structure. For instance, faculty may consider reducing time in synchronous sessions and offering more opportunities for asynchronous participation. Students would also benefit from more regular and consistent delivery of foundation courses.

Response

The synchronous class format has been what has set this program apart from other online graduate degrees. Any consideration of reducing real-time interaction and increasing asynchronous participation must be met with caution.

Professors have been given considerable freedom to organize their courses using a balance of synchronous/asynchronous activities that works best for them and for their students.

The matter of more regular and consistent delivery of foundation courses is a complicated one. Course offerings are impacted by the need to ensure sufficient offerings of foundation and cluster courses as well as electives.

Due to the small size of the Faculty, it is a challenge to deliver a variety of courses with a high degree of frequency while still ensuring that students are able to take all their required courses in order to graduate. This matter will be discussed at a graduate program meeting in the fall.

Recommendation 6

The course route include an opportunity for consolidation of learning through the inclusion of a strategy to allow for application and synthesis of new understandings.

Response

The Faculty notes a past portfolio requirement for the course-only route that was met with mixed reviews. The process was also complicated by the need to run a 'portfolio course' and the need to then have faculty members serve as portfolio readers to review the students' work. The Faculty will conduct thorough research to see what kinds of capstone requirements are being implemented in other course-only MEd programs, and re-visit this issue at a graduate program meeting.

Recommendation 7

The expectations of the 'project' route become more clear. The term 'project' connotes a practical component and should possibly be renamed in case further graduate work is considered.

Response

The projects have been recently re-constructed as an alternative to original research in the form of, for example, an exhaustive literature review. The Faculty will consider whether renaming it (e.g., Major Research Paper) would make its purpose more clear.

Recommendation 8

The School of Graduate and Post-Doctoral Studies (SGPS) support the graduate Master students with a variety of online services such as professional development workshops and grant writing activities. These supports are usually provided face-to-face and thus, many education students do not participate. There is a need for these services to be provided online.

Response

Recently, there has been a concerted effort by SGPS to support students through offering online workshops. The Faculty will continue to work together with SGPS to ensure that students take advantage of these opportunities. The Faculty notes the time constraints of their students, many of whom are employed full-time during the day, may make taking these courses difficult. The Faculty will consider providing these same sorts of workshops for their students online during the evening hours.

Recommendation 9

The faculty capitalize on the expertise and resources provided by the library. The librarians have worthwhile suggestions to consider (e.g., inclusion of library guest lectures and research skills in related courses) that may be beneficial to students.

Response

Core faculty are well aware of the expertise and resources provided by the library and routinely encourage our students (especially those we are supervising) to capitalize on the expertise available to them. Many courses have hosted librarians as guest lecturers in our courses, but the Faculty will continue to ensure that all faculty, and especially sessional instructors, are aware of this tremendous resource, by routinely including it on the agenda, and in the GPD monthly report.

Recommendation 10

A mechanism (e.g., course credit or course release) be created to recognize faculty supervising students in the graduate programs in order that the burden of supervision is equitably shared and students have greater selection.

Response

This is something that has been discussed in the past however, multiple administration changes have resulted in the matter never fully being explored at length by any one Dean. We will pursue the matter through discussion.

Recommendation 11

An admissions system be implemented that would ensure more efficient and equitable distribution of labour across all faculty members.

Response

The burden of application reviewing (three times per year) has fallen on the shoulders of the GPD and the handful of faculty who agree to make themselves available to help in any given term. Multiple ideas have been put forward including providing an honorarium to a core group who undertakes this task for a given academic year, and bringing in a different group of faculty each term for a full day of focused application review, with lunch provided. This is a top priority given that the next round of applications will need reviewing in October.

Recommendation 12

A focus be placed on key partnerships that add value to the Education Graduate Programs, are sustainable in the long term, and where both institutions research and infrastructure strengths can be strategically combined. At the international level, the partnership for a doctoral program with the Technological University of Dublin seems a worthy endeavour. Partnerships with other UOIT faculties may also be feasible and sustainable.

Response

The faculty is in a time of transition, with considerations being given to a closer alliance with the Faculty of Social Sciences and Humanities. Possibilities here for an inter-disciplinary graduate course offering could prove very marketable. The Faculty continues to engage in a number of research initiatives with Technological University of Dublin and has begun to consider submitting an individual doctoral program proposal rather than pursuing a joint one with Dublin.

Plan of Action

The table below presents a timeline of the actions planned to address the recommendations from the external report.

Recommendation	Proposed Follow-Up	Responsibility for Leading Follow Up*	Timeline	Resources/Support Needed
<i>Develop ways to receive ongoing feedback on course quality.</i>	Explore course evaluation options for graduate courses.	GPD and Program Committee	This will be raised at a program meeting and a GSC meeting in the fall, with the aim to have a plan in place for the spring19 term.	Information from the School of Graduate and Postdoctoral Studies (SGPS)
<i>The university engage the expansive expertise of the Faculty of Education in innovating and developing online and blended learning more broadly.</i>	Remind the Teaching and Learning Centre of the kinds of expertise available to the wider University via the Faculty of Education professors.	GPD; Dean Maurice DiGiuseppe	Commencing in 2018-19 and ongoing from there.	Support and buy-in from the Teaching and Learning Centre
<i>Integrate several learning outcomes that respond to the Truth and Reconciliation Commission Calls to Action across all areas of study.</i>	Expand on Indigenous themes in the curriculum, including the addition of a special topics course in this area.	GPD; Dean Maurice DiGiuseppe; Program Committee	This work has already begun and will continue through monthly Indigenous Advisory Committee meetings.	Information and support from the Indigenous Advisory Committee
<i>Reconsideration of the curriculum cluster and addition of a cluster reflecting Social Justice issues and Indigenous worldviews in a digital context.</i>	Creation of a new cluster, incorporating both social justice issues in general and Indigenous worldviews.	GPD, Program Committee; Faculty Council and Grad Studies	Discussions on possible cluster changes will begin at a fall Program Committee meeting with the aim to roll out any changes for Fall20	Support from SGPS
<i>Exploration of ways to provide greater flexibility in course design and structure.</i>	Addition of increased flexibility in course design and structure.	GPD; Program Committee; BPO; Faculty Council	This recommendation is directly impacted by any cluster changes that are implemented and will be considered simultaneously.	Support from the Scheduling Office

Recommendation	Proposed Follow-Up	Responsibility for Leading Follow Up*	Timeline	Resources/Support Needed
<i>The course route include an opportunity for consolidation of learning through the inclusion of a strategy to allow for application and synthesis of new understandings.</i>	Explore the option of adding a capstone project for the course-only program.	GPD; Program Committee; Faculty Council	This matter will be raised at a fall program meeting, with the aim to have any changes ready for Fall 20	
<i>The expectations of the 'project' route become more clear.</i>	Rename the "project" component of the program.	GPD; Program Committee; Faculty Council	This matter will be raised at a fall program meeting, with the aim to have this change in place by Fall19.	
<i>Professional development workshops and grant writing activities provided by SGPS should be provided online.</i>	Enable online access to workshops through SGPS.	GPD; Program Committee	This will be raised at a program meeting and a GSC meeting in the fall, with ongoing discussions occurring each term.	Support from SGPS
<i>The faculty capitalize on the expertise and resources provided by the library.</i>	Ensure faculty awareness and capitalization of library resources.	GPD; Communications Assistant; Program Committee	Faculty will be reminded of the expertise available through the library staff, at the beginning of each new term.	Support from the Library
<i>A mechanism be created to recognize faculty supervising students in the graduate programs in order that the burden of supervision is equitably shared and students have greater selection.</i>	Formalize the recognition of supervision of graduate students.	GPD; Dean Maurice DiGiuseppe, Program Committee; BPO; Faculty Council	GPD will being discussions on this matter with the Dean in August, with the aim to have any changes in place by Fall20.	

Recommendation	Proposed Follow-Up	Responsibility for Leading Follow Up*	Timeline	Resources/Support Needed
<i>An admissions system be implemented that would ensure more efficient and equitable distribution of labour across all faculty members.</i>	Review the current application assessment and review process.	GPD; Dean Maurice DiGiuseppe, Program Committee	GPD will begin discussions on this matter with the Dean in August. A new strategy will be in place in time for the Oct18 review process.	
<i>A focus be placed on key partnerships that add value to the Education Graduate Programs, are sustainable in the long term, and where both institutions research and infrastructure strengths can be strategically combined.</i>	Broaden partnerships with other institutions.	GPD; Dean Maurice DiGiuseppe, Program Committee, BPO	Discussions have been underway with universities in South Africa, UAE and Ireland for several months now and will continue in the coming academic year.	Support from the Registrar's Office and the AVP Planning and Analysis

*The Dean of the Faculty, in consultation with the Program Review Chair shall be responsible for monitoring the Implementation Plan. The details of progress made will be presented to Academic Council and the Board of Governors and filed in the Office of the Provost and Vice-President (Academic).

Due Date for 18-Month Follow-up on Plan of Action: December 2019

Date of Next Cyclical Review: 2024-2026



**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
Table of Contents

	<u>Page</u>
I. Consolidated Financial Statements	1 - 6
II. Financial Metrics	7 - 9
III. 2018 - 19 Operating Forecast	10 - 13
IV. Capital	14 - 16
V. Cash Flow Forecast	17 - 18
VI. Long-term Forecast	19 - 20

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>
ASSETS				
CURRENT				
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
TOTAL ASSETS	\$ 514,623,369	\$ 518,407,140	\$ (3,783,770)	\$ 495,029,692
LIABILITIES				
CURRENT AND LONG-TERM LIABILITIES				
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>
Net Assets				
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>
TOTAL LIABILITIES AND NET ASSETS	\$ 514,623,369	\$ 518,407,140	\$ (3,783,770)	\$ 495,029,692

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>
REVENUE			
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)
	152,000,309	154,066,821	(2,066,512)
EXPENSES			
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
	148,138,400	141,254,076	6,884,324
Excess of revenue over expenses	\$ 3,861,909	\$ 12,812,744	\$ (8,950,836)

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>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
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>
INVESTING		
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>
FINANCING		
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>
NET CASH (OUTFLOW)	(11,758,329)	(33,377,590)
CASH BALANCE, BEGINNING OF YEAR	35,569,460	56,795,539
CASH BALANCE, END OF PERIOD	\$ 23,811,131	\$ 23,417,949

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

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.

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

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**).

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

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**)

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

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) IBR w MTCU funding	1.7%	1.8%	2.0%	n/a	n/a
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.

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

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.

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

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 \$ / %	
Revenue					
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%
Total Revenue	\$ 194,254	\$ -	\$ 194,254	\$ 195,796	\$ 1,542 1%
Expenditures					
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%
Sub-total	\$ 144,777	\$ 1,237	\$ 146,014	\$ 142,172	\$ 3,842 3%
Purchased Services	13,272		13,272	12,617	654 5%
Total Ancillary/Commercial	10,292		10,292	9,941	351 3%
Debt Interest Expense	10,541		10,541	10,541	- 0%
Total Expenses	\$ 178,882	\$ 1,237	\$ 180,119	\$ 175,271	\$ 4,848 3%
Operating Contribution	\$ 15,372	\$ (1,237)	\$ 14,135	\$ 20,525	\$ 6,389 45%
Expenses disclosed on the Balance Sheet					
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%
Net Operating Surplus	\$ 1,378	\$ (1,378)	\$ 0	\$ 3,695	\$ 3,695 N/A
Add. Savings post Q3 forecast submission - OPEX				\$ 800	\$ 800 N1.
- Capital				\$ 200	\$ 200 N1.
Revised Operating Surplus				\$ 4,695	\$ 4,695
Other disclosure - Funded by restricted reserves					
Fundraising campaign	\$ -	\$ -	\$ 1,312	\$ 1,077	\$ 235 18%
New GASB Building	\$ -	\$ -	\$ -	\$ 945	\$ (945) N/A
Reconciliation to Y/E forecast GAAP FS:					
Net forecast contribution from Operations				\$ 20,525	
Add. Savings post Q3 forecast submission - OPEX				800	
Items not budgeted:					
Externally funded research donations and revenues				9,800	
Externally funded research expenses				(8,850)	
Non-cash transactions:					
Amortization of capital assets				(23,216)	
Amortization of deferred capital contributions				9,118	
Unrealized loss on investments				(1,100)	
Capital revenues accounted as Deferred Capital Contributions on the balance sheet				(2,410)	
Excess revenues over expenses - as per GAAP Financial Statements				\$ 4,667	

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

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

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

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.

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

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.

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

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**).

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

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

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

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.

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

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.

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

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.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
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
Total Consolidated Cash Position	J=H+I	16,448	39,631	23,426	40,490	37,027	28,713	28,713

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
Total Operating Cash and ST investments	\$ 42,331

Total Restricted Cash	\$ 11,307
------------------------------	------------------

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

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.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
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
REVENUES												
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
Total Revenues	\$ 194,254	\$ 195,796	\$ 197,862	\$ 201,674	\$ 208,111	\$ 214,158	\$ 219,443	\$ 223,877	\$ 229,066	\$ 233,789	\$ 240,063	\$ 2,163,839
EXPENDITURES												
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)
Approved Expenditures	\$ (194,254)	\$ (191,101)	\$ (195,993)	\$ (200,087)	\$ (205,698)	\$ (211,590)	\$ (217,208)	\$ (222,142)	\$ (227,780)	\$ (233,220)	\$ (239,152)	\$ (2,338,225)
Budget Surplus	\$ (0)	\$ 4,695	\$ 1,869	\$ 1,587	\$ 2,413	\$ 2,568	\$ 2,235	\$ 1,735	\$ 1,286	\$ 569	\$ 911	\$ 19,868

Budget Update

Board of Governors- Public

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

February 28, 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

2019-20 Budget Calendar	
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



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: Feb 28, 2019

FROM: Nigel Allen, Chair of Audit & Finance Committee

PREPARED BY: Brad Maclsaac

SUBJECT: 2019-20 Tuition Fees

COMMITTEE/BOARD MANDATE:

The Audit & Finance Committee is responsible for overseeing the financial affairs of the university including guiding the tuition fees set. The committee is recommending approval of the 2019-2020 tuition fees, as presented.

BACKGROUND/CONTEXT & RATIONALE:

Our original tuition approval for 2019-20 passed Board of Governors May 9, 2018. 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 UOIT's student information system and website.

MOTION FOR CONSIDERATION:

That pursuant to the recommendation of the Audit & Finance Committee, the Board of Governors hereby approves the 2019-2020 tuition fees, as presented.

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
BA, BAsC, BEd, BHSc, BSc & Mgt			
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%
BCom			
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%
BIT			
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%
BEng, BEng & Mgmt, BTech			
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%
BSc, Computer Science			
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%
BScN			
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
BA, BAsC, BEd, BHSc, BSc & Mgt			
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%
BCom			
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%
BIT			
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%
BEng, BEng & Mgmt, BTech			
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%
BSc, Computer Science			
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%
BScN			
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
MA (SSH), MHSc, MSc, PhD			
First Year	\$7,504.26	\$6,753.82	-10.0%
Upper Year	\$7,504.26	\$6,753.82	-10.0%
MASc, MEng, MEngM			
First Year	\$9,844.38	\$8,859.94	-10.0%
Upper Year	\$9,844.38	\$8,859.94	-10.0%
Graduate Diploma			
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
MBA			
All Years	\$2,024.51	\$2,065.00	2.0%
MEd, MA in Education			
All Years	\$1,751.63	\$1,576.47	-10.0%
Graduate Diploma			
Education & Digital Technology	\$1,751.63	\$1,576.47	-10.0%
Work Disability Prevention	\$1,751.63	\$1,576.47	-10.0%
MITs			
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
MA (SSH), MHSc, MSc, PhD			
First Year	\$18,421.78	\$18,790.20	2.0%
Upper Year	\$18,421.78	\$18,790.20	2.0%
MASc, MEng, MEngM			
First Year	\$21,709.26	\$22,794.72	5.0%
Upper Year	\$21,709.26	\$22,794.72	5.0%
Graduate Diploma			
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
MBA			
All Years	\$3,462.29	\$3,808.52	10.0%
MEd, MA in Education			
All Years	\$1,833.61	\$2,016.97	10.0%
Graduate Diploma			
Education & Digital Technology	\$1,833.61	\$2,016.97	10.0%
Work Disability Prevention	\$1,833.61	\$2,016.97	10.0%
MITS			
First Year	\$2,981.53	\$3,130.60	5.0%
Upper Year	\$2,981.53	\$3,130.60	5.0%



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: February 28, 2019

FROM: Nigel Allen, Chair of Audit & Finance Committee

PREPARED BY: Brad MacIsaac

SUBJECT: 2019-2020 Ancillary Fees

COMMITTEE/BOARD MANDATE:

The Audit & Finance Committee is responsible for overseeing the financial affairs of the university including guiding the student related fees set. The committee is recommending approval of the proposed 2019-2020 ancillary fees, as presented.

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 pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors hereby approves the 2019-20 ancillary fees, as presented.

Compulsory Ancillary Fees

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

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

UG Engineering	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 ²	\$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



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Board of Governors

DATE: February 27, 2019

FROM: Nigel Allen, Chair of Audit & Finance

PREPARED BY: Cheryl Foy, University Secretary and General Counsel

SUBJECT: University Continuity Framework Policy

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 recommending the draft University Continuity Framework Policy for approval by the Board.

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

Recommendations Received	Response
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.
---	---

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 Board’s approval, an implementation plan for the University Continuity Management Framework will be developed and presented to the Audit and Finance Committee for feedback.

MOTION FOR CONSIDERATION:

That pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors hereby approves the University Continuity Management Framework Policy, as presented.

SUPPORTING REFERENCE MATERIALS:

- Draft University Continuity 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



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: January 17, 2019

FROM: Francis Garwe, Chair of Governance, Nominations & Human Resources Committee (GNHR)

SLT LEAD: Cheryl Foy, University Secretary & General Counsel, Chair of Faculty Governor Working Group

SUBJECT: Faculty Election Eligibility – Recommendations of GNHR & Faculty Governor Working Group

COMMITTEE MANDATE:

- One of GNHR’s responsibilities under its Terms of Reference is to oversee the process of electing new governors & recommending their appointment to the Board, in accordance with the *UOIT Act & By-laws*.
- In response to concerns raised during the spring 2018-2019 Board of Governors Election regarding Teaching Staff governor eligibility requirements, GNHR formed a Faculty Governor Working Group to review the matter over the summer.
- The Faculty Governor Working Group presented their recommendations to the committee for recommendation to the Board for approval.
- GNHR supports the recommendations and is seeking the Board’s approval of the proposed changes.

BACKGROUND/CONTEXT & RATIONALE:

- The 2018-2019 Board of Governors Election took place from February 26 - April 6, 2018.
- We received 5 nominations for the 2 Teaching Staff Governor positions on the Board.

- In order to confirm eligibility to serve on the Board, each nominee was asked to advise whether she/he had research leave scheduled or she/he would be requesting research leave during the next 2 years.
- This fundamental eligibility requirement is based on the understanding and expectation that a faculty member on research leave will be spending all of his/her time on research and participating in no other service at the university during that time (consistent with section 28.03 of the Collective Agreement).
- This eligibility criteria is used for both the Board of Governors and Academic Council faculty representative positions.
- 3 nominees responded that they planned to request research leave during the next 2 years.
- Based on this requirement, one of the nominees withdrew as a candidate.
- We notified the other 2 nominees that they were ineligible as candidates in the current election due to their planned research leave requests.
- Both ineligible nominees expressed concern about this eligibility requirement.
- A summary of the concerns is:
 - their research leave requests had not yet been approved
 - research leave does not necessarily mean all of their time is devoted to research & they can still participate in Board/Committee meetings as the time commitment is not extensive
 - this eligibility requirement would exclude many tenured/tenure track faculty from serving on the Board as they are eligible for a 6 month research leave every 3 years
 - once appointed to the Board of Governors, a faculty member is not part of the Faculty Association during the length of their term & section 28.03 of the Collective Agreement would not apply
 - there have been instances of Academic Council members who go on research leave & do not lose their seat on Academic Council
- The rationale for the eligibility requirement is:
 - governors owe a fiduciary duty to the university, which is the highest of legal obligations
 - a fiduciary duty cannot be temporarily delegated to another member
 - while a faculty member is on research leave, the expectation is that she/he is dedicated to research full-time & is not engaging in service at the university
 - if a faculty member's request for service is denied, it may be postponed for a period of no more than 1 year in accordance with the Collective Agreement – accordingly, if a faculty member's request for leave in 2019 is denied, it would generally be granted for 2020
 - to support fulfilment of their fiduciary obligations and effective governance, Board members are expected to attend all meetings when possible – attendance expectations are set out in the Board of Governors Attendance Policy
 - accordingly, a faculty member's inability to attend meetings would be inconsistent with the Board's expectations

- inability to attend meetings would also negatively impact the member's ability to meet his/her fiduciary obligations
- since the length of term on the Board is only 3 years, spending a portion of the term on research leave would also negatively impact the member's development as a governor & ability to contribute effectively to the Board
- serving a portion of his/her term as governor while on research leave would also leave the faculty member perspective absent from Board discussion, which would be a disservice to the faculty and Board, and the quality of the Board dialogue.

Faculty Governor Working Group (FGWG)

- In order to address the concerns expressed by the Board faculty members and two of the ineligible nominees, a working group was formed to review the research leave eligibility requirement and to make a recommendation to GNHR with respect to any proposed amendments to the eligibility requirement.
- The members of the FGWG were: Cheryl Foy (Chair), Robert Bailey and the two faculty governors (terms ending August 31, 2018): Jeremy Bradbury, and Shirley Van Nuland.
- The FGWG was guided by the following considerations:
 - regular attendance at Board & Committee meetings is required (the limit of missing three meetings is not intended to be permissive - it triggers a review of the Board member's status on the Board)
 - governors' fiduciary obligations
 - the practice of appointing elected faculty for three year terms allows faculty Board members to become familiar with Board operations & then serve as effective Board members - any recommendation should ensure that faculty Board members have an opportunity to become familiar with the Board & serve effectively
 - minimize disruption & turnover of Board members
 - existing leave restrictions/parameters & the impact of the solution on decanal discretion relating to research leave
 - any recommendation must be consistent with the Act, By-Laws, and governance good practices

SUMMARY OF RECOMMENDATIONS:

- The FGWG met on June 19 & July 18 – following very constructive discussions, the FGWG agreed upon the following recommendations with respect to research leave eligibility requirements:

One year leave:

- If a faculty member has submitted a request/plans to submit a request for a one (1) year research leave, to be taken during the first two (2) years of the term, the individual is ineligible to participate in the Board election.

- If a faculty member goes on a one (1) year research leave during last year of term, she/he can no longer serve on the Board & will be replaced on the Board by election.

Six (6) month leave:

- If a faculty member has submitted a request/plans to submit a request for a six (6) month research leave during the first year of the term, the individual is ineligible to participate in the Board election.
- If a faculty member goes on six (6) month research leave during years 2-6 of the term, she/he can continue to actively serve on the Board with the Dean's agreement.

Recommendations:

- The recommendations have been incorporated into the Board of Governors Recruitment, Appointment and Leadership Policy and Teaching Staff Nominee Election Form (documents attached).

COMPLIANCE WITH POLICY/LEGISLATION:

- The recommendations are compliant with the *UOIT Act* and By-laws.

CONSULTATION:

- GNHR – October 11, 2018 (committee supported the proposed recommendations)
- Online consultation with university community – November 19 – 30, 2018 (no comments were received)

MOTION:

That pursuant to the recommendations of the Governance, Nominations & Human Resources Committee and Faculty Governor Working Group, the Board of Governors hereby approves the amendments to the Board of Governors Recruitment, Appointment and Leadership Policy, as presented.

SUPPORTING REFERENCE MATERIALS:

- blacklined Board of Governors Recruitment, Appointment and Leadership Policy

Classification	BRD 1000
Framework Category	Board
Approving Authority	Board of Governors
Policy Owner	University Secretary
Original Approval Date	April 24, 2014
Date of Most Recent Review/Amendment	June 18, 2014
Review Date	June 2017
Supersedes	Board of Governors Recruitment, Appointment and Leadership Policy (April 2014)

BOARD OF GOVERNORS RECRUITMENT, APPOINTMENT AND LEADERSHIP POLICY

PURPOSE

1. The purpose of this policy is to define the method by which the Board of Governors will carry out the recruitment, appointment and re-appointment of members to the Board of Governors. Additionally, this policy outlines the process by which the Board of Governors will address the election, appointment and succession planning for leadership positions of the Board (Chair and Vice-Chair(s)) and its Committees.

DEFINITIONS

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

“Administrative Staff” means full-time continuing and part-time continuing employees of the University who are not members of the Teaching Staff.

“Non-Academic Administrative Staff Governor” means a member of the Board who is elected by and from within the Non-Academic Administrative Staff of the University.

“Board” means the Board of Governors of the University.

“Committee” means any standing ~~C~~committee or sub-~~C~~committee of the Board, established in accordance with the UOIT Act and By-laws.

“Corporations Act (Ontario)” means the Corporations Act, RSO 1990, c C.38, and any amendments thereto.

“Disqualifying Final Disciplinary Decision” is a decision under the Student Conduct Policy, as amended, which has not been appealed or has been upheld on appeal and which, in the discretion of the Governance, Nominations and Human Resources Committee of the Board, indicates that the student candidate or Student Governor does not demonstrate the core competencies expected of all Governors.

“External Governor” means an appointed member of the Board who is external and independent from the University.

“Elected Governors” means the members of the Board who are elected from within their relevant constituencies within at the University. This includes Administrative Staff, Student, and Faculty Teaching Staff, Non-Academic Staff and Student Governors.

~~“Faculty Governor” means a member of the Board who is elected by and from within the teaching staff of the University.~~

“Clear Academic Standing” has the meaning ascribed to it in the General Academic Regulations of UOIT, as amended.

“Good Standing” means both that there is no record of a Disqualifying Final Disciplinary Decision and the student is in Clear Academic Standing.

~~“Non-Academic Staff” means an individual who is employed in the administrative/technical, professional/managers, or senior non-academic administrators staff groups of the University.~~

~~“Non-Academic Staff Governor” means a member of the Board who is elected by and from within the Non-Academic staff of the University.~~

“Research Leave” has the meaning ascribed to it in the relevant Collective Agreement.

“Student Governor” means a member of the Board who is elected by and from within the student population of the University.

“Teaching Staff” means those positions engaged in the work of teaching or giving instruction or in research at the university as defined in Section 1 of the UOIT Act.

“Teaching Staff Governor” means a member of the Board who is elected by and from within the Teaching Staff of the University.

“The By-Laws” means By-Law Number ~~1~~ os. 1 and 2 of the University of Ontario Institute of Technology, and any amendments thereto.

“UOIT Act” means the University of Ontario Institute of Technology Act, 2002, SO 2002, c 8, Sch O, and any amendments thereto.

SCOPE AND AUTHORITY

3. This policy applies to the recruitment, election, appointment and re-appointment of members to the Board ~~of Governors of UOIT.~~
4. This policy and the related procedures are established in accordance with the UOIT Act and The By-Laws as amended from time to time

POLICY

5. Achieving excellence in governance and ensuring performance and accountability in the management of the affairs of the University is the primary mission of the Board ~~of Governors.~~ To meet this obligation, the Board has developed a policy that will:
 - Establish membership and leadership for the Board that demonstrates a balance of skills, expertise and knowledge, while reflecting broad demographic and cultural diversity.
 - Support transparent and effective processes for the recruitment, review, appointment and election of members to the Board and its leadership positions.

6. Board Composition: Skills and Competencies

- 6.1. The UOIT Board of Governors is a competency-based Board and its composition will reflect the knowledge, skills and abilities necessary for it to govern effectively and meet the strategic goals of the University.
- 6.2. Overall Board composition, and selection of individual members, will be based on the requisite skills and competencies set out in the Board Skills and Competencies Matrix (Matrix) as amended from time to time.
- 6.3. The Governance, Nominations and Human Resources Committee (GNHR), or its successor Committee, will be responsible for annually reviewing the Board composition and defining-identifying any skill or competency gaps. This assessment will form the basis of recruitment of new members and recommendation for appointment to any vacancies on the Board.

7. Recruitment and Appointment: General

- 7.1. In addition to the requirements set out in the UOIT Act and The By-~~l~~aws, all appointments to the Board must be made in accordance with the regulations set out in the Corporations Act (Ontario) for Corporations without Share Capital.
- 7.2. The process of recruitment, screening, selection, election, and recommendation for appointment to the Board will be overseen by GNHR, in accordance with the associated procedures.

8. Recruitment and Appointment: External Governors

- 8.1. Term lengths for External Governors are defined in sections 8(3) and 8(5) of the UOIT Act.
- 8.2. GNHR, or its successor Committee, will recruit, screen, and maintain a pool of eligible candidates for appointment to the Board, based on an assessment of the skills and competencies needed to fill any identified gaps.
- 8.3. GNHR, or its successor Committee, will actively seek to broaden the demographic and cultural diversity of the Board when recruiting eligible candidates to fill any identified gaps.
- 8.4. Candidates may be referred by any member of the current Board, University Senior Leadership or other member of the University community.
- 8.5. Eligible candidates will remain in the pool for three (3) years.
- 8.6. GNHR, or its successor Committee, will make recommendations to the Board from the pool of eligible candidates for the appointment of new members.

9. Recruitment and Appointment: Elected Governors

- 9.1. Term lengths for Elected Governors are defined in sections 8(3), 8(4) and 8(5) of the UOIT Act.
- 9.2. GNHR, or its successor Committee, will be responsible for overseeing the recruitment, nomination, and election procedures for Elected Governors.

- 9.3. Elected Governors will be recruited, nominated, and elected from within their respective constituency groups within-at the University.
- 9.4. The respective constituencies will be provided with information regarding the requisite skills and competencies for Board members in order to facilitate the nomination and election of Elected Governors who can meet the needs and obligations of Board membership.
- 9.5. In accordance with Article 43.54 of ~~The~~ By-Law No. 1, in order to be eligible to be nominated or to remain as an Administrative Staff Governor ~~Faculty~~ or Non-Academic Teaching Staff Governor, individuals must be employed by the University. Such Governors will automatically cease to hold office if they cease to be employees of the University ~~hold a full-time continuing appointment to the University within their relevant constituency group.~~

Teaching Staff Governor Eligibility

9.6. Teaching Staff who:

- a) have been granted a six (6) month Research Leave; or
- b) submitted a request for a six (6) month Research Leave; or
- c) are planning to submit a request for a six (6) month Research Leave

that will commence at any time during the first year of their prospective first term on the Board are ineligible to be nominated as a candidate for the position of Teaching Staff Governor.

9.7. Teaching Staff who:

- a) have been granted a twelve (12) month Research Leave; or
- b) submitted a request for a twelve (12) month Research Leave; or
- c) are planning to submit a request for a twelve (12) month Research Leave

that will commence at any time during the first two (2) years of their prospective first term on the Board are ineligible to be nominated as a candidate for the position of Teaching Staff Governor.

9.8. In the event that a Teaching Staff Governor is granted a twelve (12) month Research Leave that will commence prior to the end of her/his term on the Board, the Teaching Staff Governor will cease to hold office as a Teaching Staff Governor effective as of the start date of the Research Leave.

9.9. In the event that a Teaching Staff Governor is granted a six (6) month Research Leave that will commence during the second or third year of her/his term on the Board, assuming the Teaching Staff Governor obtains the written agreement of the relevant Dean in accordance with the terms of the applicable Collective Agreement, the Teaching Staff Governor may continue to serve on the Board for the remainder of the term.

~~9.5.9.10.~~ In order to be eligible to be nominated or to remain as a Student Governor, a student must be a full-time, registered undergraduate or graduate student, in Good Standing.

10. Election and Selection of Chair, Vice-Chairs and Committee Chairs

- 10.1.** In accordance with Section 8(13) of the UOIT Act, the Chair and Vice-Chair(s) shall be elected on an annual basis.
- 10.1.1.** There will be one (1) Chair who will normally be nominated and elected from the incumbent Chair or Vice-Chair(s).
- 10.1.2.** An incumbent Chair will have the opportunity to express interest in re-election to the Chair position, provided such person is within the normal term length for an External Governor.
- 10.1.3.** There will be ~~two~~ (2) Vice-Chair~~s~~ who will normally be nominated and elected from the incumbent Vice-Chair(s) or Committee Chairs.
- 10.1.4.** The incumbent Vice-Chair(s) will have the opportunity to express interest in re-election to the Vice-Chair positions, provided such person is within the normal term length for External Governors.
- 10.2.** Committee Chairs will normally be recruited from within the incumbent External Governors.
- 10.2.1.** External Governors will have an opportunity, on an annual basis, to express interest in Committee Chair positions.
- 10.2.2.** Committee Chairs be selected from members who have demonstrated a high degree of commitment to the University, the Board and its Committees and who meet the desired skill and competency profile for leadership of the respective Committee for which they are being considered.
- ~~10.2.3. Board Vice-Chairs will normally not be Chairs of another Board Committee.~~
- ~~10.3. Board Leadership Nominating Committees for the Chair, Vice Chairs and Committee Chairs will be established as sub-Committees of GNHR. These Committees will recommend nominees for the election of the Chair and Vice-Chairs, and for the selection of Committee Chairs, to the Board.~~
- ~~10.4. Composition of the Board Leadership Nominating Committees are established as follows:~~
- ~~10.4.1. The Nominating Committee for the Chair will normally be made up of: current Board Chair, President and CEO, and two Committee Chairs.~~
- ~~a) The University Secretary will sit on the Committee as a non-voting member~~
- ~~b) The Chair of GNHR will normally fill one of the Committee Chair appointments to this Committee.~~

~~c) — Where any member of the Committee is in conflict as a result of their consideration for the Chair position, the University Secretary will recommend another Committee member who is not in conflict.~~

~~10.4.2. The Nominating Committee for the Vice-Chairs will normally be made up of: current Board Chair, incoming Board Chair, President and CEO, and two Committee Chairs.~~

~~a) — The University Secretary will sit on the Committee as a non-voting member.~~

~~b) — The Chair of GNHR will normally fill one of the Committee Chair~~

~~c) — Where any member of the Committee is in conflict as a result of their consideration for a Vice-Chair position, the University Secretary will recommend another Committee member who is not in conflict.~~

~~10.4.3. The nominating Committee for the Committee Chairs will normally be made up of: current Board Chair, incoming Board Chair, President and CEO, current Board Vice-Chairs and incoming Board Vice-Chairs~~

~~a) — The University Secretary will sit on the Committee as a non-voting member.~~

~~b) — The Chair of GNHR will normally fill one of the Committee Chair~~

~~c) — Where any member of the Committee is in conflict as a result of their consideration for a Committee Chair position, the University Secretary will recommend another Committee member who is not in conflict~~

11. Review of Chair, Vice-Chairs and Committee Chairs

11.1. The Board Chair, Vice-Chairs and Committee Chairs will be evaluated on an annual basis.

11.2. Annual evaluations will be used to support the ongoing improvement of Board processes as well as in the consideration of incumbent nominees for re-election to Board leadership positions.

12. Vacancies

12.1. Vacancies in Board membership that occur prior to the end of the appointment term of a Governor will be filled in accordance with Article ~~43.116~~ of ~~The By-Law~~By-law No. 1.

12.2. Vacancies in any of the Board Chair, Vice-Chair or Committee Chair positions that occur before the end of the appointment term will normally be filled on an acting basis until ~~the Nominating Committee~~GNHR can recommend a new nominee for election or selection.

12.2.1. A vacancy in the Chair position will normally be filled by one of the Vice-Chairs.

12.2.2. A vacancy in one of the Vice-Chair positions will normally be filled by an incumbent Committee Chair. The selected individuals will maintain their Committee Chair role on a temporary basis until the end of the year.

12.2.3. A vacancy in a Committee Chair position will normally be filled by a Committee member.

RELEVANT LEGISLATION

13. University of Ontario Institute of Technology Act, 2002, S.O. 2002, c. 8, Sch. O
By-Laws ~~Number 1~~ of the University of Ontario Institute of Technology
Corporations Act, RSO 1990, c C.38

RELATED POLICIES, PROCEDURES & DOCUMENTS

14. Board of Governors and Committees Skills and Competency Matrix
General Academic Regulations, University of Ontario Institute of Technology
UOIT Student Conduct Policy
Governance, Nominations and Human Resources Committee Terms of Reference
Board Leadership Nominating Committee(s) Terms of Reference**
Procedures for the Referral of Candidates to the Board of Governors**
Procedures for the Appointment of External Governors**
Procedures for the Election of Faculty, Non-Academic Staff and Student Governors**
Procedures for the Election of Board Chair, Vice-Chairs and Appointment of Committee Chairs**
Board Evaluation Policy**
Board Chair Position Statement **
Board Vice-Chair Position Statement**

***To be developed*



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: February 28, 2019

FROM: Nigel Allen, Chair of Audit & Finance Committee and
 Stephanie Chow, Chair of Investment Committee

SUBJECT: Amendments to Statement of Investment Policies

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.
- Investment and the Audit & Finance Committees are recommending the proposed changes to the SIP.

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%

Asset Class	Range
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.

MOTION:

That pursuant to the recommendations of the Audit & Finance Committee and Investment Committee, the Board of Governors hereby approves the amendments to the Statement of Investment Policies, as presented.

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

Table of Contents

Section

1	Purpose	2
2	Responsibilities	2
3	Portfolio Objectives	4
4	General Guidelines.....	5
5	Authorized Investments	5
6	Risk Guidelines.....	6
7	Performance Expectations	8
8	Reporting & Monitoring.....	9
9	Standard of Care.....	9
10	Conflict of Interest.....	10

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

¹ Percentage of portfolio at market value; ² Includes government-guaranteed issues; ³ 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' 109th REGULAR MEETING
PUBLIC SESSION**

**Minutes of the Meeting of Thursday, November 29, 2018
55 Bond Street, DTB 524
Noon to 2:05 p.m.**

GOVERNORS IN ATTENDANCE:

Doug Allingham, Board Chair
Nigel Allen, Chair of Audit & Finance Committee
Francis Garwe, Chair of Governance, Nominations & Human Resources Committee
Thorsten Koseck, Chair of Strategy & Planning Committee
Liqun Cao
Kevin Chan
Lisa Edgar
Laura Elliott
Ferdinand Jones
Kori Kingsbury
Thorsten Koseck
Dale MacMillan
Mark Neville
Jessica Nguyen
Dietmar Reiner
Trevin Stratton
Jim Wilson
Lynne Zucker

REGRETS:

Noreen Taylor, Chancellor
Stephanie Chow, Chair of Investment Committee
Maria Saros

BOARD SECRETARY:

Becky Dinwoodie, *Assistant University Secretary*

UOIT STAFF:

Robert Bailey, *Interim Provost & VP Academic*
Craig Elliott, *Chief Financial Officer*
Cheryl Foy, *University Secretary & General Counsel*
Justin Gammage, *Industrial Liaison Specialist*
Krista Hester, *Assistant to the Provost*
Doug Holdway, *Interim VP of Research, International and Innovation*

Andrea Kelly, *Assistant to the University Secretary & General Counsel*
Brad MacIsaac, *Assistant Vice-President, Planning and Analysis, and Registrar*
Susan McGovern, *VP External Relations & Advancement*
Cathy Pitcher, *Assistant to the President*

1. Call to Order

The Chair called the meeting to order at 12:05 p.m.

2. Agenda

Upon a motion duly made T. Koseck and seconded by K. Kingsbury, the Agenda was approved as presented.

3. Conflict of Interest Declaration

J. Nguyen declared a conflict of interest with respect to the agenda item 8.1

4. Chair's Remarks

The Chair welcomed everyone to the first Board meeting of the year. The governors have had the opportunity to meet on several occasions prior to this meeting. The Chair expressed his appreciation for the time the governors have already dedicated to the institution. It is important to have a diversity of perspectives on the Board, including a diversity of opinion. He encouraged the Board members to actively participate in the discussions during the meeting.

Sadly, the university is mourning the death of Rhyss Glenfield, a first year student, due to a tragic accident adjacent to the north campus. A GoFundMe page has been set up to raise funds to cover funeral expenses and for a scholarship to be established in his name. The university has contributed and the Board will also be making a contribution. The Board Chair asked B. Dinwoodie to circulate the link to the GoFundMe page to the Board.

The Chair also discussed the recent announcement about GM closing in Oshawa.

Board Priorities

The Board will continue to focus on diversity during the upcoming year. The continued improvement of the efficiency of Board meetings will remain a priority. The Chair acknowledged improvements to Board process implemented over the last year, including:

- streamlined presentations;
- succinct & well-written Board reports;
- availability of videoconferencing & audio system; and

- comprehensive orientation program.

The university will also be introducing a new Board portal. The Chair thanked B. Dinwoodie and her team for implementing these changes. He is also looking forward to increased engagement with students and the university community. The Chair thanked R. Bailey and S. McGovern for the great retreat session that morning.

5. President's Report

The President provided an update on the status of the Provost and VP Research searches. A confidential long list has been reviewed for the Provost position and the ad for the VP Research position will be posted in December. He noted that there are a lot of searches taking place across the sector. The President also discussed the university's town halls, which have focused on topics, such as, what the campus of the future will look like and the university's acronym (ONTechU). The university community is very engaged.

The President acknowledged the tragic death of Rhys Glenfield, which shook the community. He emphasized the importance of creating a sense of community, such as when everyone came together for the vigil.

The President also discussed the recent GM announcement and how the university can support GM workers with retraining opportunities.

The President ended by reporting on his attendance at the Whitby Chamber of Commerce Business Achievement Awards. He congratulated Board Chair, D. Allingham, for receiving the 2018 Peter Perry Award.

6. Academic Council Report

The President delivered the Academic Council report, which was included in the meeting material. Academic Council participated in consultation sessions for the senior academic administrator searches. He also noted the establishment of a new governance committee for Academic Council. They are focusing on having more strategic discussions at Council meetings. Council has also been involved in policy consultations, particularly the Freedom of Expression Policy. He acknowledged the work of R. Bailey and Niall O'Halloran in developing the policy.

7. Co-Populous Report

J. Wilson delivered the co-populous report. Durham College (DC) hosted the official opening for the Centre for Collaborative Education on September 2, which was well attended. The implementation of the smoke free campus seems to be going well, so far. He reported on the establishment of a new carpentry and renovation technician program, as well as the suspension of a few diploma programs (insurance, accounting & payroll). DC also held its fall convocation on October 25. J. Wilson

responded to questions from the Board. He discussed the robust process followed to suspend a program and clarified that if a program is suspended, it can always be brought back.

Committee Reports

8. Audit & Finance Committee Report (A&F)

The Chair advised that the Board will be considering the first two motions together as they are closely linked.

8.1 Student Union Addendum & Guarantee Agreement

N. Allen gave an overview of the student union (SU) addendum and guarantee agreement recommendation, which was set out in more detail in the report in the meeting material. He responded to questions from the Board. C. Foy explained that while the university will be the recognized owner of the building, the university will transfer ownership in the space allocated to the SU to the SU in perpetuity. She also clarified that while DC is the registered land owner, it is held in trust for the university. C. Foy confirmed that the transfer of space to the SU would include a right of first refusal if the SU decides to sell the rights to the space down the road. The SU will be paying for their portion of the building, so there is a degree of security that they will have space for the future.

MOTION for STUDENT UNION ADDENDUM & GUARANTEE AGREEMENT:

Upon a motion duly made by L. Elliott and seconded by K. Chan, pursuant to the recommendation of the Audit & Finance Committee, the Board of Governors approved 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);*
- *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.*
- *The President and/or Chief Financial Officer are authorized and directed 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.*
- *At their next meetings, the Audit and Finance Committee and the 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.*

J. Nguyen abstained.

8.2 New Building

N. Allen summarized the key aspects of the new building business case, circulated in advance of the meeting. He explained the cost efficiency of including six floors at the time of construction, with the top floor being shelled. The estimated budget is \$48M. He also reviewed the funding options for the remaining project cost.

There were discussions regarding how the building will showcase technology and green standards. It will be designed to be Leed Silver and carbon neutral, but will not be certified. The new building's operating costs have been included from 2021 onward. The university is planning to increase enrolment over the next decade and the construction of a new building will help prepare for that growth. The shelled floor, once fitted out, would create space for an additional 200 students. The Board asked about the cost of fitting out the top floor right away. Consultation will be conducted with the Faculties to determine what would be going on the top floor. It would cost approximately \$1.2M to fit out the top floor.

The Board was also shown how the building design will promote a sticky campus. It was clarified that when the initial plan for the building was contemplated, all other buildings in the Campus Master Plan are four floors due to the restrictions related to being in the airport flight path. By slightly reducing the ceiling height, another floor was added to the design. Delaying the fit out of the top floor will give the Advancement Team a bit more time to fundraise for the construction costs.

MOTION for NEW BUILDING:

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” and pursuant to the recommendation of the Audit & Finance Committee, upon a motion duly made by D. Reiner and seconded by F. Jones, the Board of Governors:

- 1. Authorized the university to proceed with the preparatory work for the new building construction, up to a maximum cost of \$1.5M dollars.*
- 2. Directed the university to present the final negotiated guaranteed maximum price agreement for approval at the February 28, 2019 Board meeting.*
- 3. Authorized and directed 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.*

8.3 ACE Enhancement Project

N. Allen summarized the background of the ACE Enhancement Project. There was a discussion regarding the contract signing controls that are in place. The Signing Authority Policy and Procedures govern who has the authority to sign documents. There is also a legal review policy that governs contracts and if an agreement meets a certain level of risk, it would come to the Board for approval. The Board Chair advised that the Executive Committee was comfortable with the answers provided when the project was initially presented in October. C. Elliott explained why multiple RFPs will be required.

MOTION for ACE ENHANCEMENT PROJECT:

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, pursuant to the recommendation of the Audit & Finance Committee, upon a motion duly made by T. Stratton and seconded by D. MacMillan, the Board of Governors approved the following:

- 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 requested 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.

8.3 AVIN

N. Allen reviewed the AVIN recommendation, which was explained in detail in the accompanying report. AVIN is an \$80M, 5-year investment, delivered by OCE on behalf of the Ministry of Economic Development and Growth, Ministry of Research, Innovation and Science & Ministry of Transportation (MTO). The University and its partners, Durham College and the Spark Centre, were awarded \$5M dollars over five years to create a Regional Technology Development Site (RTDS) in the Durham Region to support innovation linked to autonomous vehicles in the Durham and Northumberland Regions. D. Holdway and J. Gammage responded to questions from the Board. C. Foy clarified that there are a total of five sites for RTDS and the

university may be able to use the documents developed by the other four sites as template agreements. Outside counsel is being consulted.

MOTION for AVIN:

WHEREAS the university and its partners, Durham College and the Spark Centre (“Spark”) were awarded \$5M by the 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, pursuant to the recommendation of the Audit & Finance Committee, upon a motion duly made by D. Reiner and seconded by D. MacMillan, the Board of Governors approved:

- 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 requested 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.

8.4 Campus Recreation & Wellness Centre Expansion (CRWC)

N. Allen reported that in the spring of 2018, the senior leadership and SU approved the introduction of men's and women's varsity basketball. Shortly after that, the university's bid to join OUA (Ontario University Athletics) basketball was supported and approved for competition by the OUA board of directors for the fall of 2019. As a playing member of the association, we are bound to standards which require us to provide adequate facilities for team competition and training. To meet those requirements, varsity change rooms and additional athletic therapy space are required. This project will also support the sustainability of our commitment to the well-being of student-athletes by improving the space to which teams are treated and rehabilitated through athletic therapy. While the varsity change rooms would be dedicated to basketball, all varsity teams will have access to the therapy space. C. Elliott responded to questions. He clarified that the money is being spent out of an existing reserve for CRWC, which must be spent toward student activities.

MOTION for CAMPUS RECREATION & WELLNESS CENTRE EXPANSION:

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 (CRWC) by adding varsity change rooms and more athletic therapy space will help us meet the OUA standards;

NOW THEREFORE, pursuant to the recommendation of the Audit and Finance Committee, upon a motion duly made by L. Edgar and seconded by F. Garwe, the Board of Governors:

- 1. Authorized 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. *Authorized and directed 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 requested that management deliver progress updates in respect of the CRWC Modification Project to the Audit & Finance Committee until the project is completed. The Board anticipated that the Chair of Audit & Finance will report on the CRWC Modification Project to the Board until the project is completed.

8.5 2019-2020 Ancillary Fees Amendment

The university sets tuition and ancillary fees two years in advance to provide accurate net tuition data to prospective students at the time of application. Since the university is looking to move two programs to “bring your own device” for 2019-20, the Audit & Finance Committee recommended that the Board approve the reduced ancillary fees, as presented.

MOTION for ANCILLARY FEES AMENDMENT:

Upon a motion duly made by L. Elliott and seconded by T. Koseck, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the changes to the 2019-20 ancillary fees, as presented:

	2018-19	2019-20	
Compulsory Ancillary Fees			% Inc
Flat Fee Paid once per yr. Charged to FT & PT			
Technology-enriched Learning (FT) Gaming UL	853.87	478.00	-44.0%
Technology-enriched Learning (FT) FESNS ULA	729.79	221.00	-69.7%

8.6 Second Quarter Financial Reports

N. Allen directed the Board to the detailed and helpful notes in the financial reports. He reported that the committee was provided with an overview of the second quarter financial reports. There is \$40M in AR, which includes winter term tuition fees that are not collectible until next year. There was also a year-over-year increase of \$4.4M in salaries and benefits. The forecast is based on the assumption that the university will continue to be fully funded in accordance with the funding formula used in 2017-2018. All special purpose grants have been held back as part of the provincial government's line by line review of the budget – this includes our annual debenture grant. The university is forecasting a net operating surplus of \$3.1M at the end of the fiscal year.

C. Elliott responded to questions from the Board. There was a discussion regarding the savings in labour costs. C. Elliott explained that this was due to vacant positions not being filled or being filled

at a slower rate than expected. The Board also inquired about forecasting of possible government cut backs. There was been some scenario planning and it is prudent to anticipate that there will be some efficiency requirements.

8.7 2018-2019 Budget Assumptions, Targets & Outcomes

N. Allen referred the Board to the 2018-2019 budget process, which was included in the meeting material. He emphasized that the forecast does not include any assumptions around potential budget efficiencies imposed by the province. The university will be modelling various scenarios to show best case, worst case, and most likely. These forecasts will come to the next committee meeting in February.

The university will focus on the \$1.6M per year in the upcoming 2019/20 budget as it frames the amount of additional asks that can be funded. The emphasis will be on one-time-only asks to maintain flexibility in the face of revenue uncertainty. N. Allen reviewed the key 2019-2020 budget assumptions. R. Bailey and C. Elliott responded to the Board's questions. He thanked C. Elliott, R. Bailey, B. Maclsaac and their teams for the reports.

8.8 Policy:

(a) Freedom of Expression Policy

N. Allen presented the draft Freedom of Expression Policy for approval. The accompanying report includes a summary of comments received from Academic Council and other sources. R. Bailey answered questions. He advised that there is a complaint process in place at the institution that can be used under this policy. He noted the accelerated development and implementation of the policy in the university environment. There was engaged consultation, which resulted in a different document being presented than what they started with.

There was a discussion regarding the narrow definition of online university environment and whether the policy would apply to a student's personal account. The behaviour of a student using a personal account would be captured by the Student Conduct Policy. There is a distinction between the university's liability for behaviour and the regulation of university community behaviour.

The Board also asked about who is responsible for the cost of security for a controversial speaker. The discussion about costs would take place prior to an event. C. Foy clarified that freedom of expression does not translate into the university covering the cost of carrying out freedom of expression. C. Foy explained the process for booking of space, which involves the Director of Risk. An event organizer is responsible for the costs. In the event that things go wrong, the university has liability insurance up to \$10M.

MOTION for FREEDOM OF EXPRESSION POLICY:

Upon a motion duly made by K. Kingsbury and seconded by K. Chan, pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors approved the Freedom of Expression Policy, as presented.

The Board Chair noted that the staff did an excellent job in policy development, particularly the consultation process.

9. Investment Committee

9.1 Quarterly Report

N. Allen delivered the Investment Committee report in S. Chow's absence. The portfolio is up to \$25.5M. He reported on the portfolio's performance compared to benchmark, which was .19% behind the benchmark in the last quarter due to market volatility. He noted that this is not concerning in the short term. He also informed the Board that the committee had an educational session on the cannabis market at the last meeting.

9. Governance Nominations & Human Resources Committee (GNHR) Report

F. Garwe delivered the GNHR Report. He thanked the Board Chair for chairing the last GNHR meeting in his absence.

Board Recruitment Process

F. Garwe thanked the Board members and staff who participated in the recruitment process over the summer. It was the first time the Board used an external recruitment firm to assist with the process and it was a tremendous success. The university received an overwhelming number of applicants and the Board is extremely pleased with the results. The addition of the new elected and external governors has broadened the skillset of an already strong Board and we look forward to continuing to advance the university's mission, vision and values.

Executive Compensation

GNHR received an update on the status of the Executive Compensation Plan. Almost all universities submitted their executive compensation plans for approval prior to the election and only four institutions received approval. The rest of the universities must remain in a holding pattern until there is any further development. This is important to note for the Board since the university is currently recruiting for the senior academic administrator positions of Provost and VP Research. The salaries for these positions, as well as the university's other executives, remain frozen.

Faculty Governor Working Group Recommendations

In response to concerns raised during the spring 2018-2019 Board of Governors Election regarding Teaching Staff governor eligibility requirements, GNHR formed a Faculty Governor Working Group to review the matter over the summer. The concerns were related to the election eligibility requirement of a faculty nominee not having requested or planning on requesting research leave during the next two years. This fundamental eligibility requirement is based on the understanding and expectation that a faculty member on research leave will be spending all of his/her time on research and participating in no other service at the university during that time.

The Faculty Governor Working Group presented their recommendations to the committee for feedback. The working group's recommendations are:

For a one year leave:

- If a faculty member has submitted a request/plans to submit a request for a one (1) year research leave, to be taken during the first two (2) years of the term, the individual is ineligible to participate in the Board election.
- If a faculty member goes on a one (1) year research leave during last year of term, she/he can no longer serve on the Board & will be replaced on the Board by election.

For a six (6) month leave:

- If a faculty member has submitted a request/plans to submit a request for a six (6) month research leave during the first year of the term, the individual is ineligible to participate in the Board election.
- If a faculty member goes on six (6) month research leave during years 2-6 of the term, she/he can continue to actively serve on the Board with the Dean's agreement.

GNHR supported the group's recommendations and those recommendations have been incorporated into the Board of Governors Recruitment, Appointment and Leadership Policy and Teaching Staff Nominee Election Form. The amended policy is undergoing community consultation. The community feedback, if any, will be taken into consideration and the policy documents will be presented at the next GNHR meeting for recommendation.

By-laws Implementation

The committee also received a progress update on the implementation of the new By-laws, which came into effect on September 1. The university held its first joint Board and Academic Council orientation session, which was well attended. Overall, the feedback was positive for

our first joint orientation session.

Board Engagement

In response to feedback from the Board during last year's assessment, the university introduced videoconferencing as an option for remote participation this year. The transition to the videoconferencing system has gone smoothly and it seems to be a more engaging format of remote participation.

Workplace Violence Policy 2017-2018 Review Report

The committee received a report on the results of the Workplace Violence Policy review for 2017-2018, which is included in the meeting material for information.

Board of Governors Procedures for Election of Faculty, Non-Academic Staff & Student Governors

The procedures for the election of faculty, non-academic staff & student governors was due for a regular review. There are several proposed editorial changes and one substantive change related to the process used for resolving a tie. Due to an unusual situation where there was a three-way tie in the September 2017 election, the process is being changed from a coin toss to a random selection of a candidate's name from a box. The procedures are posted online for community consultation and the documents will be presented at the next GNHR meeting for approval.

10.1 Presidential Transition Committee (PTC)

The Board recognizes how essential it is to create the necessary conditions for a successful transition of a new president. To assist the Board with the development and oversight of a presidential transition plan, the Board established the Presidential Transition Committee in January 2018. The committee includes a representative from key stakeholder groups in order to provide advice and facilitate the president's introduction to his/her respective constituency. The PTC met several times during the initial months of the President's arrival. The general consensus of the PTC was that the transition is going very well. F. Garwe acknowledged the milestones the President has achieved in his short time at the university. As an ad hoc committee of the Board and pursuant to the recommendation of the PTC Chair, GNHR recommends that this be the final report of the PTC and that the committee be dissolved as of the date of receipt by the Board.

MOTION for PRESIDENTIAL TRANSITION COMMITTEE:

Upon a motion duly made by N. Allen and seconded by J. Wilson, pursuant to the recommendation of the Governance, Nominations & Human Resources Committee, the Board of Governors dissolved the

Presidential Transition Committee.

11. Strategy & Planning Committee Report (S&P)

T. Koseck delivered the S&P report. The committee had an orientation session prior to the first committee meeting, during which they reviewed the committee's Terms of Reference and work plan, and heard about some of the key issues that the committee will face over the next year.

Research Office Review

S&P received an update on the results of the research office review that was conducted earlier in the year. The name of the office is currently the Office of Research, Innovation & International – one of the recommendations of the review is to remove International from the portfolio. Other recommendations included:

- fostering entrepreneurship & innovation;
- streamlining processes of the Research Ethics Board; and
- capitalizing on the unique opportunity with respect to researchers' IP and differentiating the university.

Integrated Operating Plan & 2019 Budget Development

The committee also received a presentation on the university's integrated operating plan and 2019 budget development. The emphasis was that the university's strategy and planning are driving the budget development. Strategic planning is filtering down to annual, as well as longer term, goals. A budget presentation is included in the meeting material for reference.

11.1 Strategic Priorities

The President discussed the university's strategic priorities.

Sticky Campus

The President acknowledged the hard work of J. Nguyen and the USU. The university had one of the best kick offs to the school year in its history. Orientation week included a concert that was well attended. The goal is to set up a skating rink in Polonsky Commons over the winter.

Technology

The President discussed the establishment of a collaboratory – a physical resource that allows faculty to think about digitizing portions of their classes. This would include a studio with high calibre recording equipment.

Entrepreneurship

The university has opened a Brilliant Catalyst space, which is an innovation hub.

Partnerships

On the international front, the university is looking to develop strategic partnerships, including one with the University of Technology Sydney.

Story Telling

Because of limited budgets, earned media is an important strategy. The university has received a lot of good earned media recently. We are also working on a new handle for the university.

The President responded to questions from the Board. There was a discussion regarding what an international partnership involves and the learning opportunities available for the university. The vetting process for international institutions was also explained. The President will be more involved in international partnerships until an AVP International is hired. The Board also asked about the risk management process for activities on campus (e.g. skating rink).

12. Consent Agenda

There was a brief discussion regarding the committees' Terms of Reference and whether there are any standard observers. It was suggested that specific questions and/or comments about the Terms of Reference be submitted to the relevant committee.

Upon a motion duly made by T. Stratton and seconded by L. Zucker, the following items on the Consent Agenda were approved, as presented:

- 12.1 A&F Committee Terms of Reference
- 12.2 GNHR Committee Terms of Reference
- 12.3 Investment Committee Terms of Reference
- 12.4 S&P Committee Terms of Reference
- 12.5 Minutes of Public Session of Board Meeting of June 27, 2018
- 12.6 Minutes of Public Session of Audit & Finance Committee Meeting of June 18, 2018
- 12.7 Minutes of Public Session of Governance, Nominations & Human Resources Committee Meeting of May 31, 2018
- 12.8 Minutes of Public Session of Investment Committee Meeting of August 15, 2018

13. Information Items (also available on the Board portal)

- 13.1 Contract Management Policy & Signing Authority Policy Review
- 13.2 Risk Management & Insurance Update
- 13.3 Workplace Violence Policy 2017-2018 Review Report

14. Other Business

15. Adjournment

There being no other business, upon a motion duly made, the public session adjourned at 2:25 p.m.

Becky Dinwoodie, Secretary



**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 2nd 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
Compulsory Ancillary Fees			
Flat Fee Paid once per yr. Charged to FT & PT			
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



**BOARD OF GOVERNORS
Governance, Nominations and
Human Resources Committee (GNHR)**

**Public Session Minutes for the Meeting of October 11, 2018
2:00 p.m. – 3:35 p.m., ERC 3023**

Attendees: Doug Allingham (Chair), Lisa Edgar, Kori Kingsbury, Steven Murphy, Trevin Stratton
(via videoconference)

Staff: Robert Bailey, Jamie Bruno, Becky Dinwoodie, Cheryl Foy, Krista Secord

Regrets: Laura Elliott, Francis Garwe

1. Call to Order

The Chair called the meeting to order at 2:00 p.m.

2. Agenda

Upon a motion duly made by K. Kingsbury and seconded by S. Murphy, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Approval of Minutes of the Meeting of May 31, 2018

Upon a motion duly made by L. Edgar and seconded by K. Kingsbury, the Minutes were approved as presented.

5. Chair's Remarks

D. Allingham chaired in F. Garwe's absence. He kept his remarks brief and shared F. Garwe's disappointment at missing the first committee meeting of the year.

6. President's Remarks

Executive Compensation Plan: Recruitment & Retention

The President updated the committee on the status of the university's Executive Compensation Plan. Almost all Ontario universities submitted their executive compensation plans for approval earlier in the year; however, only 4 were approved prior to the provincial election. He does not anticipate any further developments with respect to executive compensation for a while. This is important to note as the university is recruiting for new senior academic administrators and salaries remain frozen. The committee will continue to be updated throughout the year.

The President also discussed the university's first joint Board and Academic Council orientation session. The session was well received and the plan is to coordinate at least one more joint event during the academic year. He also discussed the shared campus with Durham College (DC). The university interacts and works closely with DC on a number of levels. Plans are underway to coordinate a joint Board meeting. The President also reported on the recent meeting of university presidents with the Deputy Ministers. He responded to questions from the committee.

7. Governance

7.1 Faculty Governor Working Group Recommendations

- **Board of Governors Recruitment, Appointment and Leadership Policy**
- **Teaching Staff Nominee Election Form**

C. Foy reviewed the background of the faculty research leave eligibility requirements and the development of the faculty governor working group (FGWG). She presented the FGWG's recommendations and noted the distinction between a one-year leave and six-month leave. She also reviewed the consultation path. C. Foy responded to the committee's questions. The committee supported the recommendations, as presented.

7.2 By-laws Implementation Joint Orientation Session

C. Foy distributed a summary of the evaluation responses received regarding the joint Board and Academic Council orientation session. Overall, the feedback was positive for the university's first joint orientation session. The committee members echoed the positive comments.

C. Foy also provided an update on the implementation of the updated By-laws. There was a discussion regarding the increased size of the membership of Academic Council and the effectiveness of Council given the large size.

7.3 GNHR Terms of Reference Review

C. Foy reviewed the proposed amendments to the committee's Terms of Reference and invited the committee's comments on the proposed changes and Terms of Reference in general. S. Murphy added that it works well having members of the senior leadership team only attend Board committee meetings when they have work coming forward at that meeting.

Upon a motion duly made by L. Edgar and seconded by S. Murphy, the Governance, Nominations and Human Resources Committee (GNHR) recommended the proposed amendments to the GNHR Terms of Reference, as presented, for approval by the Board of Governors.

7.4 Presidential Transition Committee

D. Allingham provided the background to the establishment of the Presidential Transition Committee, a summary of which was included in the meeting material. He reported on the work of the committee and the feedback received from the community on the President's transition.

(T. Stratton joined the meeting at 2:39 p.m.)

The feedback has been overwhelmingly positive and the university community is appreciative of S. Murphy's active engagement.

Upon a motion duly made by K. Kingsbury and seconded by L. Edgar, pursuant to the recommendation of the Presidential Transition Committee (PTC), the Governance, Nominations and Human Resources Committee recommended that this be the final report of the PTC and that the PTC be dissolved as of the date of receipt by the Board.

S. Murphy shared that the internal and external communities have been very welcoming and there is a very positive energy on campus. From his perspective, he did not have any suggested changes to the transition process.

7.5 Board Engagement Videoconferencing

C. Foy reminded the committee that Board engagement is one of the committee's priorities. It is important for governors to feel that their time is being well used. Videoconferencing is a new option offered to governors to attend meetings this year. D. Allingham commented that it was an issue identified by the Board last year. He thanked B. Dinwoodie and staff for coordinating videoconferencing this year. B. Dinwoodie acknowledged the assistance of Franco Scanga.

New Governor Orientation Plan

C. Foy walked through the orientation plan and asked for the committee's feedback. D. Allingham commented that the orientation program has improved greatly from previous years. Conducting coordinated orientation sessions allows governors to get up to speed more quickly. D. Allingham expressed thanks to C. Foy, S. Murphy and staff for making it happen. It was agreed that the GNHR orientation would be rescheduled to take place by videoconference prior to the next meeting.

7.6 Policy:**(a) Workplace Violence Policy 2017-2018 Review Report**

J. Bruno provided an update on the Workplace Violence Policy review. The results of the review were summarized in the report included in the meeting material. J. Bruno discussed the proposed amendments to the policy, which are mostly housekeeping changes. Consultations have also been initiated with Student Life and additional consultations will also take place with the Health & Safety Committee and Faculty Association. The policy has been used also to file complaints related to harassment and discrimination. J. Bruno responded to questions from the committee.

(b) Board of Governors Procedures for Election of Faculty, Non-Academic Staff & Student Governors

C. Foy reviewed the proposed changes to the procedures and explained the circumstances surrounding the amendments made to the procedure regarding resolving a tie. The committee supported the proposed changes.

(c) Board of Governors Meeting Policy Review

C. Foy summarized the report on the Board of Governors Meeting Policy review and responded to questions from the committee.

8. Nominations**8.1 Board Recruitment Process**

S. Murphy noted that in addition to being a tremendously successful governor recruitment process, the recent Board recruitment strategy was also a great friend-raising process. The senior leadership team is working on engaging those candidates who were not invited to join the Board. S. Murphy commented that it is an excellent opportunity to engage people and raise the university's profile across the GTA and nationally. The process has been very positive and individuals are eager to contribute in many ways. S. Murphy acknowledged the work done by the team at Arlington Partners and the selection committee to make the recruitment process a success.

9. Human Resources**9.1 Pension Plan: Amendment to Statement of Investment Policies & Procedures (SIPP)**

J. Bruno explained that whenever there is a change to one of the funds, the university must file an amendment to the SIPP with Financial Services Commission of Ontario, which requires Board approval. He explained the process used in recommending a change in funds and confirmed that Mercer is the advisor. There was a brief discussion regarding the reason why amendments to the SIPP are presented to GNHR instead of the Investment Committee. C. Foy clarified that the changes come through GNHR because the pension plan is an employee benefit. C. Foy also informed the committee that the university worked with a law firm several years ago to develop a governance plan for the pension plan and reporting to GNHR forms part of the governance plan.

She advised that the committee also receives an annual pension plan governance compliance report.

Upon a motion duly made by L. Edgar and seconded by T. Stratton, pursuant to the recommendation of the Senior Administration (Pension & Benefits) sub-committee, the Governance, Nominations & Human Resources Committee recommended the proposed amendments to the Statement of Investment Policies and Procedures (SIPP) for the University of Ontario Institute of Technology —Defined Contribution Pension Plan, as presented, for approval by the Board of Governors.

10. Other Business

11. Adjournment

There being no other business, upon a motion duly made by K. Kingsbury and seconded by L. Edgar, the public session of the meeting adjourned at 3:10 p.m.

Becky Dinwoodie, Secretary

DRAFT

**Public Session Minutes for the Meeting of November 19, 2018
10:30 a.m. to 11:25 a.m., ERC 3023**

Attendees: Stephanie Chow (Chair), Doug Allingham, Ferdinand Jones, Thorsten Koseck, Mark Neville, Maria Saros (*videoconference*), Steven Murphy, Craig Elliott (non-voting), Susan McGovern (non-voting)

Staff: Cheryl Foy, Becky Dinwoodie

Guests: Leila Fiouzi, Connor Glassco, and Taylor Woodward from PH&N, Christine McLaughlin

1. Call to Order

The Chair called the meeting to order at 10:42 a.m.

2. Agenda

Upon a motion duly made by D. Allingham and seconded by T. Koseck, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Chair's Remarks

The Chair welcomed everyone to the first Investment Committee of the Board year and noted there were several new members on the committee. The Chair invited everyone to introduce themselves.

5. Approval of Minutes of the Meeting of August 15, 2018

Upon a motion duly made by T. Koseck and seconded by D. Allingham, the Minutes were approved as presented.

6. Investment Review

6.1 Second Quarter Investment Review

L. Fiouzi introduced C. Glassco, a new associate on the investment team. She advised that headline inflation has been rising, which has been driven by energy prices, tariffs, and higher minimum wages. She provided an overview of the USMCA and discussed the net positives (e.g. preservation of trade dispute mechanism) and net negatives (e.g. continuation of the steel and aluminum tariffs). L. Fiouzi also reviewed the trend of equity market volatility. Volatility is the biggest cause of capital loss. There has been low volatility levels over the last few years. Volatility has increased in 2018, which is not unusual and is just reverting to previous levels. Investment managers are structuring portfolios to react better to volatility. PH&N will be recommending adding low volatility equities to the portfolio.

The committee received a summary of the investment returns. The cash account allows the university to meet its disbursement objectives. L. Fiouzi discussed the portfolio's performance for the month of October, with a return of -4.97% versus -4.45% for the benchmark. She also discussed the difference between the university's portfolio and the benchmark over the past 3-month period. She advised that this is not a cause for concern as three months is a short period.

The portfolio is close to target for bonds and equities and is a bit overweight in global equities. In early November, a small allocation was made to market neutral equities in order to better position the portfolio to handle a volatile market. L. Fiouzi clarified that the currency effect on US equities is reflected in the benchmark.

They expect positive returns in equities over the next 12 months, but not as high as the past few years. L. Fiouzi reviewed the factors influencing the anticipated decline in the equity market and explained why stock valuations are seen to remain fair.

6.2 Investment Learning – Cannabis & Canadian Market Implication

T. Woodward introduced the cannabis education session. He reviewed the history of cannabis in Canada, which became legal for medical use in 2001. Canada is the first G20 nation to legalize recreational cannabis. There are many unknowns in terms of scale and opportunity in the market. T. Woodward presented the Stats Can estimate of the market size of cannabis based on expenditure levels and reviewed the consumption of cannabis by province.

The government believes the market will grow over the next five years. There is currently a shortage in supply. T. Woodward discussed the impact of an excise tax on the price of cannabis. The rate at which a province taxes cannabis can have a tremendous impact on the legal market, which has been observed following legalization in the US. There was a discussion regarding the variance in excise tax rates across provinces.

C. Glassco presented the estimated financial market implications. Investor interest grew in anticipation of the legalization of cannabis in Canada. He reviewed the Canadian Marijuana Index, which was launched in 2015. There are 18 licenced producers in the index. He summarized the

reasons behind the cannabis shortage. Health Canada has imposed stringent conditions on the quality of cannabis and producers are encountering difficulties storing dried cannabis (mold problems). Many market observers anticipate we could encounter over supply. Since legalization, all of the companies are down 30% or more, which reflects the volatility of the market.

Canada will be well positioned if cannabis is legalized nationally in the United States, as Canada will be better equipped to handle the demand. C. Glassco discussed the investment considerations of cannabis. There was a discussion regarding the market impact on related products (e.g. fertilizer, greenhouses, etc.).

6.3 Review of:

(a) Statement of Investment Policies (SIP)

C. Foy presented the proposed changes to the SIP for the committee's consideration. Most of the amendments are housekeeping items.

Upon a motion duly made by S. Chow and seconded by T. Koseck, the Investment Committee recommended the amendments to the Statement of Investment Policies, as presented, to the Audit and Finance Committee for recommendation to the Board of Governors for approval.

7. Terms of Reference Review

C. Foy reviewed the recommended changes to the Terms of Reference.

Upon a motion duly made by S. Chow and seconded by D. Allingham, the Investment Committee recommended the proposed amendments to the Investment Committee Terms of Reference, as presented, for approval by the Board of Governors.

8. Other Business

9. Adjournment

There being no other business, upon a motion duly made by T. Koseck and seconded by F. Jones, the public session of the meeting adjourned at 11:58 a.m.

Becky Dinwoodie, Secretary



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: February 28, 2019

PRESENTED BY: Cheryl Foy, University Secretary and General Counsel

SUBJECT: University Risk Management Update

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.

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 st and shared with CF	
29. Risk Management Committee – Draft Risk Plan	Agenda: Present Draft 2019 Risk Management Report.	2 nd week in May 2019	
30. SLT – Draft Risk Plan	Present the draft 2018 Risk Management Report.	May 13 th 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 rd 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 rd to CF for June 10, 2019	
33. Board of Governors – Draft Risk Plan	Present the draft 2018 Risk Management Report.	June 17 th 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

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: February 20, 2019

FROM: Cheryl Foy, University Secretary and General Counsel

SUBJECT: FIPPA Statistical Reporting

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 rd 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.

SUPPORTING DOCUMENTATION

- none

ESG Update



Alignment of Values: Royal Bank of Canada Core to Our Culture is Creating a ‘Meaningful Impact to Improve our Communities’

FY2017
Climate Change
Position & Disclosure Statement



Introduction

Climate change is one of the most pressing issues of our time and affects almost all sectors and industries. There is strong scientific evidence that climate change is caused by human activities - largely fossil fuel combustion, deforestation and other changes in land use.¹ These activities increase the concentration of greenhouse gases (GHGs) in the earth's atmosphere, causing global warming. The result is rising temperatures, changing weather patterns, and more frequent and extreme weather events. The impacts of climate change are already being felt and as global warming continues it may adversely affect the health, safety and security of our communities, and the economies within which Royal Bank of Canada (RBC, we or our) and our clients operate.

Climate change has galvanized a global response. In December 2015, nearly 200 governments adopted the Paris Agreement,² a legally-binding international agreement aimed at safeguarding economic growth by preventing the worst impacts of climate change. The central aim of the Agreement is to hold global warming to well below 2°Celsius over pre-industrial Revolution levels, and to pursue efforts to keep it to 1.5°Celsius. The Agreement also emphasizes the need to direct financial flows consistent with a pathway towards low carbon emissions and climate-resilient development.

¹ Intergovernmental Panel on Climate Change (IPCC).
² Paris Agreement, entered into force on November 4, 2016.



The RBC Blue Water Project
is a wide-ranging, multi-year program to help foster a culture of water stewardship.

10 YEARS • \$50 MILLION • 13 COUNTRIES • 773 ORGANIZATIONS



SUPPORTED TWO TRANSBOUNDARY WATER AGREEMENTS



CONDUCTED ANNUAL CANADIAN WATER ATTITUDES STUDY (FIRST OF ITS KIND)



\$8.8 MILLION OF SUPPORT PROVIDED TO UNIVERSITIES FOR WATER PROGRAMS



OVER 1 MILLION PEOPLE EDUCATED ABOUT WATER MANAGEMENT

RBC Future Launch™ 101




Supporting youth mental health at



538,537
PLANTS & TREES PLANTED

5,451
WATER CONSERVING DEVICES INSTALLED

3,469,277
KILOGRAMS OF WASTE SHREDDED TO PROTECT WHALES



HEART & STROKE FOUNDATION OF CANADA



United Way
Toronto & York Region



NO WASTE.  NO HUNGER.



ESG & Responsible Investment Definitions

ESG means:



Integrating Environmental, Social & Governance (“ESG”) factors into the investment process to identify those that may impact a company’s valuation



Looking beyond the financial statements to better identify risk & opportunity

Responsible Investment:

A overarching term that typically refers to:

- ESG Integration
- Active Ownership/Stewardship:
 - engagement
 - proxy voting
- Can include, but is not limited to, socially responsible investing (SRI)

What is ESG?

A Detailed Definition

E

Environmental

- Climate change
- Sustainability
- Air & water pollution
- Water scarcity
- Biodiversity and habitat protection
- Site rehabilitation

S

Social

- Human rights
- Community impact
- Health & safety
- Child and forced labour
- Human Capital: Employee engagement/productivity

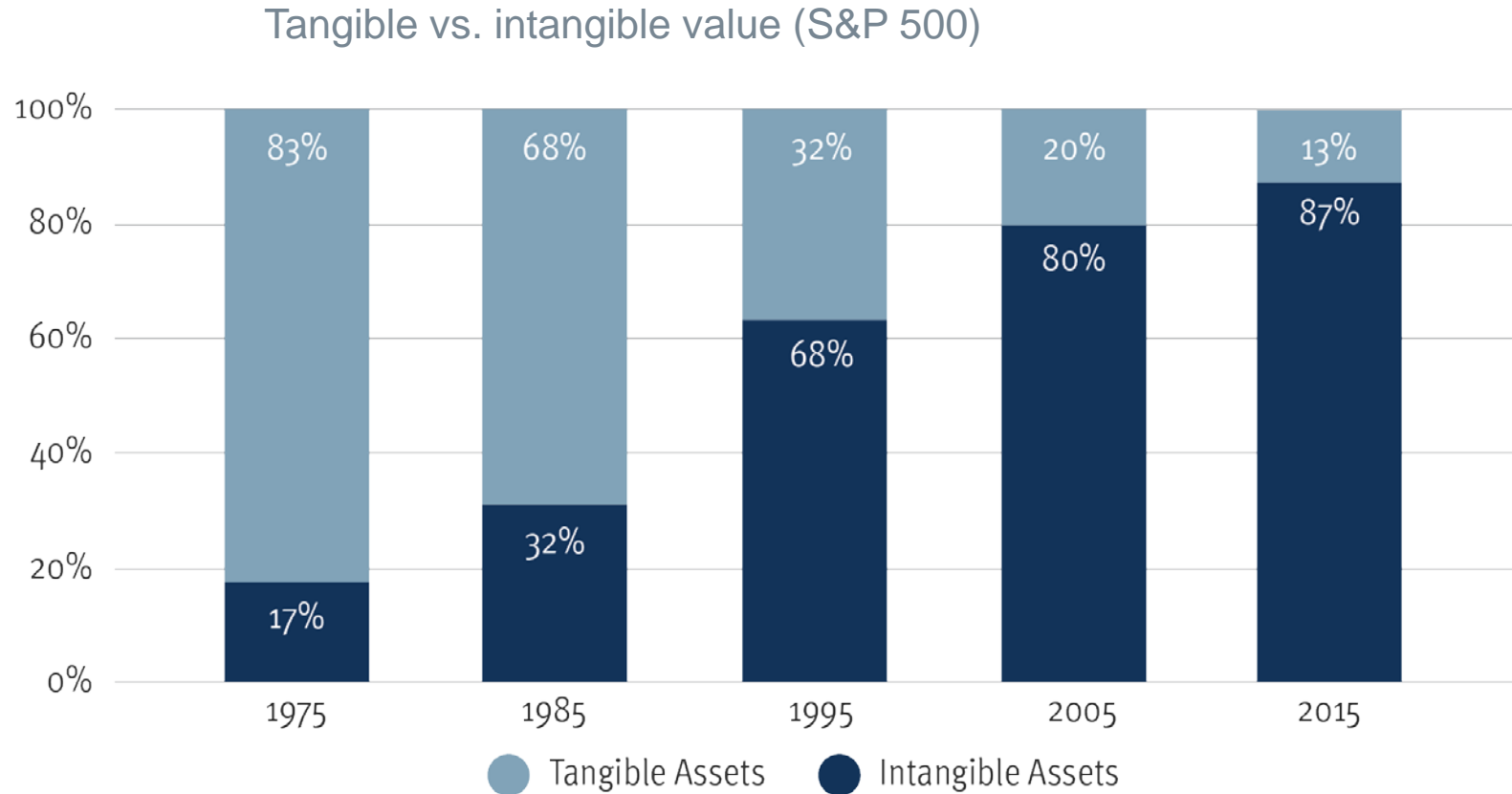
G

Governance

- Board independence
- Board accountability
- Executive compensation
- Shareholder rights and voting
- Anti-corruption

Why Focus on ESG Integration?

Majority of Market Value is Intangible



Source: <http://www.oceantomo.com/blog/2015/03-05-ocean-tomo-2015-intangible-asset-market-value/> / Ocean Tomo, LLC

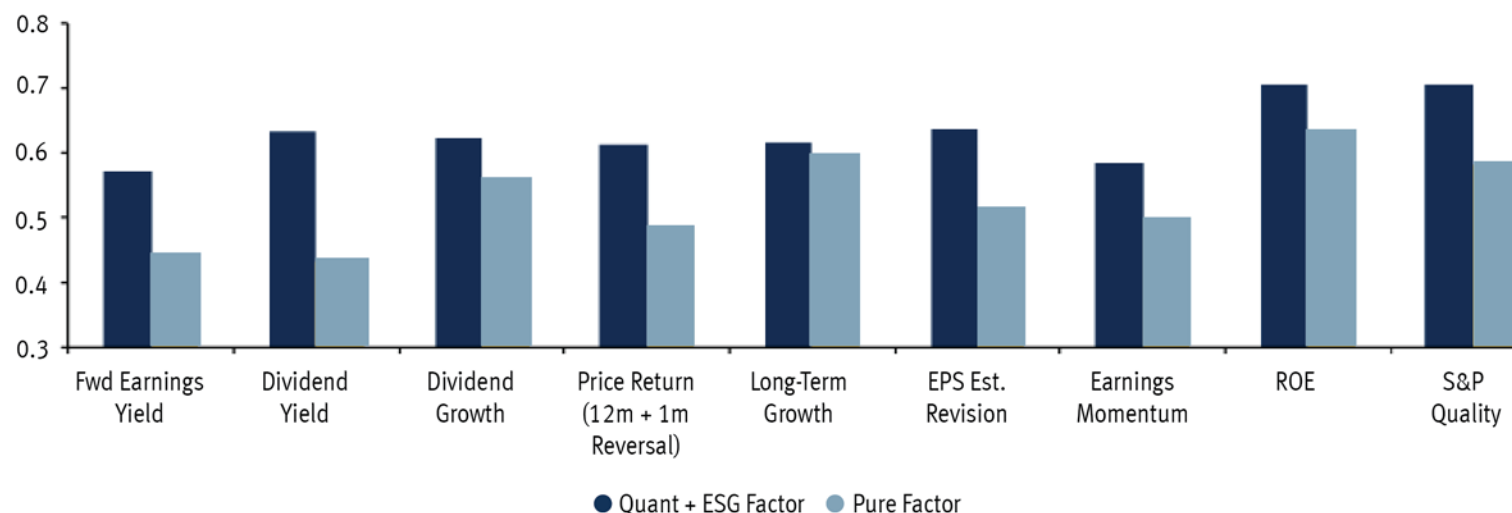
ESG Can Lead to Sustainable Long Term Returns

Recent Research Supports ESG as an Alpha Source

- We find that combining ESG with fundamental factor-based investing can improve performance as well as risk-adjusted returns.

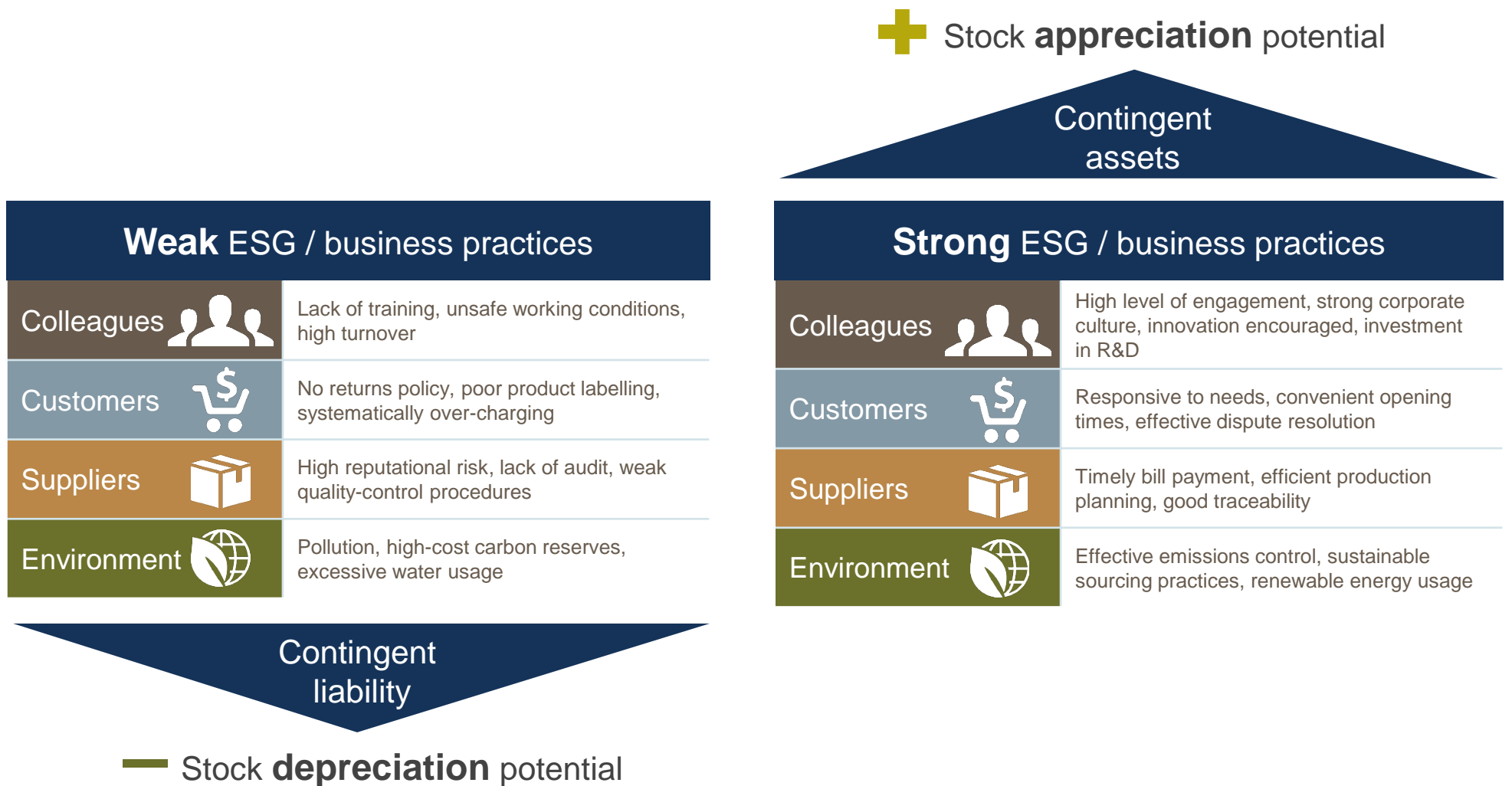
BofAML, Savita Subramanian (March 2018)

Information ratio* of pure factors vs. ESG blend factors (Backtest 2005-2017)



Source: BofAML, Savita Subramanian (March 2018). * IR calculated as the average rolling 12m returns divided by the standard deviation of rolling 12m returns
 Source: BofA Merrill Lynch US Equity & Quant Strategy based on Thomson Reuters data. Backtesting is hypothetical in nature and reflects application of the screen prior to its introduction.
 It is not actual performance and is not intended to be indicative of future performance.

ESG Accesses Alternative Sources of Value Creation

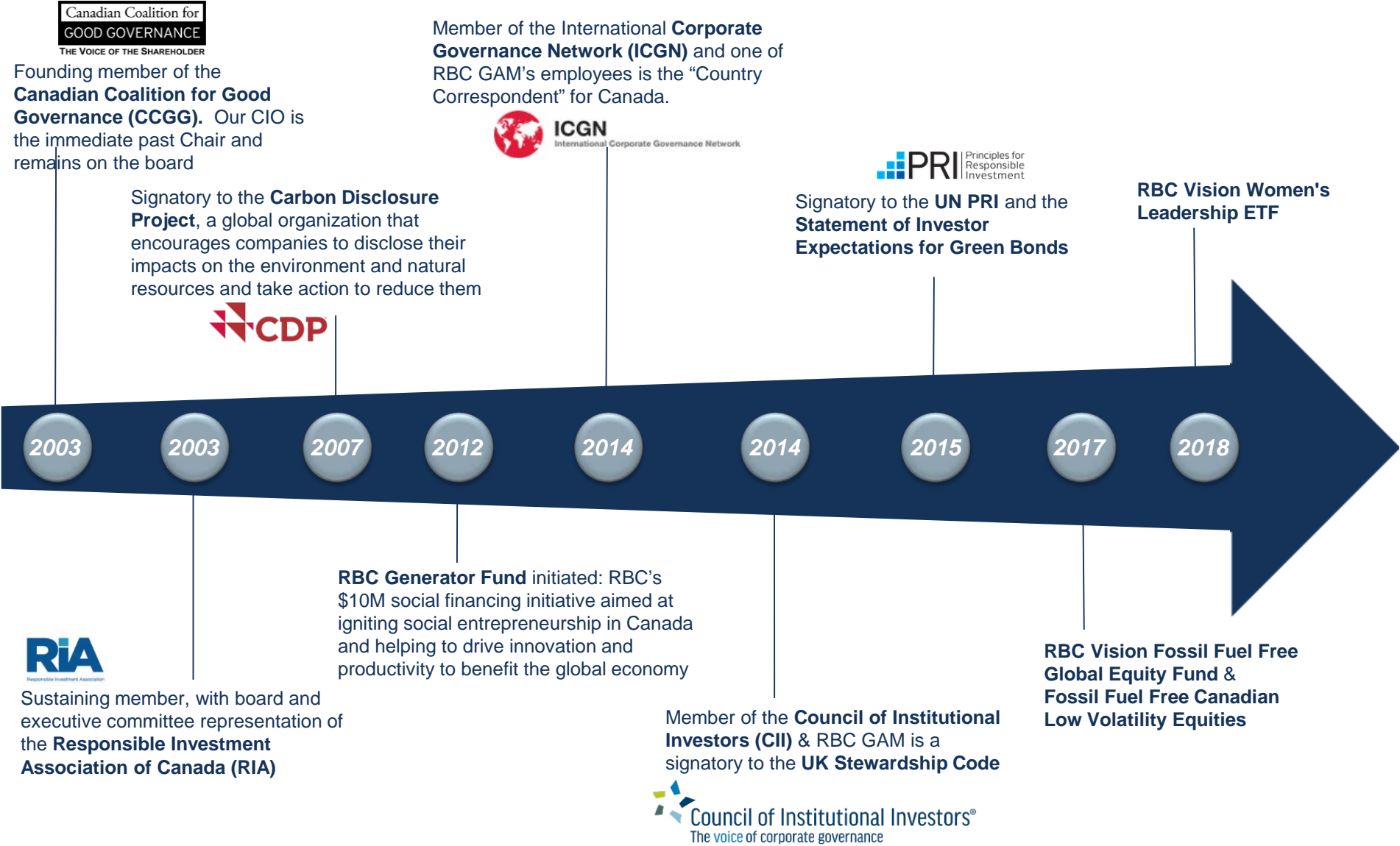


What is Driving the Growth in Responsible Investment?



RBC GAM Commitment to ESG and Responsible Investing

Aligned, Invested, and Industry Leading



Our Approach to ESG and Responsible Investment

To reduce risk and improve returns



- Integrating ESG can help identify risk, but also identify and enhance investment opportunities
- Engagement is an essential part of Responsible Investment & Stewardship, and is more powerful than divestment or exclusion. Our scale increases our influence
- We advocate for legal and regulatory for shareholders, including disclosure and increased shareholder rights
- We generally don't exclude sectors or securities
 - Vision Funds for investors who want to align their investments with their values



Commitments Include:

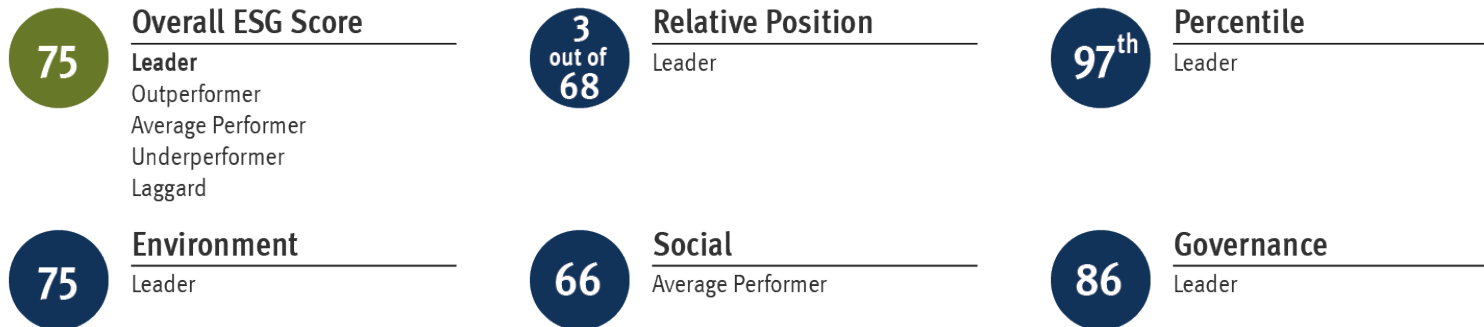
- UN Principles of Responsible Investment Signatory – A+ Grade in 2017
- Founding Member of the Canadian Coalition of Good Governance
- Website that hosts all of our CGRI publications, ESG guidelines, and ESG-related industry coalitions that we belong to and collaborate with <http://www.rbcgam.com/corporate-governance-and-responsible-investment/>
- 30% Club Investor Group
 - Objective of a minimum of 30% women on boards and at the executive management level by 2022.

ESG is Not Just About Scoring

- Carillion had great ESG scores, but failed as a business with poor culture

ESG Summary

Overall Performance



*Not everything that can be counted, counts
 Not everything that counts, can be counted*

Source: Bloomberg, Sustainalytics

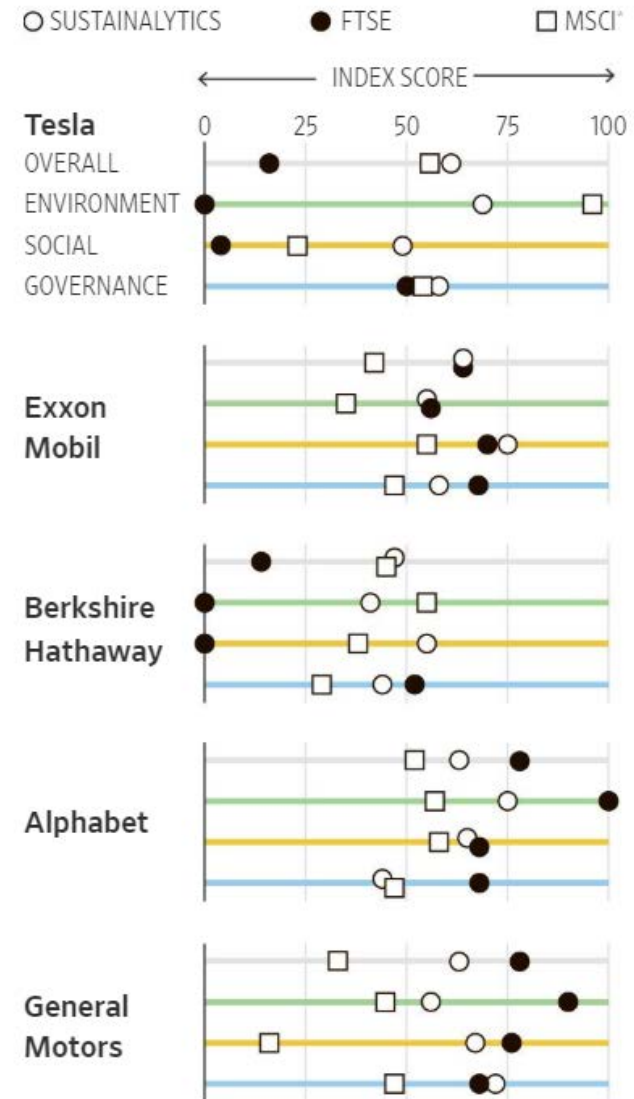
Importance of Proprietary ESG Research

Third Party ESG Scores are not Conclusive

- Investors should not treat ESG scores as settled facts
 - Research shows only 0.3 (low) correlation between ESG data providers¹

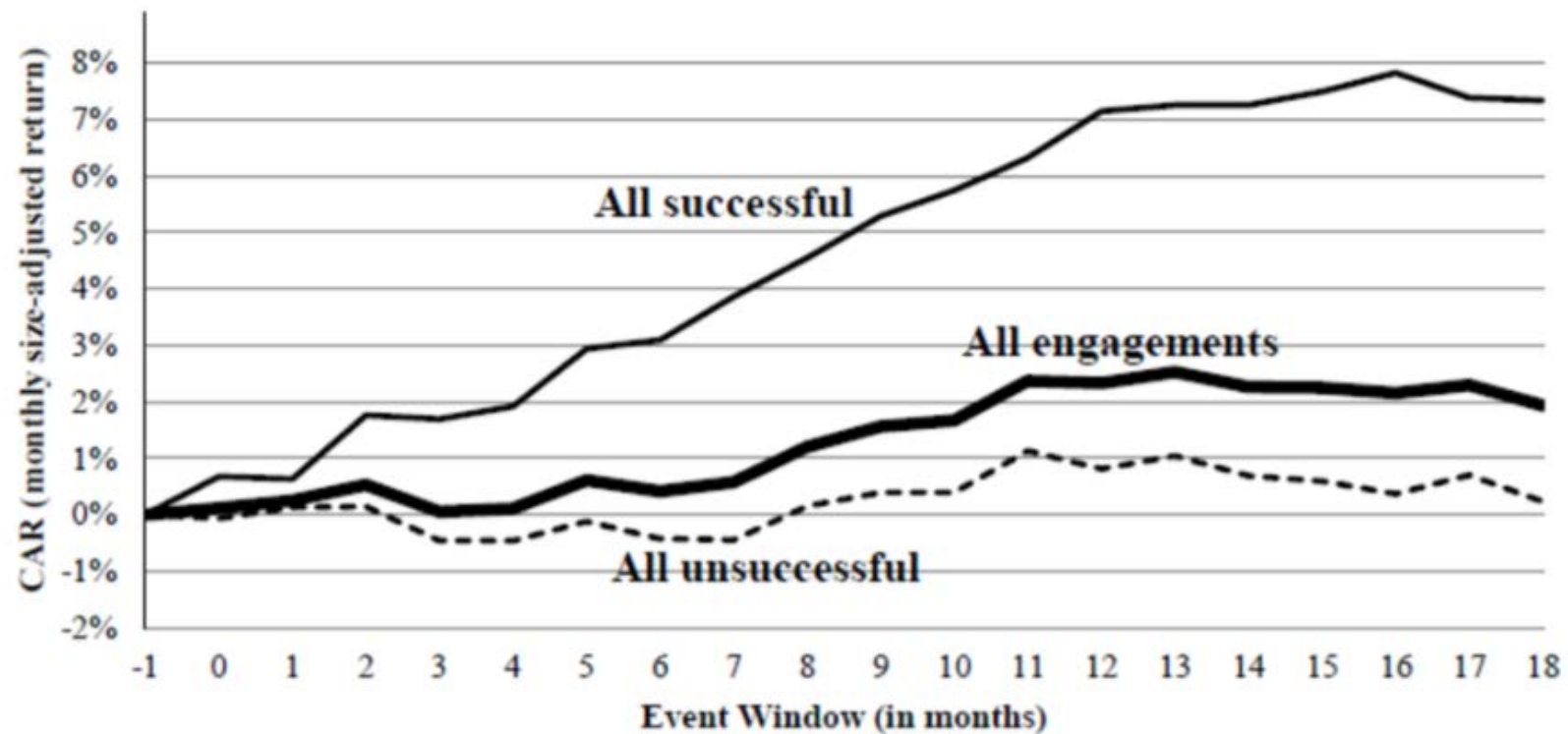
- Third-party research needs to be understood before being acted on
 - Context, nuances, and industry relevance should be considered

- Investors who blindly follow scores are buying into those opinions (mostly without even knowing what they are)



Engagement Enhances Outcomes

- Enhances stock returns
- Enhances company fundamentals
- Enriches extra-financials



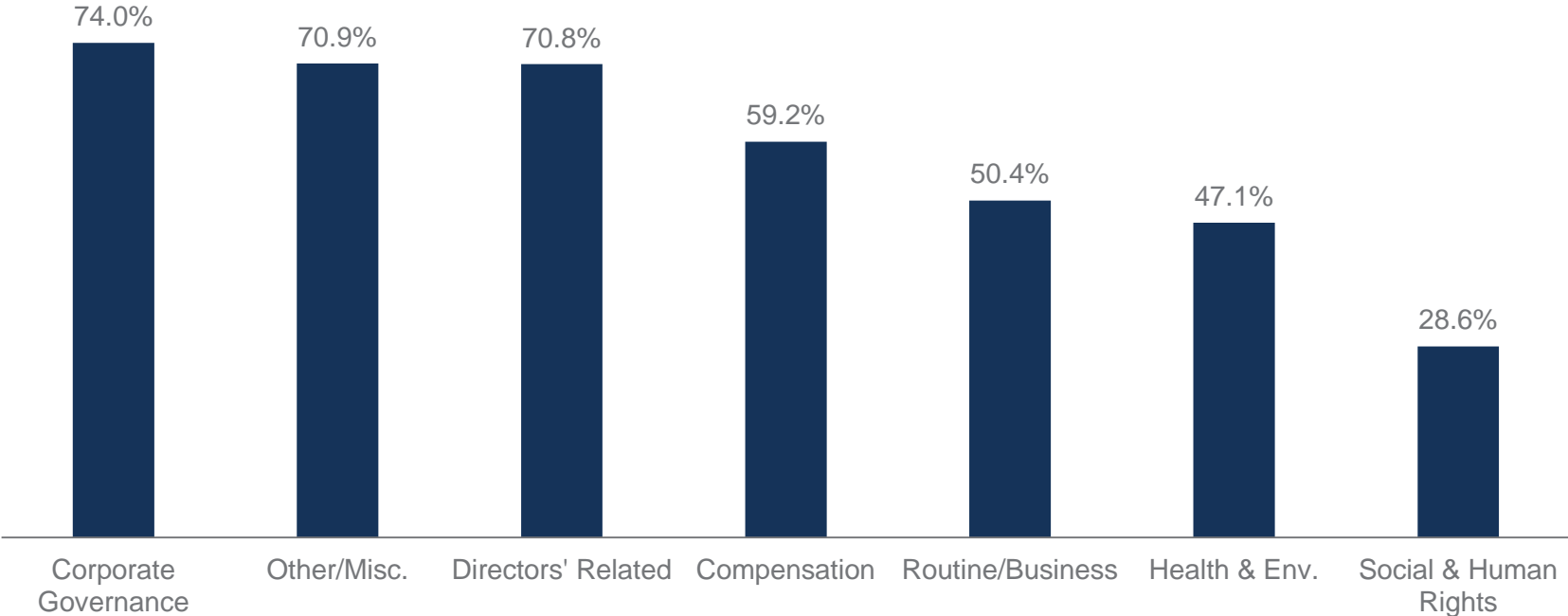
Source: "Active Ownership" by Elroy Dimson, Oğuzhan Karakaş and Xi Li (last revised 2016). Link to study here https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2154724%20

Proxy Voting

An Important Part of Fiduciary Duty

- Dedicated personnel whose primary responsibility is to oversee and manage the proxy voting for all of our funds
- Provides a method of conveying views on governance of investee companies
- Voting Guidelines actively reviewed as governance best practices constantly evolve

Votes “For” by Shareholder Proposal Category



Source: 2018 RBC GAM Corporate Governance & Responsible Investment Semi-Annual Report
Regressive and/or Misaligned Proposals are shareholder proposals that seek to oppose the advancement of Environmental or Social disclosure and/or practices at an issuer. As a result, RBC GAM generally does not support these proposals.



COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Board of Governors

DATE: February 28, 2019

PRESENTED BY: Cheryl Foy, University Secretary & General Counsel

SUBJECT: University Risk Management – Strategic Risks Update

COMMITTEE MANDATE:

- In accordance with its Terms of Reference, the Strategy & Planning Committee (S&P) is responsible for overseeing the strategic planning for all aspects of the university.
- This includes making recommendations to the Board on strategic foresight, risk, and scenario planning.
- In support of the committee’s mandate, we are providing an update on the status of the university’s strategic risk management process and seeking the committee’s feedback on the adequacy of the proposed next steps with the University Strategic Risks.

BACKGROUND:

- The second University Risk Management Report was presented and accepted by the Board on June 22, 2017,
- A key area of focus was to support the Senior Leadership Team (“SLT”) and Board to finalize the list of strategic risks.
- In April 2018, twelve (12) strategic risks were collaboratively drafted by SLT as risks to the University.
- These draft risks were shared and discussed in detail with the Board of Governors during its Annual Board Retreat in May 2018.
- The third University Risk Management Report was presented and accepted by the Board on June 27, 2018.

- Key objectives identified for 2018/2019 included supporting SLT and the Board to determine next steps with the University strategic risks, and continue to engage in discussion of strategic risks and strategic Risk Management through identification of assignment and mitigation activities.
- On December 10, 2018, the members of SLT met to discuss the proposed assignment of Risk Owners the University Strategic Risks. Attached at “A” is the result of that discussion, the “Assigned Risk Register”.

Proposed Process:

- Each assigned Risk Owner will meet with Risk Management to identify current mitigation and propose future mitigation strategies for their assigned strategic risk(s).
- The proposed mitigation strategies will be presented to SLT for discussion and to confirm their adequacy prior to returning to this Committee and the Board.

RESOURCES REQUIRED:

- Time and resources of SLT, Risk Owners and Risk Management to identify and action the mitigation strategies proposed.

IMPLICATIONS:

- n/a

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

- Strategic risk planning is a fundamental aspect of strategic planning and essential to the successful implementation of the University’s Strategic Plan.

ALTERNATIVES CONSIDERED:

- n/a

CONSULTATION:

- SLT – December 10, 2018

COMPLIANCE WITH POLICY/LEGISLATION:

- The identification and assignment of the University Strategic Risks promotes compliance with the University’s Risk Management Policy

NEXT STEPS:

-
- Risk Management and assigned Risk Owners will conduct a review of current and proposed future mitigation strategies for presentation to SLT.
-

SUPPORTING REFERENCE MATERIALS:

- 2018-19 Assigned Risk Owners
- Draft Strategic Risk Register

2018-19 Assigned Risk Owners

	Strategic Risks	Proposed Risk Owner
1.a	Stakeholder Relations / Engagement – Internal – Students	AVP – Student Life
1.b	Stakeholder Relations / Engagement – Internal – Employee	AVP – Human Resources
2.	Stakeholder Relations / Engagement - External	VP – External Relations and Advancement
3.	Academic and Non-academic Staff Engagement	AVP – Human Resources
4.	Student Experience / Culture	AVP – Student Life
5.	Leadership	President
6.	Campus Wellbeing	AVP – Human Resources
7.	Brand	VP – External Relations and Advancement
8.	Innovation	VPRII
9.a	Physical Infrastructure	CFO
9.b	Virtual Infrastructure	Provost
10.	Partnership Success with Durham College	President
11.	Disruption – From within PSE sector	President
12.	Disruption – From outside PSE sector	President
	High Risks	Proposed Risk Owner
1.	Information Governance	University Secretary and General Counsel
2.	Increasing Litigious Environment	University Secretary and General Counsel
3.	Disruption (UCP)) to operations and IT infrastructure	University Secretary and General Counsel
4.	Failure to Negotiate, Manage, Implement Contracts	University Secretary and General Counsel
5.	Partnerships	VP – External Relations and Advancement
6.	Lack of Training Associated with Mental Health Issues	AVP – Human Resources
7.	Equipment Failure, Requiring Replacement / Repair	CFO (Budget Working Group)
	Foundational Risks	Proposed Risk Owner
1.	Compliance	University Secretary and General Counsel
2.	Financial Sustainability	CFO

COMMITTEE REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Board of Governors

DATE: February 28, 2019

FROM: Craig Elliott, Chief Financial Officer

SUBJECT: ACE Enhancement Project

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				
Sources of Funds - Cash Flow						
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	
			\$ -			
Totals	\$ 12,465,000	\$ 1,383,186	\$ 750,000	\$ 26,025	\$ 12,465,000	
Uses of Funds - Cash Flow						
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	
Totals	\$ 14,860,000	\$ 248,553	\$ 15,580	\$ 320,725	\$ 14,860,000	



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: Board of Governors

DATE: February 28, 2019

FROM: Craig Elliott, Chief Financial Officer

SUBJECT: Campus Recreation & Wellness Centre (CWRC) Expansion

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							\$ -	
Totals		\$ -		\$ -	\$ -	\$ -	\$ -	
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	
		\$ -					\$ -	
Totals		\$ 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?

