
**PUBLIC SESSION AGENDA
Wednesday, March 7, 2018
2:50 p.m. to 4:05 p.m.
55 Bond Street, DTB 524**

**Phone Number: 1-877-385-4099 (toll free in Canada & U.S.)
Participant Access Code: 1028954#**

AGENDA

No.		Topic	Lead	Allocated Time	Suggested End Time
1		Call to Order	Chair		
2		Agenda (M)	Chair		
3		Conflict of Interest Declaration	Chair		
4		Chair's Remarks	Chair		
5		Approval of Minutes of the Meeting of December 7, 2017* (M)	Chair		3:00 p.m.
6		President's Report	S. Murphy	10	3:10 p.m.
		Committee Reports (confidential items only)			
7		Audit & Finance Committee (A&F)			
	7.1	A&F Report: <ul style="list-style-type: none"> • Third Quarter Financial Reports* (U) • 2018-2019 PhD Engineering Tuition Fees* (M) • 2018-2019 Laptop Procurement* (M) 	N. Allen	15	3:25 p.m.
	7.2	Budget* (U)	R. Bailey/ C. Elliott	10	3:35 p.m.
8		Investment Committee			
	8.1	Investment Report (U)	N. Allen	5	3:40 p.m.
9		Governance Nominations & Human Resources Committee (GNHR)			
	9.1	GNHR Report: <ul style="list-style-type: none"> • Policy Framework Review* (U) 	K. Brearley	10	3:50 p.m.
10		Strategy & Planning Committee (S&P)			
	10.1	S&P Report	V. Wafer	5	3:55 p.m.
11		Consent Agenda: (M)	Chair	5	4:00 p.m.
	11.1	Minutes of the Audit & Finance Committee Meeting of November 22, 2017*			

	11.2	Minutes of the Governance, Nominations & Human Resources Committee Meeting of November 15, 2017*			
	11.3	Minutes of the Investment Committee Meeting of November 22, 2017*			
	11.4	Minutes of the Strategy & Planning Committee Meeting of October 16, 2017*			
	11.5	Ancillary Fee Protocol*			
12		Information Items (available upon request):			
	12.1	Annual Investment Report on Environmental, Social & Governance Factors			
	12.2	Transformation of Technology Enabled Learning			
	12.3	Integrated Planning			
	12.4	Annual Pension Plan Report			
	12.5	Risk Management Work Plan			
	12.6	SIRC Building Construction Project			
	12.7	President's Installation: May 8, 2018			
	12.8	Board Retreat: May 17 & 18, 2018			
	12.9	Convocation: June 7 & 8, 2018			
13		Termination of Public Session (M)	Chair	5	4:05 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.*



**BOARD OF GOVERNORS' 105th REGULAR MEETING
& ANNUAL GENERAL MEETING (PUBLIC SESSION)**

**Minutes of the Meeting of Thursday, December 7, 2017
3:00 p.m. – 4:20 p.m.
55 Bond Street, DTB 524**

GOVERNORS IN ATTENDANCE:

Doug Allingham, Board Chair
Nigel Allen, Chair of Audit & Finance Committee
Karyn Brearley, Chair of Governance, Nominations & Human Resources Committee
Stephanie Chow, Chair of Investment Committee
Valarie Wafer, Chair of Strategy & Planning Committee (*via teleconference*)
Fardan Ali
Jeremy Bradbury
Don Duval
Lisa Edgar
Francis Garwe
Jay Lefton
Tim McTiernan, President (*ex-officio*)
Dietmar Reiner
Bonnie Schmidt
John Speers
Mary Steele
Noreen Taylor, Chancellor (*ex-officio*) (*via teleconference*)
Shirley Van Nuland
Jim Wilson
Yowsif Yakub

REGRETS:

Andrew Elrick
Mary Simpson
Mike Snow

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*

Doug Holdway, *Interim VP of Research, International and Innovation*
Andrea Kelly, *Assistant to the University Secretary & General Counsel*
Susan McGovern, *VP External Relations & Advancement*
Cathy Pitcher, *Assistant to the President*

GUESTS:

Mike Eklund, *UOIT Faculty Association*
Kaitlyn Gambier, *UOIT Alumni Association*
Atifa Seafi, *UOIT Undergraduate Student*

1. Call to Order

The Chair called the meeting to order at 3:26 p.m.

2. Agenda

Upon a motion duly made by K. Brearley and seconded by N. Allen, 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 the newest Board members, L. Edgar and J. Wilson. He encouraged all of the Board members to actively engage in the meeting. The Chair acknowledged that it was the last meeting of T. McTiernan as President of the university. On behalf of the Board, the Chair thanked T. McTiernan for his dedication and leadership throughout his tenure at the university.

The Chair ended his remarks by announcing T. McTiernan's designation as President Emeritus. The Board recognized T. McTiernan with applause.

5. Approval of Minutes of the Meeting of October 26, 2017

Upon a motion duly made by J. Bradbury and seconded by F. Garwe, the Minutes were approved as presented.

6. President's Report

The President thanked his Board colleagues for their collegiality and support during his time at UOIT. He remarked that it has been a privilege getting to know everyone. He also acknowledged the university community, community at-large and First Nations communities for what they have accomplished together at the university.

The President reported on his attendance at the university's Awards of Excellence. He also discussed the report issued by the COU in preparation for Ontario's upcoming election.

Committee Reports

7. Audit & Finance Committee (A&F)

7.1 A&F Report

N. Allen delivered the A&F report to the Board, which included an update on the completion of the SIRC building project. The Chair commented that he is pleased that the SIRC project is coming in under budget and thanked C. Elliott and his team for their great work on the project.

N. Allen announced the retirement of Elaine Wannamaker, Director of Risk Management. He advised that Jacquelyn Dupuis joined the university as the new Director of Risk Management.

He also advised the Board that C. Foy was recently appointed to the CURIE Board of Directors and congratulated her on the appointment.

7.2 Second Quarter Financial Reports

N. Allen provided an overview of the second quarter financial reports. At the end of the quarter, the final installment of the Ministry of Finance loan was paid. There was an increase in tuition revenue due to increased enrolment. The current forecast is showing a surplus of \$13.7M, most of which is because of one-time only items, such as the PST rebate for \$3.2M. The Senior Leadership Team has approved of an additional \$3.5M for in-year strategic projects and resources, leaving a net surplus contribution of \$10.2M. The surplus includes \$4.7M earmarked in the 2017 – 18 budget for building and deferred maintenance and operational reserves, which will not be utilized at the end of the fiscal year.

Consistent with prior years, and at year-end, management will make a recommendation to the committee to restrict actual surplus for future projects to improve and invest in the university's campus facilities, faculties and student aid.

7.3 Budget Assumptions, Targets & Outcomes

C. Elliott discussed key items from the Budget Update, which was included in the Board meeting material. He discussed the recommendations for the surplus funds, particularly allocating funds towards the construction of a new building.

C. Elliott and R. Bailey responded to a comment made regarding the recent discussion of the budget at Academic Council. R. Bailey advised that Academic Council advocated for a more balanced approach to the use of the surplus instead of allocating the entire amount towards capital.

8. Investment Committee

8.1 Investment Report

S. Chow reported on the Investment Committee's last meeting. She discussed the portfolio's performance and asset class mix. S. Chow also talked about the educational session on Exchange Traded Funds.

9. Governance Nominations & Human Resources Committee

9.1 GNHR Report

K. Brearley delivered the GNHR Report. At the committee's last meeting, they received a draft 3-year governance plan, setting out proposed Board priorities. The top priorities fall into the categories of leadership, engagement and education. Academic Council will review the proposed academic governance priorities in the New Year. The committee expressed support for the proposed priorities.

The committee also received an update on compliance. While there are elements of compliance monitoring across the university, they must be integrated into a single plan to provide an overall picture of the university's compliance obligations. The goal is to develop a 3-year compliance plan. The university will also be undertaking a review of its Policy Framework over the next year.

The committee also approved the proposed election timeline for 2018-2019, a copy of which was included in the Board material for information.

10. Strategy & Planning Committee

10.1 Pathways Awards

V. Wafer introduced Atifa Seafi, one of the university's Board of Governors Pathways Awards winners. A. Seafi discussed her background, education, and career goals. She expressed her appreciation for the Board's support of students.

The Board also watched a video message from B. Crouse, who discussed his educational path. He also thanked the Board for their support of students through the Pathways Awards.

11. Consent Agenda:

Upon a motion duly made by K. Brearley and seconded by S. Van Nuland, the Board approved the following items on the Consent Agenda:

11.1 Minutes of the Audit & Finance Committee Meeting of October 12, 2017

11.2 Minutes of the Governance, Nominations & Human Resources Committee Meeting of September 27, 2017

11.3 Minutes of the Investment Committee Meeting of August 16, 2017

- 12. Information Items:**
- 12.1 2018-2019 Election Process**

13. Termination of Non-Public Session

Upon a motion duly made by D. Duval seconded by T. McTiernan, the public session terminated at 4:13 p.m.

Becky Dinwoodie, Secretary

DRAFT



**Financial Update
Report to the Audit and Finance Committee
For 9 months ending December 31, 2017**

February 21, 2018

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017
Table of Contents

	<u>Page</u>
I. Consolidated Financial Statements	1 - 6
II. Financial Metrics	7 - 9
III. 2017 – 18 Forecast Update	10 - 13
IV. Capital	14 - 15
V. Cash Flow	16 - 17
VI. Long-term Forecast	18 - 20

Consolidated Financial Statements of

**UNIVERSITY OF ONTARIO
INSTITUTE OF TECHNOLOGY**

For 9 months ending December 31, 2017

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Financial Position
As at December 31, 2017

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>YOY Variance</u>	<u>Mar 31, 2017</u>
ASSETS				
CURRENT				
Cash and cash equivalents	\$ 23,417,949	\$ 38,033,962	\$ (14,616,013)	\$ 56,795,539
Short-Term Investments	17,339,483	1,148,400	16,191,083	-
Grant receivable	6,978,746	7,786,293	(807,546)	6,152,287
Other accounts receivable	40,175,111	40,061,197	113,914	7,624,344
Prepaid expenses and deposits	2,141,935	2,279,555	(137,620)	1,689,870
Inventories	849,687	986,190	(136,503)	172,514
	<u>90,902,912</u>	<u>90,295,596</u>	<u>607,316</u>	<u>72,434,554</u>
INVESTMENTS	25,572,923	28,699,828	(3,126,905)	29,632,811
CAPITAL ASSETS	401,931,306	393,125,711	8,805,595	399,939,626
TOTAL ASSETS	\$ 518,407,141	\$ 512,121,135	\$ 6,286,006	\$ 502,006,991
LIABILITIES				
CURRENT AND LONG-TERM LIABILITIES				
Accounts payable and accrued liabilities	21,095,659	25,120,982	(4,025,323)	34,633,948
Deferred revenue	49,711,909	48,253,162	1,458,747	20,878,720
	<u>70,807,568</u>	<u>73,374,144</u>	<u>(2,566,576)</u>	<u>55,512,668</u>
LONG TERM DEBT	691,825	6,455,049	(5,763,224)	6,390,043
OBLIGATIONS UNDER CAPITAL LEASE	38,297,915	38,787,541	(489,626)	38,672,762
DEBENTURE DEBT	170,000,002	175,501,181	(5,501,179)	175,501,181
DEFERRED CAPITAL CONTRIBUTIONS	162,834,933	162,988,328	(153,395)	164,581,824
	<u>442,632,243</u>	<u>457,106,244</u>	<u>(14,474,000)</u>	<u>440,658,478</u>
Net Assets				
NET ASSETS, excluding current year surplus	41,731,793	29,128,143	12,603,649	29,128,146
ENDOWMENTS	21,230,361	19,760,849	1,469,512	19,616,720
CURRENT YEAR SURPLUS	12,812,744	6,125,897	6,686,847	12,603,647
	<u>75,774,897</u>	<u>55,014,890</u>	<u>20,760,007</u>	<u>61,348,513</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 518,407,141	\$ 512,121,135	\$ 6,286,006	\$ 502,006,991

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Operations
For the 9 months ending December 31, 2017

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>YOY Variance</u>
REVENUE			
Grants - operating & research	\$ 52,852,987	\$ 50,979,980	\$ 1,873,007
Grant - debenture	13,500,000	13,500,000	-
Donations - operating & research	1,428,749	754,515	674,234
Student tuition fees	53,850,249	52,012,993	1,837,257
Student ancillary fees	10,765,393	10,588,958	176,435
Revenue from purchased services	2,529,886	2,820,230	(290,344)
Other income	11,836,074	6,683,080	5,152,995
Amortization of deferred capital contributions	6,523,282	6,459,326	63,956
Interest revenue	530,178	238,941	291,237
Unrealized gain on investments	283,239	874,807	(591,568)
Gain on disposal of assets	250,022	709,055	(459,034)
	\$ 154,350,060	\$ 145,621,884	\$ 8,728,176
EXPENSES			
Salaries and benefits	74,971,893	71,847,463	3,124,430
Supplies and expenses	26,247,256	26,149,162	98,095
Purchased Services	9,481,649	11,181,641	(1,699,991)
Professional fees	2,975,423	524,982	2,450,441
Interest expense - Current Obligations	114,319	108,099	6,220
Interest expense - Long Term Debt	10,680,639	11,082,568	(401,929)
Amortization of capital assets	17,066,135	18,602,073	(1,535,938)
	\$ 141,537,316	\$ 139,495,988	\$ 2,041,329
Excess of revenue over expenses	\$ 12,812,744	\$ 6,125,897	\$ 6,686,847

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Cash Flows
As at December 31, 2017

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenues over expenses	\$ 12,812,744	\$ 6,125,897
Items not affecting cash:		
Amortization of capital assets	17,066,135	18,602,073
Amortization of deferred capital contributions	(6,523,282)	(6,459,326)
Gain on disposal of assets	(250,022)	(709,055)
Unrealized gain on investments	(283,239)	(874,807)
	<u>22,822,336</u>	<u>16,684,781</u>
Working Capital		
Grant and other accounts receivable	(33,377,227)	(35,207,473)
Prepaid expenses and deposits	(452,065)	(577,877)
Inventories	(677,173)	(831,928)
Accounts payable and accrued liabilities	(13,538,290)	1,180,442
Deferred revenue	28,833,190	27,894,884
	<u>3,610,772</u>	<u>9,142,830</u>
INVESTING		
Purchase of capital assets	(18,807,794)	(13,507,504)
Investments	(12,996,358)	12,164,162
Endowment contributions	1,613,641	1,589,190
	<u>(30,190,509)</u>	<u>245,848</u>
FINANCING		
Repayment of long term debt	(11,199,396)	(10,522,896)
Repayment of obligations under capital leases	(374,847)	(302,785)
Deferred capital contributions	4,776,391	7,161,970
	<u>(6,797,853)</u>	<u>(3,663,710)</u>
NET CASH (OUTFLOW) / INFLOW	(33,377,590)	5,724,968
CASH BALANCE, BEGINNING OF YEAR	56,795,539	32,308,994
CASH BALANCE, END OF PERIOD	\$ 23,417,949	\$ 38,033,962

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

Cash and short-term investments increased \$1.6m over last year. Any surplus cash from under-spending in the last budget year has been consumed by a net \$16.2m in SIRC capital investment in the first 9 months of the current year.

Grant receivable balance of \$7.0m includes \$5.6m Collaborative Nursing (CN) grant funded on a slip-year basis (PY bal. \$2.2m to be received in CY, and CY bal. \$3.4m receivable in next FY) and \$1.4m of external research grants all of which are current.

Grant receivable decreased \$0.8m as the prior year balance included \$1.5m of SIF grant receivable (received in Jan 2017) for SIRC construction, offset by \$0.4m increase in CN grant associated with YOY growth and \$0.3 increase in research grants.

Other accounts receivable includes student and trade receivables. Y/E balance of \$40.2m includes \$36.6m of student A/R (\$1.1m for spring 2017 and prior, \$0.5m for fall 2017 and \$35.0m for the future winter 2018 semester for which payment is due in Jan 2018), \$0.9m for sale of laptops received in Jan 2018, other current receivables comprising \$0.6m ACE, \$0.5m research and other balances, none exceeding \$0.5m.

Investment balance of \$25.6m relates to endowed funds held at PH&N. The decrease of \$3.1m includes a decrease of \$5.5m used to repay the MoF loan in the last 12 months (**see Other Long Term Debt note under Liabilities below**) offset by a net increase of \$2.4m in endowed funds (new in-year donations \$0.2m, net investment income \$1.5m, M2M unrealized gain \$1.1m, offset by bursary disbursements \$0.4m).

Capital assets increase of \$8.8m includes net additions of \$23.3m, offset by accumulated amortization of \$14.5m in the last 12 months. Additions comprise \$23.6m WIP (\$21.0m SIRC & \$2.6 rolling road), \$2.2m laptop purchases net of \$10.0m disposals, \$3.6m building, SIRC parking, lab renovations and FFE, \$3.2m major equipment, and \$1.0m computer equipment and servers, offset by disposal of Dulemba land \$0.3m.

Liabilities

Accounts payable and accrued liabilities decreased \$4.0m and includes \$3.5m decrease in accounts payable due to the earlier timing of payment of invoices (Durham Region Transit for UPASS, Durham College for shared services) and \$1.1m decrease due to earlier flow-through of student fees to the Student Union. These decreases are offset by other variances, none of which exceeds \$0.5m.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (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 \$49.7m includes \$35.3m deferred tuition representing winter term fees not earned at the end of the quarter, and \$14.4m of revenues billed / received and not yet spent at the end of the quarter (\$5.2m of externally funded research revenues, \$4.0m of student ancillary fees, \$3.7m of expendable donations, and \$1.5m of miscellaneous deferred revenues).

Increase of \$1.5m in deferred revenues include \$2.8m increase in deferred tuition representing YOY enrolment growth, offset by \$1.9m decrease in student ancillary fees due to 3 faculties going “BYOD” as of the start of the new academic year, and other immaterial variances

Other long-term debt decrease of \$5.8m includes \$5.5m repayment of the MoF loan in the last 12 months (see **Investment note under Assets above**) and other repayments, none of which exceeds \$0.5m.

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 \$5.5m relates to the principal repayment and resulting drawdown of the debt in the last 12 months. This debt is fully payable in October 2034.

Deferred capital contributions increase includes \$8.7m of new grants and donations received for capital projects in the last 12 months (\$7.4m SIF grant for SIRC construction and \$1.3m for building and lab maintenance), offset by \$8.8m amortization into revenues of all capital grants received since inception of the University.

CONSOLIDATED STATEMENT OF OPERATIONS

Revenue

Total Revenue increased \$8.7m (5.6%) over the prior year. Significant variances include:

- 1) Grant Revenue increase of \$1.9m includes \$0.7m operating grant (COG), \$0.7m research grant, and \$0.5m of miscellaneous grants.
- 2) Student tuition fee increased \$1.8m, of which \$1.2m is due to the YOY average increase in tuition fees, coupled with growth of 124 FTE over the prior year, and \$0.6m attributable to tuition from the new English Learning Center.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

CONSOLIDATED STATEMENT OF OPERATIONS (continued)

- 3) Other income increase of \$5.2m includes the 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**).

Expenses

Total Expenses increased \$2.0m (1.4%) over the prior year. Significant variances include:

- 1) Salaries & Benefits increase of \$3.1m includes \$2.4m for faculty and staff salary increases effective July 1, 2017, \$0.9m net new hires, \$0.5m increase in graduate student awards as more students met the criteria for these awards in the current year, offset by \$0.7m reversal of accrued administrative leave not paid out in the current year.
- 2) Purchased Services decrease of \$1.7m includes \$0.6m decrease as a result of renegotiation of overhead costs for purchased services with Durham College, \$0.4m decrease in utilities consumption, \$0.4m decrease in bookstore expense due to declining sales from increased on-line competition and \$0.3m decrease for vacant positions in the shared IT and Facilities areas.
- 3) Professional fees increase of \$2.5m includes \$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 (4) under Revenue above**), \$0.5m of legal fees relating to the Student Association-related matters and other immaterial variances.
- 4) Amortization of capital assets decrease of \$1.5m is mainly attributable to the decrease in asset base due to fully depreciated assets in the current year, coupled with a higher number of laptops disposed and sold to students further to the “BYOD” program for the Faculties of Science, Health Science and Business & IT.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

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 2017 – 18 and the actuals for the 2 fiscal years 2016 – 17 and 2015 - 16. Also included are the average comparator and average sector metrics for fiscal year 2016 - 2017. The average comparator includes the data for what is classified as “small” universities based on student FTE (“Full-time equivalents”). The small sector universities comprise of 7 universities: Algoma, Lakehead, Laurentian, Nipissing, OCADU, Trent and UOIT.

Financial Metrics	Forecast	Actual		Average comparator	Average sector
	2017 - 18	2016 - 17	2015 - 16	2016 - 17	2016 - 17
Net Income/Loss Ratio (1)	5.1%	6.2%	1.7%	0.9%	5.1%
Net Operating Revenues Ratio (2)	14.3%	18.1%	10.9%	6.7%	9.0%
Primary Reserve Ratio (days) (3)	38	40	27	24	106
Interest Burden Ratio (4)	8.4%	8.9%	9.4%	3.2%	2.2%
(b) IBR w MTCU funding	2.0%	2.0%	2.2%	n/a	n/a
Viability Ratio (5)	10.5%	10.0%	6.4%	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 additional revenues in the current fiscal year, coupled with savings from planned capital reserves (see Section III “2017-18 Operating Forecast Summary” on Pages 10 - 13), it is forecast that UOIT will continue to show positive net earnings ratio in 2017 – 2018.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

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 the forecast additional revenues, UOIT continues to experience positive operating and working capital and, therefore, a stable net operating revenues ratio.

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 is stable as although internally-restricted capital reserves have been consumed to fund for the SIRC building in the current year, these will be replenished at the end of this fiscal year with actual operating surplus.

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 and the sector 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 21, 2018
For 9 months ending December 31, 2017

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. 2017 - 18 Operating Forecast Summary (in '000 s) For the year ending March 31, 2018

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

April 1, 2017 - March 31, 2018					
Budget, excluding Carryforward	Carryforward/ Internal Restrictions	Total Annual Budget	Y/E Forecast	Fav. (Unfav.) Forecast to Budget \$ / %	
Revenue					
Grants	75,541	75,541	78,116	2,575	3%
Tuition	78,318	78,318	80,864	2,546	3%
Student Ancillary	12,081	12,081	13,614	1,533	13%
Other	17,074	17,074	22,523	5,449	32%
Total Revenue	\$ 183,014	\$ -	\$ 183,014	\$ 195,117	7%
Expenditures					
Academic	69,727	807	70,534	69,318	2%
Academic Support	33,375		33,375	34,814	-4%
Administrative	31,723		31,723	28,376	11%
Sub-total	\$ 134,825	\$ 807	\$ 135,632	\$ 132,508	2%
Purchased Services	13,733		13,733	13,076	5%
Total Ancillary/Commercial	10,072		10,072	9,714	4%
Debenture Interest Expense	11,061		11,061	11,061	0%
Fundraising Expense	-	245	245	754	-208%
Total Operating Expenses	\$ 169,690	\$ 1,052	\$ 170,743	\$ 167,113	2%
Operating Contribution	\$ 13,324	\$ (1,052)	\$ 12,271	\$ 28,003	128%

Expenses disclosed on the Balance Sheet

Capital Expenses	6,183	141	6,324	9,061	(2,737)	-43%
Principal Repayments - debenture/leases	5,948	0	5,948	5,948	0	0%

Net Operating Contribution

\$ 1,194	\$ (1,193)	\$ (0)	\$ 12,995	\$ 12,995	0%
-----------------	-------------------	---------------	------------------	------------------	-----------

SIRC Costs (not funded from Operating Budget)

Funded by: Capital Grant	-	-	-	4,980	(4,980)	0%
PY internally restricted reserves		-	-	9,445	(9,445)	0%
Total SIRC Costs	\$ -	\$ -	\$ -	\$ 14,425	\$ (14,425)	0%

Reconciliation to Y/E forecast GAAP FS:

	\$
Net forecast contribution from Operations	28,003
Items not budgeted:	
Externally funded research donations and revenues	9,500
Externally funded research expenses	(8,991)
Non-cash transactions:	
Amortization of capital assets	(23,102)
Amortization of deferred capital contributions	8,953
Unrealized gain on investments	350
Capital revenues accounted as Deferred Capital Contributions on the balance sheet	(521)
Excess revenues over expenses - as per Y/E forecast GAAP FS	\$ 14,192

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

III. 2017 – 18 Operating Forecast Summary

Based on the November 1 count enrolment data, the operating budget after capital expenses, principal lease repayments and restricted reserves, shows a net operating contribution of \$13.0m at the end of the fiscal year.

The operating budget does not include the impact of the construction of the new SIRC Building and this is disclosed separately.

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

Enrolment

FTE's	2017 - 18 Approved Budget	Nov 1 Count	Variance to Approved Budget
Undergraduate			
Domestic	7,755	7,959	204
International	501	449	-52
Graduate			
Domestic	329	420	91
International	137	144	7
Total FTE's	8,722	8,972	250

Day 10 enrolment count shows a positive net variance of 250 FTE against an original budget of 8,722 FTE. Current eligible undergraduate and graduate enrolment projection is within the + / - 3% of UOIT's corridor midpoint

Domestic undergraduate and graduate increased 295 FTE with all faculties experiencing growth above budget, except for the Faculty of Health Science at 38 FTE under budget.

International undergraduate is unfavorable against budget by 52 FTE across all faculties, except Engineering whereas International graduate is slightly favorable to budget.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

III. 2017 – 18 Operating Forecast Summary (continued)

Revenues

Grants increase of \$2.6m includes COG increase of \$2.4m (\$0.8m for final 2016-17 enrolment confirmation being higher than what was included in the budget, a one-time grant receipt of \$0.7m to reflect the 2016-17 pre-corridor flow-through, an additional \$0.7m for SMA 2 graduate growth, and \$0.2m for Collaborative Nursing YOY growth), and \$0.2m relating to a new Mental Health grant.

Tuition fees for the year are favourable \$2.5m against an original budget of \$78.3m. This includes \$1.5m positive variance as the original 2017-18 budget model was understated for the calculation of the Faculty of Engineering tuition fees and the financial impact for “student drops”, \$0.8m due to higher than expected growth, and \$0.2m higher than expected revenue from the new English Learning Centre.

The \$1.5m misstatement in tuition fees is now included in the current year and long-term forecasts.

Student Ancillary fees are favourable \$1.5m, and is mainly attributable to the accounting recognition of prior year deferred revenues to fund for the purchase of athletic capital equipment (\$0.7m), and to account for the higher than expected loss on the sale of TELE laptops in the current year (\$0.8m).

Other Revenue, including purchased services, is favourable \$5.4m and includes \$4.9m of one-time receipt in settlement of historical claims for retail sales tax rebates on construction costs for the period January 2003 to December 2005 and other immaterial variances.

Expenses

Academic units are showing a positive variance of \$1.2m mostly relating to labour savings from open faculty positions. The most significant variances, none of which exceeds \$0.5m, are in the Faculty of Business & IT, Faculty of Health Sciences and the Faculty of Science.

Academic Support units are unfavorable \$1.4m to budget. This includes \$0.8m higher than expected loss on the sale of TELE laptops, \$0.4m additional expenses identified in-year for Library access copyrights and a new Diversity office, \$0.3m additional expenses that are fully covered by a higher than expected grant, \$0.3m increase in student awards and other immaterial increases / decreases.

Administrative units are showing a favourable variance to budget of \$3.3m and includes \$4.7m release of operational contingency reserves which will not be utilized in the current year and \$0.7m reversal of administrative leave accruals not paid in the current year. These increases are offset by \$1.7m of consultants’ fees with respect to the retail sales tax dispute (settled in June 2017 for \$4.9m), \$0.6m increase in additional legal fees for the Student Association related matters, and other immaterial variances.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

III. 2017 – 18 Operating Forecast Summary (continued)

Purchased Services is favourable \$0.7m and includes \$0.6m savings due to a decrease in overhead costs for shared services, as negotiated with Durham College.

Capital Expenses funded from Operations are unfavourable \$2.7m to budget and includes \$1.5m additional IT & Facilities capital projects identified in-year, including the atrium renovations, \$0.8m for athletic equipment and \$0.4m additional faculty capital purchases.

Conclusion

Our current forecast is showing a surplus, after capital expenses, of \$13.0m. This surplus includes \$4.7m earmarked in the 2017 – 18 budget for building & deferred maintenance and operational reserves, which will not be utilized at the end of the fiscal year.

Consistent with the prior years, and at year-end, Management will make a recommendation to the Committee to internally restrict actual surplus for future projects to improve and invest in the University's campus facilities, faculties and student aid.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

IV. CAPITAL

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

A. Software and Informatics Research Centre (“SIRC”)

In March 2016, UOIT’s Board of Governors approved the award of the design and build of a new building (“SIRC”) to Ellis Don Corporation, and also approved the completion of the preliminary design phase.

On June 29, 2016, the Board approved the construction and fit-out of the new 4-floor “SIRC” building at a total cost not to exceed \$26.3m for the first phase (construction and fit-out of the first 2 floors), and not to exceed a further \$7.0m for the fit-out of the remaining 2 floors, the latter being subject to approval of UOIT’s application for “SIF” (Strategic Investment Fund) funding.

On September 14, 2016, UOIT signed an agreement with the Province, which was made effective as of May 9, 2016. This Ontario Transfer Payment Agreement confirmed a “SIF” funding of \$13,001,890 (\$11,801,890 Federal Funds and \$1,200,000 Ontario Funds). The Ministry formally announced this infrastructure funding for UOIT on October 13, 2016.

The original target date for completion of the 4 floors fully fitted-out is November 2017, with occupancy in January 2018.

Status update

The construction of the SIRC building is now completed and fully occupied.

Costs incurred on the SIRC project as at the end of January 2018 are \$31.1m against a total approved budget of \$33.5m. Contingency funds of \$1.2m for the project have not been utilized and Furniture and Fixtures are approximately \$0.7m under budget.

SIF funding received as at the end of January 2018 amount to \$11.8m against a total approved grant of \$13.0m.

All construction holdbacks have been released as at the end of the reporting quarter. Warranty holdbacks, amounting to \$0.5m, will be released in October 2018.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

IV. CAPITAL (continued)

Please see separate report for details of SIRC actual cash flow, budget and forecast to completion date.

B. 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.

UOIT has submitted an application to FedDev for additional funding of approximately \$10.2m and is working with industry partners (e.g. Magna and Multimatic) to complete the funding requirements for the installation and integration of the MGP into the ACE facility.

It was anticipated that installation of the MGP at the ACE facility would be completed in late 2017 and become operational as of early 2018.

MGP Progress Update

- The University has paid ODU USD 2.0m in settlement for the equipment in September 2016, and has received CAD 2.25m (CAD 2.5m less 10% holdback) from the Ministry of Economic Development and Growth in November 2016.
- At the request of Multimatic, all components of the rolling road have been moved to a location at the Oshawa Airport.
- On February 12, 2018, the Minister of Economic Development announced that Ontario is investing a total of \$4.0m to enhance its one-of-a-kind ACE facility by adding a Moving Ground Plane. The University is contributing \$0.5m and Magna International is contributing \$1.0m. In addition, Multimatic is also providing engineering services from a team of highly talented automotive engineers to help develop the Moving Ground Plane.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

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.

In September 2014, and as approved by the Board, the University invested \$16.0m surplus operating cash in short-term GIC's at BMO Nestbitt Burns, of which \$6.0m has a renewable maturity date of 30 days and \$10.0m has a maturity date of 1 year.

In April 2015, the University transferred \$1.1m from BNY to RBC Wealth Management and these were invested in annual GIC's.

In September 2016, in light of the uncertainty regarding the timing of receipt of the SIF funding, and to provide flexibility for the SIRC construction project, all GIC's that matured at that time, were re-invested in 30-day cashable GIC's.

- 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 at the end of the reporting quarter.
- With the completion of SIRC, and a healthy operating cash balance, short-term investments amounting to \$17.6m, have been re-invested in annual GIC's at BMO Nesbitt Burns and RBC Wealth Management respectively.
- **Operating cash balance**, including short-term investments of \$17.8m, is projected at **\$42.0m** 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 **\$9.8** at the end of the fiscal year.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Cash Flow Forecast Summary for the year ended March 31, 2018

		Actual			Forecast			Total Forecast
		Apr - Jun 2017	Jul - Sep 2017	Oct - Dec 2017	Jan 2018	Feb 2018	Mar 2018	FY 2017-18
		\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s
Operating Beginning Cash Balance	A	28,936	12,479	26,085	12,212	31,517	28,266	28,936
Total Operating Inflows	B	37,730	68,909	36,346	34,478	9,879	10,524	197,866
Total Operating Outflows	C	(48,464)	(46,403)	(48,603)	(13,931)	(12,395)	(14,963)	(184,759)
Net Operating Cash Flows	D=B+C	(10,734)	22,506	(12,257)	20,547	(2,516)	(4,439)	13,107
Total Operating Cash Available	E=A+D	18,202	34,985	13,828	32,759	29,001	23,827	42,043
SIRC Building Outflows	F	(6,723)	(10,900)	(2,873)	(1,242)	(735)	(242)	(22,715)
SIRC Building Inflows	G	1,000	2,000	1,257	0	0	671	4,928
Net SIRC Building	H=F+G	(5,723)	(8,900)	(1,616)	(1,242)	(735)	429	(17,787)
Operating Ending Cash Balance after SIRC	I=E+H	12,479	26,085	12,212	31,517	28,266	24,256	24,256 N1
Total Internally and Externally Restricted Cash	J	10,365	10,209	10,557	10,395	10,045	9,816	9,816 N2
Total Consolidated Cash Position	K=I+J	22,844	36,294	22,769	41,912	38,311	34,072	34,072

Total Cash Forecast as at MAR 31, 2018

Total Operating Cash after SIRC	24,256	N1
Add: Short-term investments in GIC's	17,790	
Total Operating Cash and ST investments	<u>\$ 42,046</u>	
Total Restricted Cash	<u>\$ 9,816</u>	N2

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

VI. LONG-TERM FORECAST

In April 2017, and as part of the annual budget presentation to the Audit and Finance Committee, the Chief Financial Officer presented a long-term forecast for the budget years 2017 – 18 to 2026 – 2027 inclusive. This forecast was based on 2016 - 17 February 1 count enrolment numbers.

In the attached forecast:

The 2017 – 18 forecast reflects the financial impact of the November 1 enrolment data, including detailed expense forecast submission from the budget community.

For years 2018 - 19 onwards, the long-term forecast includes enrolment data from June 2017, based on projections from confirmed students coming to UOIT in fall 2017 – 18.

Assumptions on the 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), including a one-time receipt of \$0.7m for pre-corridor flow-through, and additional grant of \$0.7m for SMA 2 graduate growth.
 - Negotiation with MAESD in 2018-19 for growth funding above the corridor for future SMA's.
 - 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 business), offset by a slight decline in international undergraduate.
3. Tuition YOY average increase at the current approved rate of 3.0%, with a relatively higher increase for international students in the first 5 years.
4. Retention rate held at current rate of 80.3%
5. Salary increases as per the new JES 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 \$2.0m + planned capital and deferred maintenance reserves \$2.5m for a total of \$4.5m
11. 3% YOY increase in utilities
12. 2% YOY increase in purchased services cost from Durham College

The operating long-term forecast excludes the moving ground plane which is funded through external funding, and the SIRC building which is funded by the SIF grant and UOIT's prior year internally restricted reserves.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
Financial Update – Report to Audit and Finance Committee – February 21, 2018
For 9 months ending December 31, 2017

VI. LONG-TERM FORECAST (continued)

Summary

The long-term forecast presented to the Committee in April 2017 showed a balanced budget over the 10-year period 2017 – 18 to 2026 – 27 inclusive.

The current model is forecasting a surplus of \$28.2m over the 10-year period.

The significant items contributing to this surplus comprise of,

- 1) \$15.0m increase in tuition fees - Adjustment to the budget model for Engineering courses and student drops. Impact in current year 2017- 18 is \$1.5m; therefore, impact over 10 years is \$15.0m.
- 2) \$46.1m – increase in tuition fees and student ancillary fees due to growth and increase in international tuition rates.
- 3) \$(32.7) m – new hires to maintain student/faculty ratio and administrative/faculty ratio due to growth, including impact of salary increases and employees' benefits.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY
LONG-TERM FORECAST

10-year Forecast (in ' 000s)												
	SMA 2			SMA 3			SMA 4			SMA 5		
17/18 Original Budget	17/18 Fcst	18/19 Fcst	19/20 Fcst	20/21 Fcst	21/22 Fcst	22/23 Fcst	23/24 Fcst	24/25 Fcst	25/26 Fcst	26/27 Fcst	Total 10-year Forecast	
REVENUES												
Core Operating Grant, excluding CN grant <i>Uncertainty in Growth Funding</i>	\$ 50,437	\$ 50,419	\$ 50,693	\$ 50,617	\$ 52,682	\$ 52,652	\$ 52,619	\$ 52,847	\$ 52,820	\$ 52,810	\$ 53,337	\$ 521,496
	\$ -	\$ -	\$ -		\$ (2,066)	\$ (2,035)	\$ (2,002)	\$ (2,230)	\$ (2,203)	\$ (2,194)	\$ (2,721)	\$ (15,451)
CN grant	\$ 4,292	\$ 4,751	\$ 4,417	\$ 4,445	\$ 4,473	\$ 4,476	\$ 4,476	\$ 4,476	\$ 4,476	\$ 4,476	\$ 4,476	\$ 44,942
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	\$ 7,469	\$ 9,446	\$ 8,794	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 9,001	\$ 90,247
Student Tuition Fees	\$ 78,318	\$ 80,864	\$ 86,147	\$ 90,691	\$ 95,824	\$ 99,988	\$ 105,165	\$ 110,166	\$ 114,922	\$ 119,644	\$ 124,410	\$ 1,027,820
Student Ancillary Fees	\$ 12,081	\$ 12,324	\$ 11,335	\$ 9,613	\$ 9,366	\$ 9,368	\$ 9,424	\$ 9,639	\$ 9,685	\$ 9,741	\$ 9,785	\$ 100,279
Revenues from Ancillary Operations	\$ 3,957	\$ 3,652	\$ 3,957	\$ 3,957	\$ 4,021	\$ 4,086	\$ 4,153	\$ 4,221	\$ 4,291	\$ 4,362	\$ 4,434	\$ 41,134
Donations	\$ 1,075	\$ 1,448	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 1,075	\$ 11,123
Other Revenues	\$ 11,886	\$ 17,423	\$ 12,298	\$ 12,154	\$ 12,109	\$ 12,361	\$ 12,604	\$ 12,701	\$ 12,712	\$ 12,723	\$ 12,735	\$ 129,819
Total Revenues	\$ 183,015	\$ 193,827	\$ 192,216	\$ 195,052	\$ 199,985	\$ 204,471	\$ 210,015	\$ 215,395	\$ 220,278	\$ 225,138	\$ 230,032	\$ 2,086,409
EXPENDITURES												
FT Labour	\$ (86,628)	\$ (81,793)	\$ (94,518)	\$ (97,130)	\$ (101,829)	\$ (105,392)	\$ (109,572)	\$ (114,396)	\$ (117,688)	\$ (122,156)	\$ (126,622)	\$ (1,071,096)
PT Labour	\$ (16,311)	\$ (19,748)	\$ (15,811)	\$ (16,539)	\$ (17,351)	\$ (17,687)	\$ (18,062)	\$ (18,489)	\$ (18,904)	\$ (19,301)	\$ (19,696)	\$ (181,588)
Operating Expenses	\$ (73,933)	\$ (71,520)	\$ (72,276)	\$ (72,725)	\$ (73,563)	\$ (74,279)	\$ (75,643)	\$ (76,518)	\$ (77,535)	\$ (78,439)	\$ (79,375)	\$ (751,872)
Capital Expenses	\$ (6,143)	\$ (9,061)	\$ (5,404)	\$ (5,384)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (5,008)	\$ (54,905)
Approved Expenditures	\$ (183,015)	\$ (182,122)	\$ (188,008)	\$ (191,778)	\$ (197,751)	\$ (202,366)	\$ (208,284)	\$ (214,412)	\$ (219,135)	\$ (224,903)	\$ (230,701)	\$ (2,059,460)
Budget Surplus/(Deficit)	\$ (0)	\$ 11,705	\$ 4,208	\$ 3,274	\$ 2,233	\$ 2,105	\$ 1,731	\$ 983	\$ 1,143	\$ 235	\$ (669)	\$ 26,948
Funded through PY reserves		\$ 1,290										\$ 1,290
Total Surplus/(Deficit)	\$ (0)	\$ 12,995	\$ 4,208	\$ 3,274	\$ 2,233	\$ 2,105	\$ 1,731	\$ 983	\$ 1,143	\$ 235	\$ (669)	\$ 28,238



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: March 1, 2018

PREPARED BY: Brad MacIsaac

SUBJECT: 2018 – 2019 PhD Engineering Tuition Fees

BOARD & COMMITTEE MANDATE:

In accordance with section 9(1)(k) of the *UOIT Act*, the Board is responsible for establishing fees and charges for tuition.

The Audit & Finance Committee’s Terms of Reference delegate the responsibility of reviewing and recommending the approval of tuition fees to the committee.

At the meeting of the Audit & Finance Committee on February 21, the committee recommended amending the 2018-19 PhD Engineering tuition fees to match all other UOIT PhD rates, as presented below:

PhD (Engineering)	Approved 2018-19	Proposed 2018-19	Decrease from Approved
Domestic	\$9,844.38	\$8,421.46	-14.5%
International	\$21,709.26	\$18,421.78	-15.1%

BACKGROUND/CONTEXT & RATIONALE:

Due to changes with the Ontario Student Assistant Program (OSAP), we began setting tuition fees two years ahead of implementation. However, various changes can occur within the sector during this time that alter our original recommendations.

One such change recently occurred with the announcement and media uptake in the PhD tuition rates at the University of Toronto (UofT). UofT has recently announced that in a student’s fifth year of study international PhD students will pay domestic fees. While UOIT is currently not seeking to move in this direction, we are looking to help mitigate barriers in our ability to attract top research talent. We believe the proposed tuition decreases helps us move towards that goal.

A taskforce is being set-up to review funding for graduate students. While we did not wish to jump ahead of the recommendations from this group, we heard at the Academic Council consultation that lower tuition would be more favorable to offsetting scholarships. Therefore, we are seeking to move in this direction effective 2018.

RESOURCES REQUIRED:

N/A

IMPLICATIONS:

The proposed reductions in tuition will result in ~ \$130K overall reduction (30K domestic, 100K international) in the 2018-2019 budget. As we have not finalized the 2018-19 budget we are able to alter the priorities to offset this change.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

In order to be adaptable to the current graduate student environment this reduction will increase our ability to attract PhD candidates to move forward our research pursuits.

ALTERNATIVES CONSIDERED:

Keeping the tuition as originally set has been considered but does not align with the desire to remain competitive in the PhD market.

CONSULTATION:

UOIT has performed a detailed analysis of PhD tuition rates within the system. It was found that while the majority of institutions have a differential rate for Master’s level Arts and Science programs versus Master’s level Engineering programs, only the minority had differential doctoral rates between these programs.

As such, UOIT would like to decrease its approved PhD rate for engineering programs by 14.5% for domestic fees and 15.1% for international fees. This will allow UOIT to charge one doctoral rate for all programs offered at our institution.

COMPLIANCE WITH POLICY/LEGISLATION:

The reduction will remain compliant for the tuition-reporting framework.

NEXT STEPS:

Update tuition within UOITs student information system and website.

MOTION FOR CONSIDERATION:

Pursuant to the recommendation of the Audit & Finance Committee, the Board of Governors hereby approves the amended 2018-19 PhD Engineering tuition fees to match all other UOIT PhD rates, as presented:

PhD (Engineering)	Approved 2018-19	Proposed 2018-19	Decrease from Approved
Domestic	\$9,844.38	\$8,421.46	-14.5%
International	\$21,709.26	\$18,421.78	-15.1%

SUPPORTING REFERENCE MATERIALS: PhD tuition fees by Ontario Institution

PhD tuition fees by Ontario Institution

2017-18 Graduate Domestic Tuition by Degree (differentiated PhD Eng rates highlighted)

	PHD	PhD Eng
Bro	\$ 9,008	-
Car	\$ 8,256	\$ 8,997
Gue	\$ 7,769	-
Lak	\$ 8,722	-
Lau	\$ 9,081	\$ 9,081
McM	\$ 7,008	\$ 7,008
Nip	\$ 8,680	-
OCA		
UOIT	\$ 8,338	\$ 9,651
Ott	\$ 7,074	\$ 7,846
Que	\$ 6,414	\$ 6,414
Rye	\$ 8,458	\$ 8,458
Tor	\$ 10,440	\$ 10,440
Tre	\$ 8,728	-
Wat	\$ 7,452	\$ 7,452
Wes	\$ 6,991	\$ 6,991
WLU	\$ 8,657	-
Win	\$ 7,898	-
Yor		
Mean	\$ 8,175	\$ 8,234
Median	\$ 8,338	\$ 8,152
Min	\$ 6,414	\$ 6,414
Max	\$ 10,440	\$ 10,440

York has been removed as an outlier at \$4,785, which is directly tied to their student funding policy.

2017-18 Graduate International Tuition by Degree

	PHD	PhD Eng
Bro	\$ 23,504	-
Car	\$ 19,590	\$ 21,342
Gue	\$ 18,733	-
Lak	\$ 21,115	-
Lau	\$ 20,298	\$ 20,298
McM	\$ 17,096	\$ 17,096
Nip	\$ 18,350	-
OCA	n/a	n/a
UOIT	\$ 18,061	\$ 21,284
Ott	\$ 16,334	\$ 16,969
Que	\$ 12,927	\$ 12,927
Rye	\$ 19,453	\$ 19,453
Tor	\$ 32,340	\$ 32,340
Tre	\$ 18,569	-
Wat	\$ 19,716	\$ 19,716
Wes	\$ 17,694	\$ 17,694
WLU	\$ 19,465	-
Win	\$ 21,000	-
Yor	\$ 18,000	\$ 18,000

Mean	\$ 19,569	\$ 19,738
Median	\$ 19,093	\$ 19,453
Min	\$ 12,927	\$ 12,927
Max	\$ 32,340	\$ 32,340



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: March 1, 2018

PREPARED BY: Brad Maclsaac

SUBJECT: Procurement of laptop/tablet computer equipment for 2018-19

BOARD & COMMITTEE MANDATE:

In accordance with the university’s Signing Authority Registry and Approval Procedures, any contract worth more than \$1,000,000 requires the approval of the Board of Governors.

The purpose of this report is to seek Board approval to purchase the laptop computers required by the University’s Technology Enriched Learning Environment (TELE) program for the 2018-19 academic year, as well as the laptop and tablet computers and associated peripheral devices required for refresh of faculty and staff equipment, to a maximum amount of \$2.4M.

BACKGROUND/CONTEXT & RATIONALE:

Annual purchase volume has fallen substantially in the past two years due to the program to transition TELE to “bring your own device” (BYOD). In the wake of a successful second phase of TELE BYOD, the only undergraduate students holding UOIT-owned laptops are those in the Faculty of Engineering and Applied Science (FEAS), Faculty of Engineering Systems and Nuclear Science (FESNS), and the Gaming program within the Faculty of Business and Information Technology (FBIT).

For fiscal year 2019, approximately 2000 computers will be acquired to accommodate refresh and growth. As was the case in fiscal year 2018, the equipment will be acquired via the Request For Quotation process amongst the three equipment vendors - Dell,

Lenovo and HP - chosen by Ontario Education Collaborative Marketplace (OECM) selection mechanism, which is leveraged by most universities in Ontario.

RESOURCES REQUIRED:

Provision has been made within the IT Services 2019 budget for the acquisition of the required equipment. The university funds equipment for faculty and staff, while TELE ancillary fees fund equipment for the TELE program.

Authorization is sought for expenditure of \$2.4M, which is \$0.3M higher than last year. Budget calculations reflect

- Expectation of unit price increases for each model;
- Allowance for increased memory in student computers to meet the demands of engineering and gaming software;
- Allowance for fluctuation in student enrollment.

IMPLICATIONS:

Absent approval to purchase personal computer equipment,

- Students and faculty in FEAS, FESNS and FBIT Gaming would experience disruption in the learning experience due to lack of equipment;
- Concerned about impact on engineering accreditation;
- Faculty and staff across the university would experience productivity impacts from gradual increase in equipment failure.

The key risk is increased unit price of PC equipment, particularly on the TELE models where last year's pricing was surprisingly favourable, most likely due to vendor product lifecycle considerations. The requested authorization reflects allowance for 12% year/year unit price increase for TELE models, and 2% unit price increase on Faculty/staff models. Should vendor pricing yield a more unfavourable result, the difference will be addressed through our budget contingency.

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

This purchase supports the university's focus on

- technology-enriched learning, by providing equipment that enables students to have curriculum-specific software tools at their fingertips, and
- an effective and productive workplace, by providing employees with enterprise-class personal computer technology on a four year refresh cycle.

ALTERNATIVES CONSIDERED:

1. Lengthening the refresh cycle for faculty/staff computers: IT Services recommends maintaining the current four year refresh cycle, as it balances equipment life and maintainability with the increasing resource demands of software. It should be noted that IT Services has gradually increased the refresh cycle from a 2 years for faculty/3 years for staff since 2012.
2. Migrating all faculties to TELE BYOD: As noted below, this option is being examined for the 2019-20 academic year.

CONSULTATION:

Planning has begun for a third phase of TELE BYOD. Consultation with affected faculties began in December, with the objective of transitioning FEAS, FESNS and FBIT Gaming to BYOD for the 2019-20 academic year. Collaborative testing will lead to a decision by mid-year.

COMPLIANCE WITH POLICY/LEGISLATION:

IT Services complies with Broader Public Sector Procurement Guidelines, and procurement instruments and contracts are reviewed with Legal.

NEXT STEPS:

No further action is required on the part of the Board.

MOTION FOR CONSIDERATION:

Pursuant to the recommendation of the Audit & Finance Committee, the Board of Governors hereby approves the expenditure of ~\$2.4M for procurement, via an open competition amongst OECM-selected vendors, of laptop, tablet and desktop equipment required to support the UOIT Technology Enriched Learning Program and internal needs for the 2018-19 academic year.

SUPPORTING REFERENCE MATERIALS:

- none



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: March 7, 2018

PRESENTED BY: Craig Elliott, Chief Financial Officer

PREPARED BY: Becky Dinwoodie, Assistant University Secretary

SUBJECT: 2018-2019 Budget Update

BOARD & COMMITTEE MANDATE:

- In accordance with section 9(1)(j) of the *UOIT Act*, the Board of Governors is responsible for approving the annual budget of the university & monitoring its implementation.
- As part of the Audit & Finance Committee’s mandate set out in its Terms of Reference, the committee is responsible for reviewing and recommending approval of the university’s annual operating budgets.
- The Audit & Finance Committee received the attached budget update at its meeting on February 21, 2018 in order to assist with the committee’s preparation for the review and recommendation of the 2018-2019 budget at the meeting on April 26.
- We are providing the attached budget update to the Board in order to assist the governors with their preparation for their review and consideration of the 2018-2019 budget at the Board meeting on May 9, 2018.

NEXT STEPS:

- April 26 - Audit & Finance Committee for recommendation
- May 9 - Board of Governors for approval

SUPPORTING REFERENCE MATERIALS:

- PowerPoint presentation – “Budget Update-Audit and Finance Committee, February 21, 2018”



Budget Update

Audit and Finance Committee

Presented By Craig Elliott, CFO

February 21, 2018



Agenda

- 1. Recap Budget Assumptions**
- 2. Current Status**
- 3. Budget Comparisons 2017/18 vs. 2018/19**
- 4. Next Steps**
- 5. Questions/Comments**

Recap of 2018-19 Assumptions



Significant Budget Assumptions

- Enrolment levels as forecasted
- Grant funding from the Province set at 2016/17 levels
- Tuition increase of 3% (weighted average)
- Compensation increases and other fixed cost estimates as forecast
- Maintain current university ratios (ie) student/faculty & support/faculty
- Contingency included in the budget:
 - \$2.5M for new building/capital renewal
 - \$1.0M general contingency for operations
 - \$1.0M UPF for strategic initiatives
- Focus on OTO vs Base budget ASKS

Current Status of 2018-19 Budget



2018- 19 Proposed Draft Budget

Agenda Item 7.2

	Operating Budget	Purchased Services	Debenture	TELE	ACE	Regent Theater	Campus ChildCare	Campus Field House and Arena	Total Budget
REVENUES									
Operating Grants	\$ 56,395,674		\$ 13,500,000						\$ 69,895,674
Other Grants	\$ 9,058,368						\$ 250,144		\$ 9,308,512
Student Tuition Fees	\$ 83,676,633								\$ 83,676,633
Student Ancillary Fees	\$ 4,819,094	\$ 2,291,356		\$ 4,185,822					\$ 11,296,272
Revenues from Ancillary Operations	\$ 225,000	\$ 3,731,500							\$ 3,956,500
Donations	\$ 2,520,500			\$ -					\$ 2,520,500
Other Revenues	\$ 5,541,210		\$ -	\$ 51,615	\$ 5,061,904	\$ 621,988	\$ 763,321	\$ 1,545,409	\$ 13,585,447
Total Operating Revenues	\$ 162,236,479	\$ 6,022,856	\$ 13,500,000	\$ 4,237,437	\$ 5,061,904	\$ 621,988	\$ 1,013,465	\$ 1,545,409	\$ 194,239,538
EXPENDITURES									
Base Expenditures									
FT Labour	\$ (82,939,128)	\$ (7,164,316)		\$ (1,070,131)	\$ (1,602,638)	\$ (97,729)	\$ (356,019)	\$ (632,636)	\$ (93,862,598)
PT Labour	\$ (14,615,323)	\$ (29,365)		\$ (261,999)	\$ (58,990)	\$ (277,966)	\$ (321,308)		\$ (15,564,950)
Operating Expenses	\$ (38,764,128)	\$ (8,204,846)	\$ (16,501,006)	\$ (1,532,237)	\$ (3,135,148)	\$ (223,378)	\$ (281,463)	\$ (985,714)	\$ (69,627,920)
Capital Expenses	\$ (695,226)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ (695,226)
Carry Forwards	\$ (184,843)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ (184,843)
Approved Base Expenditures	\$ (137,198,648)	\$ (15,398,527)	\$ (16,501,006)	\$ (2,864,367)	\$ (4,796,776)	\$ (599,073)	\$ (958,789)	\$ (1,618,350)	\$ (179,935,538)
Budget Surplus/(Deficit) before Asks	\$ 25,037,830	\$ (9,375,671)	\$ (3,001,006)	\$ 1,373,070	\$ 265,128	\$ 22,915	\$ 54,676	\$ (72,941)	\$ 14,304,000
<i>Annual Priorized Asks</i>									
Building/Maintenance/Contingency Reserves	\$ (3,500,000)								\$ (3,500,000)
OCIS Capital	\$ (2,097,000)								\$ (2,097,000)
TELE Capital	\$ (1,930,000)								\$ (1,930,000)
Net Faculty Asks - Student/Faculty Ratio	\$ (692,000)								\$ (692,000)
Expenses Related to Increase Revenue	\$ (488,000)								\$ (488,000)
IT Capital	\$ (592,000)								\$ (592,000)
Expenses For New Grant	\$ (948,000)								\$ (948,000)
Budget Surplus/(Deficit) after Asks	\$ 14,790,830	\$ (9,375,671)	\$ (3,001,006)	\$ 1,373,070	\$ 265,128	\$ 22,915	\$ 54,676	\$ (72,941)	\$ 4,057,000
<i>Budget Asks:</i>									
OTO Asks	\$ (4,472,000)								\$ (4,472,000)
Base Asks	\$ (2,590,000)								\$ (2,590,000)
Total Budget Surplus/(Deficit)	\$ 7,728,830	\$ (9,375,671)	\$ (3,001,006)	\$ 1,373,070	\$ 265,128	\$ 22,915	\$ 54,676	\$ (72,941)	\$ (3,005,000)

- The initial draft budget had approx. \$4M budget surplus before ASKS, and we had \$7M in budget ASKS
- Faculty and unit budgets were presented to the Budget Advisory Committee (BAC), and feedback on budget priorities was provided to the Budget Working Group (BWG)
- Shared service budgets were presented at joint DC/UOIT budget meetings with the functional managers.
- The BWG has prioritized budget ASKS based on the universities strategic goals and objectives, and feedback from the BAC, in order to balance the budget. Given the uncertainty around our position in the Enrolment Corridor and the priorities of our new President, the BWG focused on OTO ASKS
- These recommendations were then discussed with the Senior Leadership Team (SLT)

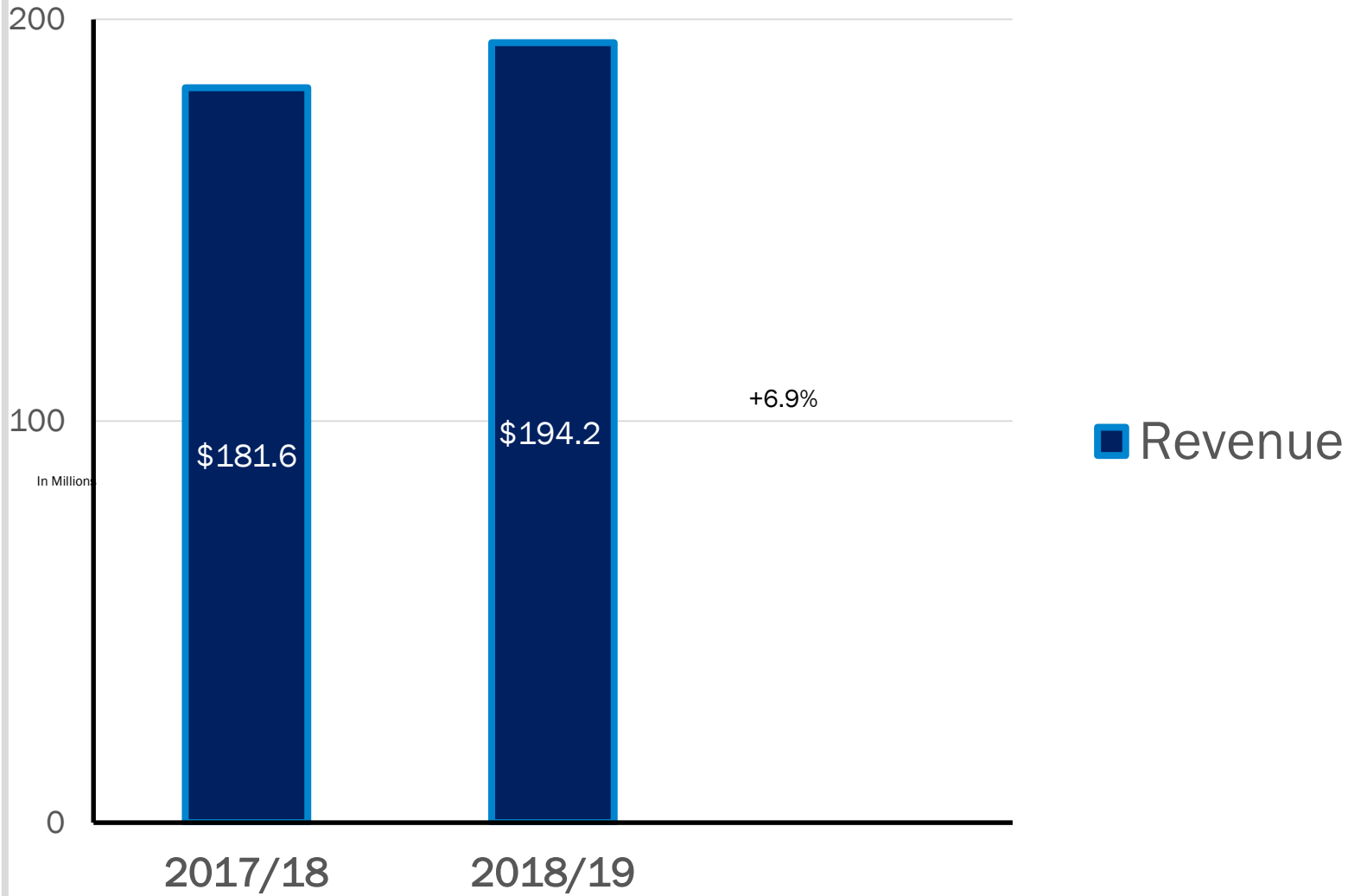
Balancing The Budget

(in millions of dollars)						Budget Recommendations					
Description	Asks	Included in 10 Yr Fcst	Offset By Added Rev	Net Increase	Explanation						
Contingency Reserve	\$ 3.5	\$ 3.5	\$ -	\$ -	Building Reserve \$2.5M, Budget Contingency \$1.0M						
Base Asks	\$ 2.8	\$ 1.2	\$ -	\$ 1.6	\$1.5M in asks for instruction, with \$.5M in fcst (Smaller class sizes/improved student experience). New SIRC building operating costs of \$.5M, had \$.7M in fcst. Added scholarships \$.3M. Add \$.5M for Test Centre, Exec Comp, Sexual Violence 3rd Party Service.						
OTO Asks	\$ 1.0	\$ -	\$ 1.0	\$ 0.0	ONCAT \$.3M, Capital campaign \$.4M, ELC \$.1M, Campus Safety \$.1M, and net tuition \$.1M all with corresponding added revenue						
Capital Asks	\$ 3.1	\$ 3.1	\$ -	\$ 0.0	OCIS = \$1.6M and IT = \$0.5M included in fcst. Faculty Equipment \$1.0M covered by carryforward						
Purchase Services	\$ 1.9	\$ 1.3	\$ 0.2	\$ 0.4	IT =\$1.4M: Network improvements/licence fee increases \$.4M, Banner Upgrades \$0.6M, Sr Network Admin/Sr Application Specialist \$.1M included in 10 yr fcst. Add PCI Compliance \$.4M. Ancillary \$.2M Parking/Bookstore covered by higher ancillary fees. Facilities \$.2M capital in fcst						
Total	\$ 12.4	\$ 9.1	\$ 1.2	\$ 2.1							

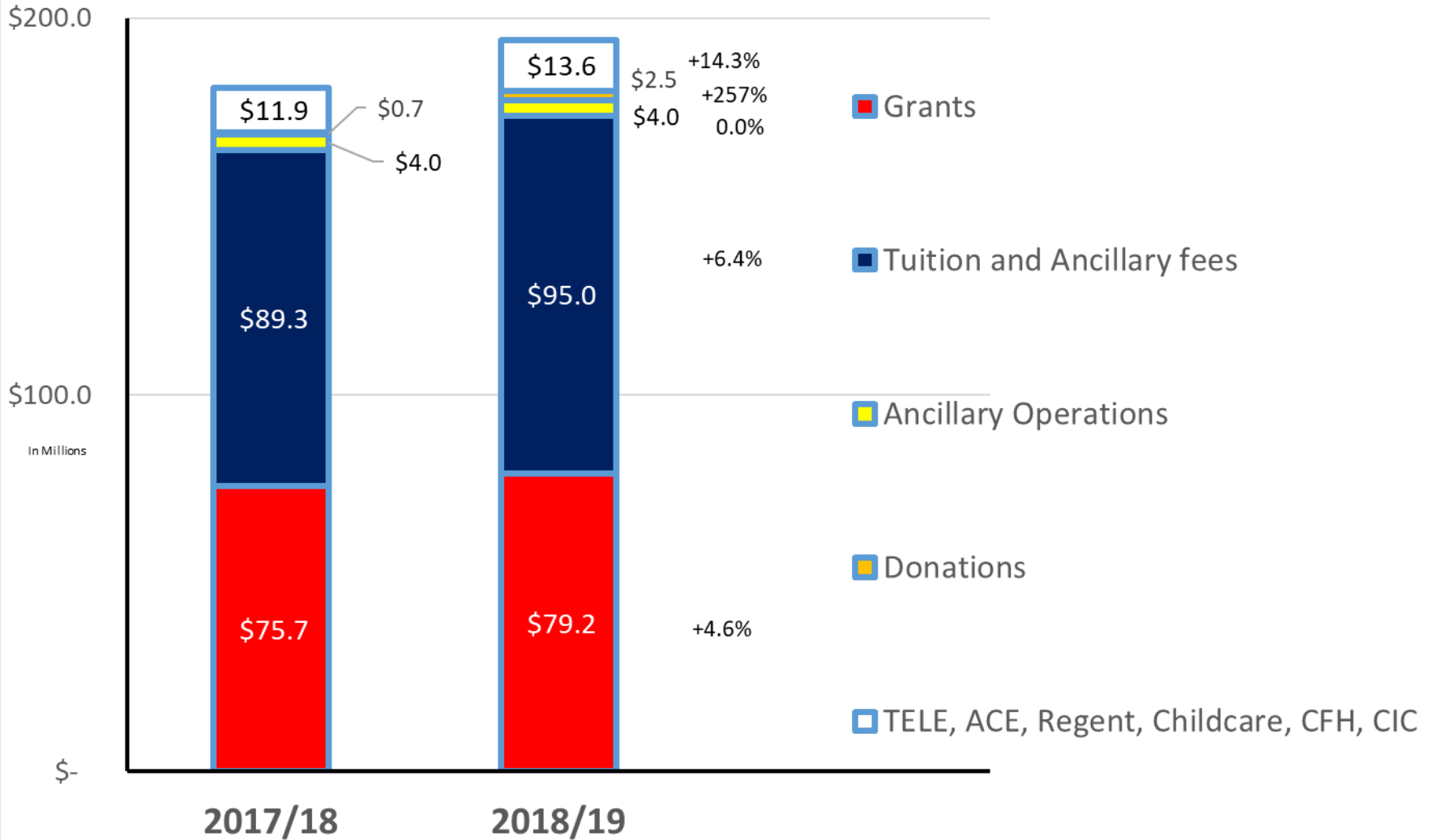
Budget Comparisons



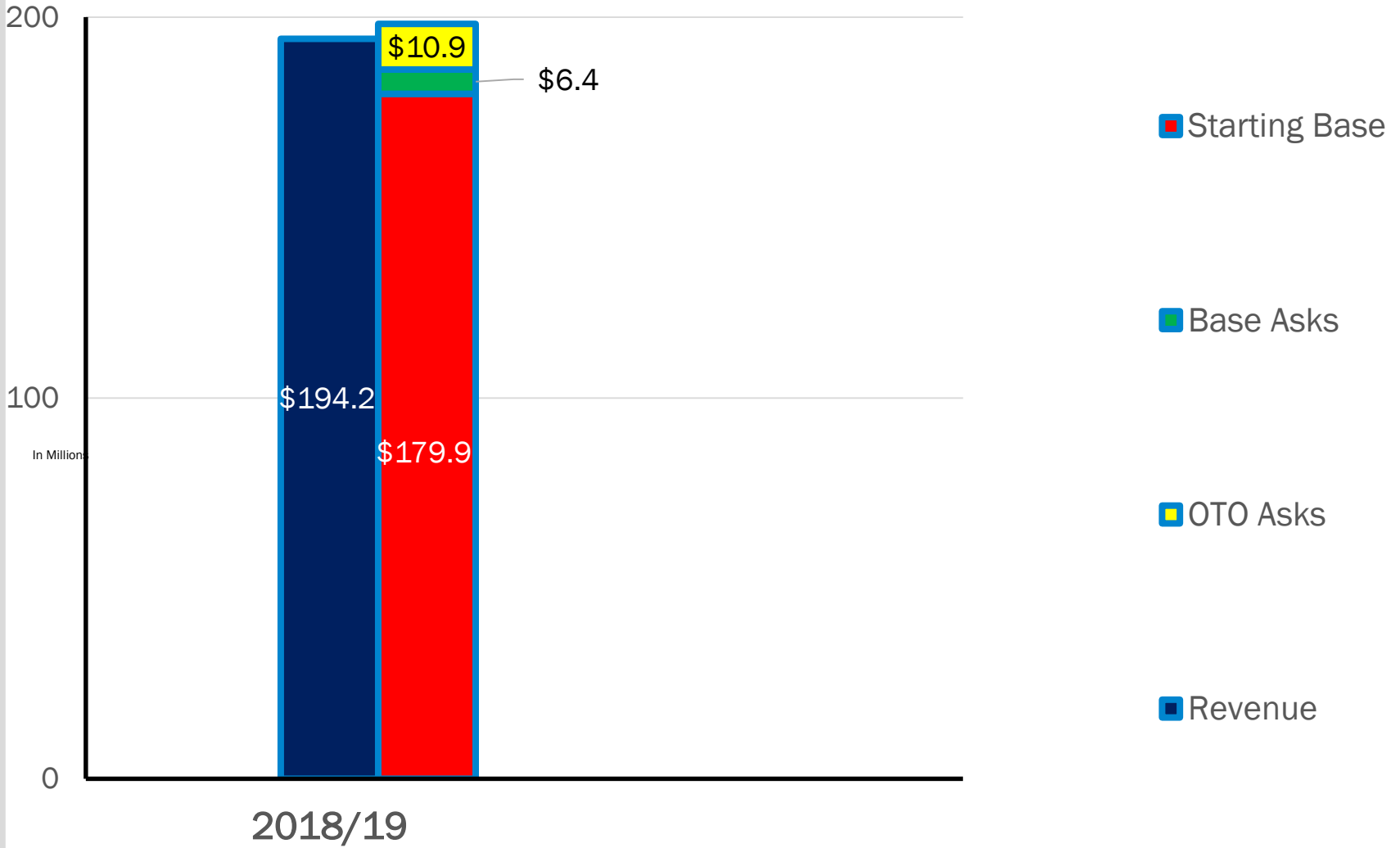
UOIT Total Revenue 2017-2018 v 2018-2019



UOIT Total Revenue Categories 2017-2018 v 2018-2019



UOIT Total Budget Revenues v Expenses 2018-2019



Next Steps



Budget Schedule

2018-19 Budget & 2017-18 Forecast Calendar		
21-Feb-2018	High level presentation of revenues and base expenditures to A&F	
22-Feb-2018	BWG reviews and approves 3rd draft budget for recommendation to SLT	
22-Feb-2018	UOIT confirms final shared Library and CN budget to DC	
5-Mar-2018	Final budget approved by SLT	
Mar 6 - Mar 30/2018	Preparation of budget presentation files for A&F/Board	
20-Mar-2018	Feedback from Academic Council on SLT-approved budget prior to A&F	
12-Apr-2018	Budget package sent to SLT for review	
19-Apr-2018	Final budget package to Governance for distribution to A&F Committee	
26-Apr-2018	Presentation of proposed budget to A&F	
9-May-2018	Presentation of proposed budget to Board for approval	
5-Jun-2018	Presentation of Board approved budget to Academic Council Executive	
19-Jun-2018	Presentation of Board approved budget to Academic Council and actual results for YE March 2018	

Question or Comments



BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

TO: Board of Governors

DATE: March 1, 2018

PREPARED BY: Cheryl Foy, University Secretary and General Counsel

SUBJECT: Policy Framework Review – Update on Consultation

BOARD & COMMITTEE MANDATE:

- Under the UOIT Act, section 9 (1), the Board has the power: “to establish academic, research, service and institutional policies and plans and to control the manner in which they are implemented”. The UOIT Policy Framework is a key institutional policy that delegates the Board’s power, establishing categories of policy instruments with distinct approval pathways.
- For the UOIT Policy Framework the approval pathway is as follows: GNHR is the deliberative body, and the Board is the approval authority.
- We submit this report following consultation with GNHR to provide information about our plan and progress in the review of the UOIT Policy Framework consultation and to prepare for an upcoming decision regarding the approval of any proposed amendments. We request your comments or discussion about the plan, consultation so far, or views about the UOIT Policy Framework.

BACKGROUND/CONTEXT & RATIONALE:

- The UOIT Policy Framework was approved by the Board November 28, 2014. Under the Framework, all policy instruments must be reviewed at least every three years. A review of the Framework is currently underway, involving consultation as outlined later in the document.
- The UOIT Policy Framework establishes five categories of Policy Instruments as follows:
 - **Board:** Policy Instruments that relate to the governance and administration of the Board of Governors.
 - **Legal, Compliance and Governance:** Policy Instruments that relate to: broader institutional planning and governance issues, management of institutional risk,

- accountability and legislative requirements, and academic governance matters outside those authorities explicitly delegated by the Board to Academic Council.
- **Administrative:** Policy Instruments that relate to the ongoing management and operations of the University and that have application across more than one organizational unit.
 - **Academic:** Policy Instruments that relate to academic governance and administration within the delegated authority to Academic Council from the Board.
 - **Local:** Policy Instruments that relate to the ongoing management, work, and operation of the single organizational unit for which they were developed. Local policy instruments may be Academic or Administrative in nature.
- The approach of the UOIT Policy Framework is to ensure that governing bodies are engaged in the most effective manner by establishing differing approval authorities for each category. As part of the review, we are reviewing and updating these approval paths. We will be engaging with Academic Council to clarify the approval authorities for Academic Policies.

RESOURCES REQUIRED:

- N/A

IMPLICATIONS:

- N/A

ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:

- N/A

ALTERNATIVES CONSIDERED:

- N/A

CONSULTATION:

- Through Policy Advisory Committee and University Administrative Council, the USGC has solicited comments from policy leads or policy owners who have engaged in policy projects under the Policy Framework. We have targeted a number of governing bodies for in-person consultation. Additionally, we have developed an online questionnaire targeted at Policy Framework users to collect comments. We have arranged a special meeting with Academic Council to obtain their views on the Policy Framework.

List of Consultation Dates:

- Policy Advisory Committee (December 13, March 2)
- Academic Council (January 16, February 13, February 27)
- Online Consultation (community comments) (January 30 - February 28)
- University Administrative Council (February 13)
- Senior Leadership Team
- Governance, Nominations and Human Resources Committee (February 7)

Comments Received as of February 7:

- Many in the university community are not aware of the process involved in developing and consulting on policies at UOIT. **Response:** We propose develop a training presentation to deliver to those involved in policy projects and other interested parties to raise awareness and increase adherence.

- There is also a desire to clarify and simplify the policy development, consultation and approval process. A key concern is that the process from policy idea to approval can be long. We wish to explore ways to clarify the process, making it easier to navigate without losing sight of the importance of consultation in the policy development process. **Response:** We propose to provide tools and training related to stakeholder consultation to facilitate the important task.
- Strengthen the role of Policy Advisory Committee (PAC) to provide its comments more weight, and to include a role in the approval of administrative procedures. Ensure PAC reviews all Administrative and Legal, Compliance and Governance policies and procedures. **Response:** This may result in a requested amendment to the Framework.
- The current implementation process for policies does not always include follow-up to ensure their successful implementation and adoption. **Response:** There is no audit function for policy compliance at this time as the focus continues to be on implementation and clean up. The Policy Framework places the responsibility for an implementation plan on the Policy Owner, but also requires the Policy Owner to evaluate the implementation and report on the implementation to the Approval Authority within one year of implementation. This requirement must be emphasized in our training and communications around the Policy Framework.
- There has been discussion of the categorization and approval authority for the Administrative and Legal, Compliance and Governance Categories. Administrative policies do not come to the Board for approval. The intent is to ensure that the Board is focused on high-level strategic policies, and not overwhelmed by operational policies. The Board is kept informed through an annual report on policies. **Response:** We are looking at how we can bring more clarity to the categorization of policies and also increase accountability to the Board.
- There has also been discussion about the duty to consult Academic Council and ensuring that the Policy Framework ties nicely to the UOIT Act. **Response:** We have engaged outside counsel to provide a perspective on this discrete issue.

COMPLIANCE WITH POLICY/LEGISLATION:

- The UOIT Policy Framework delegates the Board's power "to establish academic, research, service and institutional policies and plans and to control the manner in which they are implemented". A key consideration in doing so is the Board's duty to consult Academic Council under the UOIT Act and By-law No. 2 before establishing such policies. We are taking steps to ensure that the Framework engages the governance bodies effectively, while ensuring that our approach is consistent with the requirements of the legislation.

NEXT STEPS:

- Consultation with Academic Council (February 13, February 27)
- Review of community comments by Policy Advisory Committee (March 2)
- Additional Consultation with University Administrative Council, Academic Council (March)
- Return to GNHR and Board with recommended amendments. (April, May)

SUPPORTING REFERENCE MATERIALS:

- UOIT Policy Framework – Approval Authorities Chart

UOIT Policy Framework Approval Authorities

Policy Instrument Category	Category Description	Policy Instrument Type	Deliberative Body		Approval Authority
Board	Policy Instruments that relate to the governance and administration of the Board of Governors.	Policy	Board Committees		Board of Governors
		Procedures	Board Committees		Board Committees
		Guidelines & Directives	Board Committees		Board Committees
Legal, Compliance and Governance	Policy Instruments that relate to: <ul style="list-style-type: none"> • Broader institutional planning and governance issues; • Management of institutional risk, accountability and legislative requirements; • Academic governance matters outside those authorities explicitly delegated by the Board to Academic Council. 	Policy	Senior Leadership Team	Board Committees	Board of Governors
		Procedures	As determined by the Senior Leadership Team.		Senior Leadership Team and/or Board Committees
		Guidelines & Directives	As determined by the Senior Leadership Team.		Senior Leadership Team
Administrative	Policy Instruments that relate to the ongoing management and operations of the University and that have application across more than one organizational unit.	Policy	Provost’s Advisory Committee on Integrated Planning		Senior Leadership Team
		Procedures	Policy Advisory Committee		Vice-President
		Guidelines & Directives	As determined by Vice-President.		Assistant Vice-President, Associate Provost, Dean, Director
Academic	Policy Instruments that relate to academic governance and administration within the delegated authorities of Academic Council from the Board.	Policy	As determined by Academic Council		Academic Council
		Procedures	As determined by Academic Council		As determined by Academic Council
		Guidelines & Directives	As determined by Academic Council		As determined by Academic Council
Local	Policy Instruments that: <ul style="list-style-type: none"> • Are either Administrative or Academic in nature; and • Relate to the ongoing management, work and operation of the single organizational unit for which they were developed. 	Policy	As determined by the organizational unit.		Assistant Vice-President, Associate Provost, Dean, Director
		Procedures	As determined by the organizational unit.		Assistant Vice-President, Associate Provost, Dean, Director
		Guidelines & Directives	As determined by the organizational unit.		Designated managerial authority within the organizational unit.



**BOARD OF GOVERNORS
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF NOVEMBER 22, 2017
PUBLIC SESSION
12:30 p.m. – 1:45 p.m., ERC 3023**

Attendees: Nigel Allen (Chair), Fardan Ali, Doug Allingham, Jeremy Bradbury, Stephanie Chow, Dietmar Reiner, Mary Simpson (*via teleconference*)

Staff: Robert Bailey, Becky Dinwoodie, Craig Elliott, Cheryl Foy, Pamela Onsiong

Regrets: Tim McTiernan

Guests: Mike Eklund (UOIT FA), Christine McLaughlin (UOIT FA)

1. Call to Order

The Chair called the meeting to order at 12:32 p.m.

2. Agenda

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

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Approval of Minutes of Meetings of October 12, 2017

Upon a motion duly made by D. Reiner and seconded by S. Chow, the Minutes were approved as presented.

5. Chair's Remarks

The Chair welcomed the committee members to the meeting. He noted that it would have been President McTiernan's last Audit & Finance Committee meeting; however, President McTiernan was

unable to attend due to a scheduling conflict. The Chair commented on the Colleges Faculty strike, which ended earlier in the week.

6. SIRC Building Construction Project

C. Elliott provided the committee with an update. The moves into the third and fourth floors were underway. A graphic sign will be installed in the spring. The SIRC construction project remains under budget and no contingency has been used. The university has received requests from Durham College to use SIRC's third floor space for classes and events due to the effects of the college strike.

D. Allingham congratulated C. Elliott and his team for delivering the project on time and under budget.

7. Finance

7.1 Second Quarter Financial Reports

P. Onsiong reviewed the second quarter financial reports with the committee. The final installment of the Ministry of Finance loan was paid on October 13, 2017. There was an increase in revenue from tuition fees due to increased enrolment.

There was a discussion regarding the savings from open faculty positions and how it is allocated to the university's surplus as opposed to Faculty carry-overs. P. Onsiong responded to questions from the committee members. She clarified that the "average comparator" group is comprised of seven other small sector universities. The committee also discussed how the Ministry uses the institution's financial metrics, particularly the net operating revenues ratio.

P. Onsiong reviewed the 2017-2018 operating forecast summary. She noted an increase of 322 FTE, resulting in an increase of \$1.8M in tuition revenue. The senior leadership team approved and allocated \$3.5M out of the additional surplus, which has been included in the updated forecast.

SIRC was never included as part of the operating budget. They anticipate incurring \$15M of SIRC costs, partially funded by SIF funding and the remainder by the university's funds. The university has a healthy cash flow. They will consider re-investing the surplus cash into short-term GICs as there are no upcoming capital projects.

There was an engaged discussion regarding the updated forecast and the forecasted surplus.

The Chair thanked C. Elliott and P. Onsiong for the thorough notes included in the report.

7.2 Budget Assumptions, Targets & Outcomes

C. Elliott delivered a presentation providing a budget update. He discussed the increase in forecasted surplus. R. Bailey provided an overview of the type of additional in-year spending for 2017-18 (\$0.9M in base budget and \$2.6M for one-time only expenditures). He also discussed the process for deciding the allocation of the additional \$7.6M in surplus, which included a discussion at Academic Council.

C. Elliott reviewed the key points in the updated 10-year forecast. There is now an ongoing base surplus of \$2M, less whatever is committed as Base expense in 2018/19 budget. There was a discussion regarding the funding of the university's graduate programs.

R. Bailey presented the budget methodology and strategic planning cycle and C. Elliott presented the financial planning cycle.

A concern was expressed about surplus funds having already been allocated without discussing the university's strategic priorities with the committee. The process was clarified and the committee was advised that the senior leadership team discussed which priority items could be accomplished by in-year spending, and the items selected were either health and safety related (eg atrium reno, or already committed expenses by the BOG (eg) cyber insurance. There was also a discussion regarding Academic Council's feedback on the budget presentation. Academic Council acknowledged that there is a need for building space and also identified a need for additional faculty/teaching resources. There was clarification as to the incorporation of strategic planning into the surplus spending.

8. Investment Committee Oversight

8.1 Investment Committee Quarterly Report

S. Chow provided the committee with an update on the portfolio's second quarter returns.

9. Compliance & Policy

9.1 Risk Management

C. Foy confirmed that E. Wannamaker, the Director of Risk Management, is retiring at the end of December. A new Director of Risk Management, Jacquelyn Dupuis, has joined the team. J. Dupuis will be obtaining her Canadian Risk Management designation at the end of the year.

9.2 Compliance & Policy

C. Foy delivered a policy update presentation to the committee. She explained the function of the Policy Framework. There was a discussion regarding how policy gaps are identified.

10. Other Business

11. Termination

There being no other business, upon a motion duly made by D. Allingham and seconded by J. Bradbury, the public session of the meeting adjourned at 1:47 p.m.

Becky Dinwoodie, Secretary



**BOARD OF GOVERNORS
Governance, Nominations and
Human Resources Committee**

**Public Session Minutes for the Meeting of November 15, 2017
10:00 – 10:55 a.m., ERC 3023**

Attendees: Karyn Brearley (Chair), Lisa Edgar, Andrew Elrick (*via teleconference*), Francis Garwe, Jay Lefton (*via teleconference*)

Staff: Becky Dinwoodie, Craig Elliott, Cheryl Foy, Douglas Holdway, Susan McGovern

Regrets: Doug Allingham

1. Call to Order

The Chair called the meeting to order at 10:00 a.m.

2. Agenda

Upon a motion duly made by T. McTiernan and seconded by L. Edgar, 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 September 27, 2017

Upon a motion duly made by T. McTiernan and seconded by K. Brearley, the minutes were approved as presented.

5. Chair's Remarks

The Chair welcomed L. Edgar to the Committee.

(J. Lefton joined the meeting at 10:02 a.m.)

6. President's Remarks

The President discussed the changing dynamic between university Boards and governments due to increasing regulation of institutions. He noted that this is the topic of one of the sessions at the upcoming CCOU Conference, of which C. Foy was one of the co-organizers.

He also discussed the implementation of equity and diversity targets in order to obtain certain types of funding (e.g. research funding). The university will be conscious of meeting the spirit and letter of these policy directives.

7. Governance

7.1.1 3-Year Governance Plan

C. Foy reviewed the proposed 3-year governance plan with the committee. The key governance priorities are leadership, engagement, and education. A suggestion was made to include a session on government regulation for the Strategy & Planning Committee. The committee members supported the priorities set out in the plan.

7.2 Compliance

C. Foy advised that one of the long term goals of the institution is to develop a comprehensive compliance plan, which will be overseen by the Audit & Finance Committee but will have many aspects falling within the remit of GNHR. They are working on addressing resources to allocate to the development of a compliance plan. C. Foy confirmed that there are elements of tracking compliance already in place at the institution but not a comprehensive picture of the university's compliance obligations. They will work towards the integration of all of the pieces of compliance across the university.

7.3 Policy

Policy Framework Review

C. Foy delivered a presentation entitled "UOIT Policy Framework Review". She highlighted the improvements that have been made through the implementation of the Policy Framework. She discussed the proposed review process, including the comments already received that will be addressed. One of the goals will be to increase Policy Framework education across the institution. The committee expressed support for the proposed review plan.

8. Nominations

8.1 Election Process 2018-2019

B. Dinwoodie summarized the 2018-2019 election process that was distributed prior to the meeting. She responded to questions regarding the election timeline. She advised that the elected students' terms cannot be staggered due to the term requirements set out in the *UOIT Act*. The committee discussed the transition of new governors and suggested considering offering educational sessions prior to the start of their term to help them get up to speed.

Upon a motion duly made by T. McTiernan and seconded by F. Garwe, pursuant to the recommendation of the Chief Electoral Officer, the Governance, Nominations and Human Resources Committee approved the proposed 2018-2019 Board of Governors Elections Timeline, as presented.

9. Other Business

10. Termination

There being no other business, upon a motion duly made by T. McTiernan and seconded by F. Garwe, the public session of the meeting adjourned at 10:46 a.m.

Becky Dinwoodie, Secretary

DRAFT

**Public Session Minutes for the Meeting of November 22, 2017
10:00 a.m. to 11:00 a.m., ERC 3023**

Attendees: Stephanie Chow (Chair), Nigel Allen, Craig Elliott, Yowsif Yakub

Staff: Robert Bailey, Becky Dinwoodie, Cheryl Foy

Guests: Leila Fiouzi and Taylor Woodward from PH&N

Regrets: Doug Allingham, Susan McGovern, Tim McTiernan, John Speers

1. Call to Order

The Chair called the meeting to order at 10:06 a.m.

2. Agenda

Upon a motion duly made by N. Allen and seconded by Y. Yakub, 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 the committee to the first meeting of the academic year. She asked the attendees to introduce themselves and reminded them that they were starting with the public session of the meeting.

5. Approval of Minutes of the Meeting of August 16, 2017

Upon a motion duly made by N. Allen and seconded by Y. Yakub, the Minutes were approved as presented.

6. Investment Review

6.1 Second Quarter Investment Review

(C. Foy arrived at 10:10 a.m.)

L. Fiouzi reviewed the summary of the second quarter investment returns and asset mix. The portfolio performed .90% over benchmark for the period. The portfolio's assets were marginally overweight in equities and marginally underweight in pension trust.

7. Investment Learning – Exchange Traded Funds

L. Fiouzi delivered an educational session on Exchange Traded Funds (ETF) and distributed a handout on ETF to the committee. She discussed the origin of ETF and their early success in Canadian equity markets. The number of ETF providers has increased significantly since 2014. L. Fiouzi explained the types of ETF: broad beta, narrow beta, rules-based, and active. The more exotic the ETF, the higher the embedded cost.

L. Fiouzi discussed the difference between how ETF work as compared to mutual funds, as well as how ETF are created. She emphasized the importance of the arbitrage function. With a mutual fund, the value of the fund is known at all times. A potential problem with an ETF is that it can be traded during the day. Therefore, there are instances where the price of an ETF differs from the price of its underlying securities. This is less likely to happen with a very liquid ETF. The market maker plays a role in the creation of ETF and resolving any disparity in prices right away. ETF providers will strike the NAV daily at 4:00 p.m.

L. Fiouzi presented an analysis of the costs associated with ETF. Generally, there are lower management expense ratios for ETF.

L. Fiouzi reviewed the value of active management with the committee. As of July 2017, 80% of RBC managed funds performed better than benchmark. ETF perform better in efficient markets and L. Fiouzi advised that the NYSE is the most efficient.

8. Other Business

9. Termination

There being no other business, upon a motion duly made by Y. Yakub and seconded by N. Allen, the public session of the meeting adjourned at 11:03 a.m.

Becky Dinwoodie, Secretary



**BOARD OF GOVERNORS
Strategy & Planning Committee**

Minutes of the Public Meeting of Monday, October 16, 2017

Attendees: Valarie Wafer (Chair) (*via teleconference*), Tim McTiernan, Bonnie Schmidt (*via teleconference*), Mike Snow (*via teleconference*), John Speers (*via teleconference*), Mary Steele, Shirley Van Nuland (*via teleconference*)

Staff: Robert Bailey, Becky Dinwoodie, Craig Elliott, Cheryl Foy (*via teleconference*), Douglas Holdway, Susan McGovern

Regrets: Doug Allingham, Don Duval, Jay Lefton

1. Call to Order

The Chair called the meeting to order at 12:30 p.m.

2. Agenda

Upon a motion duly made by J. Speers and seconded by T. McTiernan, the Agenda was approved as presented.

3. Conflict of Interest Declaration

There were no conflict of interest declarations.

4. Minutes of the Meeting of May 17, 2017

Upon a motion duly made by T. McTiernan and seconded by V. Wafer, the minutes were approved as presented.

5. Chair's Remarks

The Chair welcomed the committee to the new Board year. She noted that the order of the non-public and public sessions were switched at the direction of the Executive Committee. The committee has a busy work plan for the year. The Chair encouraged the committee members to have a copy of the strategic plan with them at each meeting, as it will assist with

focusing the discussion. She also encouraged active engagement of the members, including reviewing the meeting material in advance and engaging in informed discussions.

6. President's Remarks

6.1 Strategic Discussion/Update

The President noted that it was the first day of the college faculty strike and that there were picket lines at the university entrances. While there were delays due to having to cross the picket lines, there were no reported incidents and the university will continue to conduct business as usual.

Over the last several months, the committee has had several discussions regarding the principles and approach to the second Strategic Mandate Agreement (SMA). He confirmed that the university received the final draft of the SMA signed by the Deputy Minister and that it is being reviewed for minor editorial changes. The SMA reflects the key principles presented to the committee and Board for endorsement. The President discussed the university's ten program areas of strength and five areas of expansion. He also reviewed the next steps in the process to finalize the agreement and how the updated SMA will affect collaborations and student support.

The President advised that Maclean's released its 2018 university rankings and that the university moved up three places from last year to the eighth ranked position nationally among primarily undergraduate schools and improved in a number of other categories. He credited the improvement to the work of faculty and staff.

The President also reported on the Canadian Olympic alpine team testing out ski apparel in the ACE wind tunnel. He commented that it is a great example of how the ACE research facilities can be used for proof of principle in design.

7. Strategic Mandate Agreement

R. Bailey reminded the committee that the university's Strategic Plan guided the development of the SMA, supplemented by consultation with the university community. The SMA and Strategic Plan are being used to develop an integrated academic plan. A draft integrated academic plan will be presented at a future committee meeting.

8. Strategic Enrolment Management: Environmental/Competitive Scanning

R. Bailey advised that the item will be deferred until the next meeting.

9. Risk Management: Strategic Risks

C. Foy presented the report setting out the proposed process to finalize the list of the university's strategic risks. She reviewed the proposed process and asked for the committee's direction. She also noted that strategic risk would make a good topic for this year's Board retreat.

There was a discussion regarding the anticipated timeline for completing the categorization of strategic risks. C. Foy advised that the target is to complete the process by early in the New Year. She clarified that she anticipated it would be more of a check-in process as opposed to a full consultation. The purpose of the check-in is to take into account the refreshed Strategic Plan and the new SMA. She confirmed that although the Strategic Plan was amended, its concepts were not entirely new and much of the work already done by the Risk Management Committee remains relevant. The committee also discussed the nine key areas of strategic risk.

The committee expressed support for the proposed approach to finalizing the list of strategic risks.

10. Other Business

11. Termination

There being no other business, upon a motion duly made by T. McTiernan and seconded by M. Steele, the non-public session of the meeting adjourned at 1:00 p.m.

Becky Dinwoodie, Secretary



COMMITTEE/BOARD REPORT

SESSION:

Public
 Non-Public

ACTION REQUESTED:

Decision
 Discussion/Direction
 Information

Financial Impact Yes No

Included in Budget Yes No

TO: UOIT Board of Governors

DATE: March 1, 2018

PREPARED BY: Olivia Petrie, Assistant Vice-President, Student Life

SLT LEAD: Robert Bailey, Provost and Vice President Academic

SUBJECT: Ancillary Fee Protocol (Revised)

BOARD MANDATE:

The UOIT Ancillary Fees Committee is seeking approval of a new Ancillary Fees Protocol as outlined in the attached. Under the Ministry guidelines governing the distribution of funds at Ontario universities, all universities must have a protocol that sets out the means by which students will be involved in decisions to increase existing compulsory non-tuition-related ancillary fees or to introduce new ones.

The document received the unanimous approval of the Ancillary Fees Committee on February 20, 2018 and was circulated to the Audit & Finance Committee for consideration and recommendation by e-mail on February 22. It is being presented to the Board of Governors for approval as follows:

Pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors hereby approves the revised Ancillary Fee Protocol, as presented, and authorizes and directs the President 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.

BACKGROUND/CONTEXT & RATIONALE:

The new Protocol is the result of discussions with the student government executives held over the past four years – with the previous UOIT-DC Student Association, and more recently with the new UOIT Student Union. This Protocol will replace the earlier Protocol that was approved in 2010, and incorporates several key principles and suggestions that have been brought forward by the students, including:

- More robust definitions of the different fees that are charged to students
- An option to review existing ancillary fees and consider their elimination or reduction
- The introduction of a threshold where a fee increase may be referred to a referendum by the committee
- Adjusted timelines to better align with the fee approval cycle
- A quorum requirement that assures a majority or equal vote by student members on the committee
- A new requirement that existing fees be reviewed in detail by the committee to support informed decision making

The document has also been reorganized and re-worked to further clarify the different steps in the process, improve flow, and reduce repetition.

RESOURCES REQUIRED:

No additional resources are required.

IMPLICATIONS: N/A**ALIGNMENT WITH MISSION, VISION, VALUES & STRATEGIC PLAN:**

The revised protocol provides a formal structure which assures the participation of students in the setting of ancillary fees at the university.

ALTERNATIVES CONSIDERED: N/A**CONSULTATION:**

- Consultation with Student Association President (Rachel Calvelli), October 2012 and March 2013
- Consultation with Student Association President (Jesse Cullen), January and April 2016
- Consultation with Ancillary Fees Committee (Talib Ali (USU), Fardan Ali (Student rep on Board), Sarah Abdelmissih (GSC), Brad Maclsac, Pamela Onsiong, Olivia Petrie on February 5 and 20, 2018

COMPLIANCE WITH POLICY/LEGISLATION:

Under Ministry guidelines governing the distribution of funds at Ontario universities, all universities must have a protocol that sets out the means by which students will be involved in decisions to increase existing compulsory non-tuition-related ancillary fees or to introduce new ones.

In addition, the Student Association Accountability Policy makes reference to the Ancillary Fee Protocol with reference to the establishment, collection and transfer of Student Association related fees.

NEXT STEPS:

Upon approval, the Protocol will be used to guide future deliberations and decisions about Ancillary Fees.

MOTION FOR CONSIDERATION:

Pursuant to the recommendation of the Audit and Finance Committee, the Board of Governors hereby approves the revised Ancillary Fee Protocol, as presented, and authorizes and directs the President 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.

SUPPORTING REFERENCE MATERIALS:

- UOIT Ancillary Fee Protocol (revised February 20, 2018)
- UOIT Ancillary Fee Protocol (2010)
- Student Association Accountability Policy (2015) (<https://usgc.uoit.ca/policy/policy-library/policies/legal,-compliance-and-governance/student-associations-accountability-policy.php>)
- Recognition of Student Organizations Policy (2015) (<https://usgc.uoit.ca/policy/policy-library/policies/legal,-compliance-and-governance/policy-on-the-recognition-of-student-organizations.php>)

**UOIT ANCILLARY FEE PROTOCOL
AGREEMENT BETWEEN
THE UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY (THE UNIVERSITY)
AND
THE UOIT STUDENT UNION (USU)**

1. PURPOSE

The University of Ontario Institute of Technology Ancillary Fee Protocol sets out the rules and procedures for increasing existing compulsory ancillary student fees or introducing new ones, in accordance with the Ministry of Training, Colleges and Universities' guidelines of June 28, 1994. Through this protocol, the student government and the administration at the University are equal partners in the protocol, thus ensuring meaningful involvement of UOIT students in the fee setting process and respecting the democratic institution of student government.

Under Ministry policy, all compulsory non-tuition-related fees must be approved by a university's board of governors and published before the university's deadline to accept admission offers. As well, each university is obliged to state the purpose of the fees and the services, goods or access to facilities that are provided students in return. Appendix A contains the Ministry's requirements for protocols, examples of fees that can be included in protocols, certain exempt fees, and eligible fees associated with work term placements.

2. DEFINITIONS

University students are charged fees to cover the costs of items that are not normally paid for out of operating or capital revenue. At the University, these fees fall into three categories:

a. Ancillary Fees

Ancillary Fees are compulsory, non-tuition-related fees that are charged to UOIT students to cover the cost of enhancing their cultural, social and recreational life and to provide other non-academic services to students. In accordance with Ministry guidelines, all students are required to pay these fees in addition to regular tuition fees in order to enroll in, or successfully complete, any credit course.

Ancillary Fees are subject to the terms of this Protocol and any changes to them must be approved by the UOIT Board of Governors pursuant to the process outlined herein. Ancillary Fees are charged in a variety of methods depending on use and program.

b. Levies

Levies are compulsory, non-tuition related fees that are charged to UOIT students on behalf of a Student Association at the University representing students enrolled in a major segment of the university, or across multiple Faculties and programs. Levies also include fees for materials or services that are set by a vendor and the Student Association acts as a broker for the students.

Levied fees are established by a Student Association in accordance with its By-Laws and are charged in full to any student classified as a full member of the Student Association.

c. Material and Service Fees

Material and Service Fees are compulsory, non-tuition related fees that are charged to UOIT students for materials and services in specific courses and programs. These fees may cover the costs of:

- a) Travel and accommodation of students on compulsory field trips;
- b) Learning materials and clothing that are retained by the student;
- c) Materials that are used to produce items that become the property of the student;
- d) Materials and services that are set by a vendor and the university acts as a broker on behalf of students.

Material and Service Fees are exempt from this protocol. These fees are set through agreements with vendors and service providers that do not produce net revenue for the university and are charged in full to all UOIT students in applicable courses and programs.

3. NEW FEES OR FEE INCREASES

Fees that have already been established at the University are not negotiable in respect of such fee. Where the University finds that an established Ancillary Fee no longer serves its intended purpose or is generating a revenue surplus, it shall be eliminated or reduced.

The University has the right to increase these Ancillary Fees by up to 2% or the rate of inflation, if higher, as indicated by the Consumer Price Index (September CPI Median) published by the Bank of Canada and will be based on the current year's Ancillary Fees.

Under special circumstances, the University may seek an increase greater than the CPI for a particular Ancillary Fee if it can demonstrate higher than normal expense increases.

In addition, Fees may be changed to introduce a new fee to provide a new student service or access to a new facility, or to increase an existing fee to improve a student service or provide access to a facility. For any proposed fee increase that is greater than twenty percent (20%) and amounts to material change of \$5.00 or more, the Ancillary Fee Committee will make a determination on whether the increase will be subject to a student referendum. Under exceptional circumstances, fees may be phased over a number of years.

4. SUBMITTING A PROPOSAL

Students and student groups through their Student Association, and university faculties and departments may propose an increase to an existing Fee or introduce a new one.

Requests to raise or introduce a fee must be submitted in writing to the Ancillary Fees Committee via the Registrar by the end of the second week of December to be considered for the academic period two years hence.

Proposals for new Ancillary Fees or Ancillary Fee increases must include the following:

- a) The exact amount of the fee increase or new fee;
- b) Justification for the increase or new fee, particularly how it will benefit students;
- c) The method used to calculate the increase or new fee; and
- d) If a new fee is proposed, why it should be compulsory.

A separate proposal must be made for each proposed fee change or the introduction of a new fee.

5. UOIT-USU ANCILLARY FEES COMMITTEE

The University and the UOIT Student Union are committed to working together to achieve results for the ancillary fee dollars. To this end, the University and the Student Union shall jointly establish an Ancillary Fees Committee in August each year. The Ancillary Fees Committee shall be responsible for reviewing and approving any changes to existing Ancillary Fees or the introduction of new Ancillary Fees, and for recommending their approval by the UOIT Board of Governors by March of that academic year.

a. Membership

The Ancillary Fees Committee shall consist of the following voting members:

- a) Three representatives of the University administration, including the AVP Planning and Administration as Chair; and
- b) Three University student representatives, including the president of the Student Union, the president of the Graduate Student Council, and an undergraduate student member-at-large elected to the UOIT Board of Governors.

It is the responsibility of the student representatives to ensure full consultation with their member constituencies.

b. Quorum and Voting

Quorum of the Ancillary Fees Committee shall be four members, with at least two student members and one university administration member present. The president of the Graduate Student Council must be present at the meeting where changes in graduate Ancillary Fees are discussed.

Notwithstanding the quorum requirement, the failure by any member of the Committee to attend meetings called in good faith in order to meet the deadline for submission to the UOIT Board of Governors shall not prevent the Ancillary Fees Committee's deliberations.

c. Review of Existing Fees

The Ancillary Fees Committee, along with other representatives of the University administration and the Student Union as determined by the Committee, will convene each year in early fall to review the Ancillary Fee Protocol and approval process and establish an agreed-upon meeting schedule for the Committee.

To ensure informed decision-making, the Ancillary Fees Committee will review all services and facilities for students that are fully and/or partially funded by Ancillary Fees, and be provided with the following information:

- a) A detailed breakdown of all existing Ancillary Fees;
- b) A rationale for each fee, including the original reasons for the fee and the date it was originally implemented;
- c) The costs included in calculating the level of each fee, the students for whom the fees are compulsory, and the total annual revenue generated by each fee; and
- d) Any anticipated changes to Ancillary Fees, if known

The University will provide the Ancillary Fees Committee with a full explanation in response to questions or concerns that may be put forward about the fees at its next scheduled meeting.

The Student Union may also organize town hall meetings for students during the fall term at each campus location where the University administration can outline the previous year's budget, highlight the forecasted annual budget, and provide an opportunity to ask questions about the budget and the fee setting process.

d. Consideration of Proposals

All proposals for new Fees or fee increases shall be reviewed by the Ancillary Fees Committee, which may proceed in one of four ways:

1. Approve the request;
2. Request amendments, or consultation and review by the Student Union;
3. Determine that the proposal be approved through a student referendum; or
4. Deny the request.

The chair of the Committee shall communicate the decisions of the Ancillary Fees Committee and those approved through student referendum to the proposer in writing outlining the reasons for its decision.

If a request is approved by the Ancillary Fees Committee, or by student referendum, the chair of the Committee will attend a meeting of the Student Union's Board of Directors, if requested, to explain the reason for the increase and to respond to questions prior to the UOIT Board of Governors meeting on a proposed Fee increase.

6. APPROVAL OF FEE CHANGES

Proposals that receive the approval of the Ancillary Fees Committee, or achieves the required student support in the event of a referendum, will be taken forward as a recommendation by the Committee chair to the Audit and Finance Committee of the UOIT Board of Governors normally by April of that academic year.

7. REVIEW AND AMENDMENTS TO ANCILLARY FEES PROTOCOL

The Student Union and the university administration shall review this Protocol every three (3) years between June and August. Neither the University nor the Student Union may unilaterally change any wording or sections of this protocol. Any change to this protocol must be approved by the Student Union and by the UOIT Board of Governors.

The Undersigned, duly authorized by their instructing bodies, agree that this protocol will govern future ancillary fee increases at the University of Ontario Institute of Technology.

Steven Murphy, President and Vice-Chancellor
University of Ontario Institute of Technology

Talib Ali, President, UOIT Student Union

7 March 2018

Compulsory Ancillary Fee Protocol – UOIT

1. Introduction

On June 28, 1994, the Ontario Ministry of Education (now the Ministry of Training, Colleges and Universities) issued a policy requiring all universities to create a protocol agreement with their student governments. The purpose of the protocol is to set out rules and procedures to change existing compulsory non-tuition-related student fees or to introduce new ones. Each institution's administration and student government are equal partners in the protocol; the protocol is designed to ensure meaningful involvement of University of Ontario Institute of Technology (UOIT) students in the fee-setting process and to respect the democratic institution of student government.

Under the ministry policy, all compulsory non-tuition-related fees must be approved by the university's Board of Governors and published before the university's deadline to accept admission offers. As well, each university is obliged to clearly state the purpose of the fees and what services, goods or access to facilities students receive. Appendices A to C contain the ministry's requirements for protocols, examples of fees that can be included in protocols, certain exempt fees, and eligible fees associated with work term placements.

2. Definition

Compulsory non-tuition-related fees are fees which are levied by UOIT above and beyond tuition, as set out in Ministry funding guidelines, and which students must pay to enrol in and successfully complete UOIT degree courses or programs.

No compulsory non-tuition-related fee may be levied unless it is approved by the Board of Governors. For the purpose of this protocol, the terms "compulsory non-tuition-related fees" and "compulsory ancillary fees" are synonymous.

3. Terms of Protocol

This protocol applies to all students enrolled in a post-secondary program at UOIT. Compulsory ancillary fees for students carrying less than a full course load will be prorated.

The Ancillary Fee Protocol concerns the participation of students in decisions to recommend increases in Compulsory Ancillary Fees to the Board of Governors.

- The Committee: In addition to the Registrar who will be the chair, the Ancillary Fees Committee shall consist of (2) representatives of the UOIT administration and three (3) students including the President of the Student Association or the Vice-President of University Affairs, and the President of the Graduate Student Council. (It is the responsibility of the student representatives to ensure full consultation with their member constituencies.) The third representative will be the undergraduate student member-at-large elected to the Board of Governors.
- The Timetable: The Ancillary Fees Committee shall convene in mid- October each academic year to review:
 - existing ancillary fees,
 - the ancillary fee approval process, and
 - to establish and agree upon a meeting schedule.
- The Committee will submit its recommendations, through the Audit and Finance Committee, to the Board of Governors by March whenever an increase to base Compulsory Ancillary Fees is proposed.
- Quorum will be established when 4 of the 6 Committee members are present, with at least two members of the Administration and two student members present.
- Failure by any member of the Committee to attend meetings called in good faith in order to observe this timetable shall not prevent the Committee's deliberations.
- Ancillary fee increases which affect only undergraduates or only graduates require the agreement of only the representative of the affected students.

4. Accountability

UOIT is committed to working with its students to achieve results for ancillary fee dollars. To enhance transparency a member of UOIT administration will hold an open meeting by October of each year to outline the previous year's budget and highlight the forecasted annual budget.

5. Types of Fee Changes and New Fees

New Fees

A compulsory ancillary fee may be levied to introduce a new student service or access to a facility.

Fee Increases

A compulsory non-tuition-related fee may be raised due to:

- routine inflationary changes; or
- the desire to improve a current student service or access to a facility.

6. Establishing Compulsory Ancillary Fee Increases

- i. Compulsory Ancillary Fees in existence at the time of negotiations shall be considered “Base” Ancillary Fees and are not negotiable.
- ii. The university has the right to increase existing compulsory ancillary fees by the rate of inflation as indicated by the Consumer Price Index (CPI) published by the Bank of Canada and will be based on the current year’s compulsory non-tuition-related fees.
- iii. Under special circumstances, the university may seek an increase greater than the CPI for a particular fee if it can demonstrate higher than normal expense increases. (e.g., increased staffing costs associated with a collective agreement).
- iv. Ancillary Fees shall be approved annually, under exceptional circumstances a phased in approach will be considered and be reviewed by the Committee as per normal procedures.

7. Submitting a Request

Students and student groups through the Student Association(s) and a university office may propose an increase to an existing compulsory ancillary fee or introduce a new one. Requests to raise or introduce a fee must be made in writing and submitted to the Registrar by November 15, to be considered for the next academic year. A separate request must be made for each proposed fee change or the introduction of a new fee.

The request must include:

- the exact amount of the fee increase or new fee;
- justification for the increase or new fee, particularly how it will benefit students;
- the method used to calculate the increase or new fee;
- the total revenue available from the proposed fee increase or new fee; and
- if a new fee is proposed, why it should be compulsory.

8. Consideration of Requests

After reviewing a request the Registrar and the Ancillary Fees Committee will proceed in one of three ways:

- i. proceed with the request,

- ii. ask for amendments, or consultation and review by the Student Association
- iii. deny the request.

By December 15 the Registrar will issue a written response to the request. If the Registrar and the Ancillary Fees Committee reject an initial or amended request, the reasons will be outlined in writing.

- i. In the event that a request receives the Registrar's and Ancillary Fees Committee's support, a representative of the administration shall attend at least one central student council or constituency meeting each for undergraduate and graduate students to explain the reason for the increase and to respond to questions prior to concluding the agreement.

Agreement on a compulsory ancillary fee increase shall be indicated in writing.

- ii. In the event that the Committee determines that the request requires changes:
 - a. The submitter will receive specific direction on what changes are needed and a deadline by which to submit the amended request. If the Committee accepts the amended request, it will follow the process outlined above.
 - b. However, if any of the students on the Committee continue to have concerns they may present the proposal to the Student Association/Graduate students for consultation. The results of the review will be presented to the Committee.
- iii. The request is denied.

9. Dispute Resolution

In the event that members of the Ancillary Fees Committee cannot reach a decision; the question of an increase will be submitted to a full referendum process.

10. Proceeding with Requests

If the request receives the approval of the Committee or required student support in the event of a referendum, the Registrar will table the proposal at the February meeting of the Board of Governors. Within one week of the meeting, the Registrar will communicate the board's decision, along with any necessary explanation, to the Student Association. The Student Association President shall communicate the board's decision to the UOIT student body within one week.

If the fee request was made by a UOIT department, the Registrar will also inform the department of the board's decision.

11. Protocol Amendments

Neither the UOIT administration nor the Student Association(s) may unilaterally change any wording or sections of this protocol. Any change to this protocol must be approved by the Student Association and the Board of Governors.

The Undersigned, duly authorized by their instructing bodies, agree that this protocol will govern future ancillary fee increases at the University of Ontario Institute of Technology.



Peter Williams
Chair of the Board of Governors
University of Ontario Institute of Technology



Ron Bordessa
President
University of Ontario Institute of Technology



Anthony Boland
President of the Student Association
University of Ontario Institute of Technology

22 June 2010

APPENDIX A

The Ontario Operating Funds Distribution Manual 2009 - 10 Fiscal Year

EXAMPLES OF COMPULSORY NON-TUITION-RELATED ANCILLARY FEES THAT MIGHT BE REQUIRED FOR INCLUSION IN PROTOCOL

1. HEALTH/INSURANCE FEES

2. STUDENT ACTIVITY FEES

Student activity fees are those fees, the revenue from which is not applied to the costs of instruction in any course or program normally offered for credit toward an eligible degree, diploma or certificate, but is applied to the costs of enhancing the cultural or social or recreational life of the students, or to provide other non-academic services to students. This definition excludes academic services such as library, computing and learning centre services.

3. ATHLETIC FEES

Athletic fees are those fees, the revenue from which is not applied to the costs of instruction in any course or program normally offered for credit toward an eligible degree, diploma or certificate, but is applied to the costs of providing athletic or recreational services to student or the costs of athletic associations or the costs of institutional athletic teams.

4. TRANSPORTATION/PARKING FEES

5. HOUSING PLACEMENT FEES

Institutions may charge compulsory ancillary fees for the total costs of placing students in housing.

Note: In some cases, these or other compulsory non-tuition-related fees may be combined into a single student service fee. Such combination fees are also examples of a fee which might be incorporated in a protocol.

APPENDIX B

The Ontario Operating Funds Distribution Manual 2009 - 10 Fiscal Year

FEES FOR FIELD TRIPS, MATERIALS AND SERVICES WHICH ARE EXEMPTED

1. FIELD TRIP FEES

Institutions may charge a compulsory ancillary fee for the reasonable, direct costs of travel and accommodation of students on compulsory field trips. Compulsory ancillary fees cannot be charged for such things as salaries and benefits or travel and accommodation of faculty, or for any specific tuition-related activities for any compulsory field trips.

Compulsory ancillary fees cannot be charged for any component of out-of-province compulsory field trips in compulsory courses.

2. FEES FOR LEARNING MATERIAL AND CLOTHING RETAINED BY THE STUDENT (E.G., DENTAL KITS)

3. FEES FOR MATERIAL USED IN THE PRODUCTION OF ITEMS WHICH BECOME THE PROPERTY OF THE STUDENT

4. FEES FOR MATERIAL OR SERVICES WHERE THE INSTITUTION ACTS AS A BROKER WITH A VENDOR FOR THE STUDENT

These are fees paid by students to the university which do not produce net revenue for the institution but instead are set and levied through an agreement with a vendor. In these cases, the institution is neither the manufacturer nor supplier of the material or service being purchased. Similarly structured fees, where student governments serve in the "broker" role, are considered student government fees.

APPENDIX C

The Ontario Operating Funds Distribution Manual 2009 - 10 Fiscal Year

ELIGIBLE COMPULSORY NON-TUITION-RELATED ANCILLARY FEES ASSOCIATED WITH WORK TERM PLACEMENTS

Institutions may charge compulsory ancillary fees for the total costs of placing students in jobs for work terms. The following types of costs will be considered eligible for coverage:

i) placement-service costs including:

- salaries and benefits of that portion of each position directly related to the provision of placement services and work-term activity, including such positions as placement directors, officers, assistants and administrative and support staff; and
- non-salary expenditures attributable to the provision of placement services and work-term activities including travel, telephone, mailing/postage, printing, photocopying, publicity, computing, equipment and furnishing, supplies and expenses, and external meetings, etc.; and

ii) maintenance costs of space used for placement service, including costs of utilities, custodial service and security of this space. Eligible space should include:

- the space used for administrative and professional placement staff; and
- interviewing or meeting rooms used in the placement function.

The costs of space used for part of the time for other purposes should be adjusted according to the proportion of usage for placement service.